

June 19, 2019

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

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

Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

Re: Annual Report – 2018-19


Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting a copy of the Company's Annual Report for the financial year 2018-19, which contains, inter-alia, the Notice convening the Thirty Fourth Annual General Meeting (AGM), which is being dispatched/sent to the Members of the Company through permitted mode(s). The same is also available on the Company's website viz., www.jmfl.com.

Kindly acknowledge receipt of the above report.

Thank you.

Yours faithfully,
for JM Financial Limited



 **P K Choksi**
Group Head-Compliance, Legal
& Company Secretary

Encl: As above

JM Financial Limited

Corporate Identity Number : L67120MH1986PLC038784

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

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



Index

01-35

Corporate Overview

- 02 JM Financial at a Glance
- 04 Consolidated Performance Review
- 05 Consolidated Tax Information

Being Responsible

- 08 Robust Governance
- 09 Committed Leadership

Being Reliable

- 12 Trusted Insights
- 14 Management Perspective
- 15 Clients' Speak

Being Resilient

- 18 Resilience in Action

- 20 Diversifying on the Road to Growth
- 32 Reinforcing Our Corporate Culture
- 34 Shaping Holistic Community Well-being
- 35 Corporate Information

36-140

Statutory Reports

- 36 Notice
- 48 Board's Report
- 72 Management Discussion and Analysis
- 106 Report on Corporate Governance
- 121 General Shareholders' Information
- 132 Business Responsibility Report

141-277

Financial Statements

Standalone

- 141 Independent Auditors' Report
- 148 Balance Sheet
- 149 Statement of Profit and Loss
- 150 Cash Flow Statement
- 152 Statement of Changes in Equity
- 153 Notes to Financial Statements
- 199 Financial Information of Subsidiary Companies

Consolidated

- 201 Independent Auditors' Report
- 208 Balance Sheet
- 209 Statement of Profit and Loss
- 210 Cash Flow Statement
- 212 Statement of Changes in Equity
- 214 Notes to Financial Statements

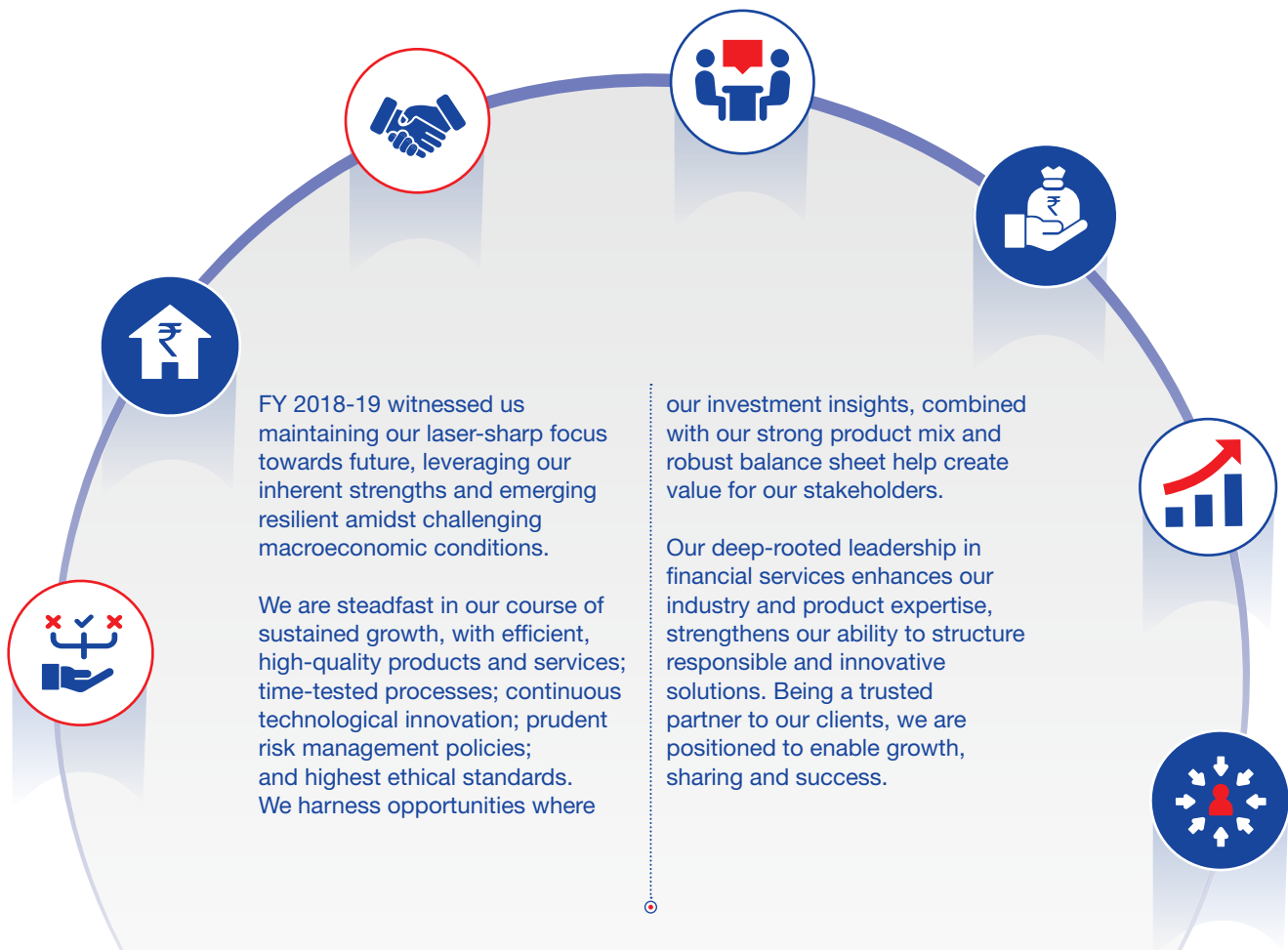


A diversified financial services powerhouse, JM Financial Group has successfully established its prudence and strategic might and has been decisively demonstrating those invaluable attributes time and again. The Group leverages its experience and expertise to emerge resilient, stronger and more able from every challenge. The Group is trusted by its stakeholders for its rich repertoire of insights that consistently generates value.

A juggler is skilfully agile in balancing and working with various objects. His unmatched concentration and dexterity enable him to shuffle different objects while keeping sight on the overall goal. **The red tie man**, embodying the juggler, symbolises JM Financial's future-ready strategies as well as epitomises how the Group upholds stakeholder confidence, through its diverse roles as a financial services provider in every tough market scenario.



Scan and view
www.jmfl.com



We are committed to the tenets of responsibility, reliability and resilience in everything we do, today and tomorrow.

JM Financial at a Glance

We are one of India's leading integrated and diversified financial services group offering a wide range of products and services to corporates, financial institutions, high net worth individuals (HNIs) and retail investors. Enriched by over four decades of value-based insights, excellence and mutual stakeholder trust, our businesses are able to extend a customised value proposition through each product offering.



Our vision

To be the most trusted partner for every stakeholder in the financial world. We believe

- Earning trust is a process; it can be gained and lost every day
- Sharing trust creates great teams – whether between employees or between organisations
- Being trustworthy is the most efficient way of generating and retaining long-term business
- Self-trust is the starting point of trusting others



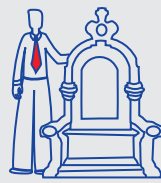
Our key strengths

- Rich legacy of over four decades of trust
- Diversified business model and brand equity
- Consistent track record of growth with profitability and creditworthiness
- Superior lending book profile with robust growth, asset quality and returns
- Diversified sources of borrowing



Our values

We are guided by our strong values, which are our core beliefs on which our organisation has been built. These values guide our actions, decisions and relationships as we work towards fulfilling our goals.



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.



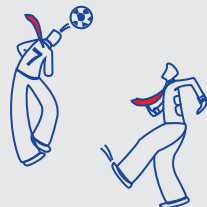
Innovation

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.



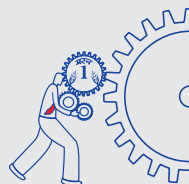
Partnership

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.



Teamwork

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



Implementation

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



Performance

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

Consolidated Performance Review

Gross Income

[₹ in Crore]

18-19	3,578.65
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
12-13	1,042.23
11-12	873.97
10-11	895.92
09-10	628.79

Profit

[₹ in Crore]

18-19	572.18
17-18	600.86
16-17	470.20
15-16	400.46
14-15	330.52
13-14	209.53
12-13	182.92
11-12	121.17
10-11	174.56
09-10	151.66

Networth

[₹ in Crore]

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
12-13	1,975.97
11-12	1,864.77
10-11	1,814.42
09-10	1,702.03

Book Value

[₹ per Share]

18-19	60.47
17-18	53.73
16-17	42.45
15-16	35.54
14-15	31.10
13-14	27.70
12-13	26.29
11-12	24.87
10-11	24.20
09-10	22.70

Earnings Per Share

[₹ per Share]

18-19	6.82
17-18	7.48
16-17	5.93
15-16	5.08
14-15	4.32
13-14	2.78
12-13	2.44
11-12	1.62
10-11	2.33
09-10	2.02

Dividend Per Share

[₹ per Share]

18-19	1.00
17-18	1.80
16-17	1.50
15-16	1.45
14-15	1.35
13-14	1.00
12-13	0.90
11-12	0.60
10-11	0.60
09-10	0.25 ¹

1 Excludes Silver Jubilee Dividend of ₹ 0.25 per share.

Note

The Group has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 with comparative figures being restated to make them comparable. Therefore, the Consolidated Gross Income, Profit and Earnings per Share for FY 2017-18 have been restated under Ind AS. Similarly, Consolidated Networth and Book value per share for FY 2017-18 and FY 2016-17 have been restated under Ind AS. Rest other figures other than those mentioned above for the period prior to April 1, 2018 are as per erstwhile Indian GAAP (IGAAP).

Consolidated Tax Information

Corporate Tax¹

[₹ in Crore]

Year	Amount (₹ in Crore)
18-19	446.31
17-18	438.36
16-17	334.84
15-16	222.45
14-15	156.39
13-14	79.98
12-13	74.93
11-12	59.55
10-11	52.78
09-10	47.37

Dividend Distribution Tax & Tax on Buyback²

[₹ in Crore]

Year	Amount (₹ in Crore)
18-19	29.92
17-18	31.82
16-17	11.08
15-16	18.71
14-15	21.32
13-14	13.86
12-13	16.87
11-12	7.97
10-11	7.89
09-10	6.68

GST & Service Tax³

[₹ in Crore]

Year	Amount (₹ in Crore)
18-19	204.78
17-18	216.36
16-17	129.59
15-16	99.14
14-15	68.94
13-14	41.71
12-13	37.48
11-12	40.56
10-11	42.54
09-10	39.41

Payroll Tax⁴

[₹ in Crore]

Year	Amount (₹ in Crore)
18-19	94.74
17-18	81.84
16-17	73.26
15-16	59.03
14-15	46.58
13-14	40.44
12-13	31.96
11-12	46.64
10-11	55.62
09-10	16.16

Non-Payroll Tax⁵

[₹ in Crore]

Year	Amount (₹ in Crore)
18-19	40.86
17-18	28.58
16-17	24.64
15-16	19.98
14-15	21.33
13-14	18.61
12-13	14.23
11-12	16.30
10-11	19.21
09-10	22.39

Securities Transaction Tax⁶

[₹ in Crore]

Year	Amount (₹ in Crore)
18-19	203.87
17-18	208.33
16-17	140.12
15-16	105.72
14-15	116.29
13-14	65.56
12-13	76.08
11-12	97.06
10-11	101.18
09-10	77.78

Total Tax Borne and Paid⁷

[₹ in Crore]

Year	Amount (₹ in Crore)
18-19	476.23
17-18	470.18
16-17	345.92
15-16	241.16
14-15	177.71
13-14	93.84
12-13	91.80
11-12	67.52
10-11	60.67
09-10	54.05

Total Tax Deducted/ Collected and Paid⁸

[₹ in Crore]

Year	Amount (₹ in Crore)
18-19	544.25
17-18	535.10
16-17	367.61
15-16	283.87
14-15	253.15
13-14	166.32
12-13	159.75
11-12	200.56
10-11	218.55
09-10	155.74

₹ 4,964 CRORE



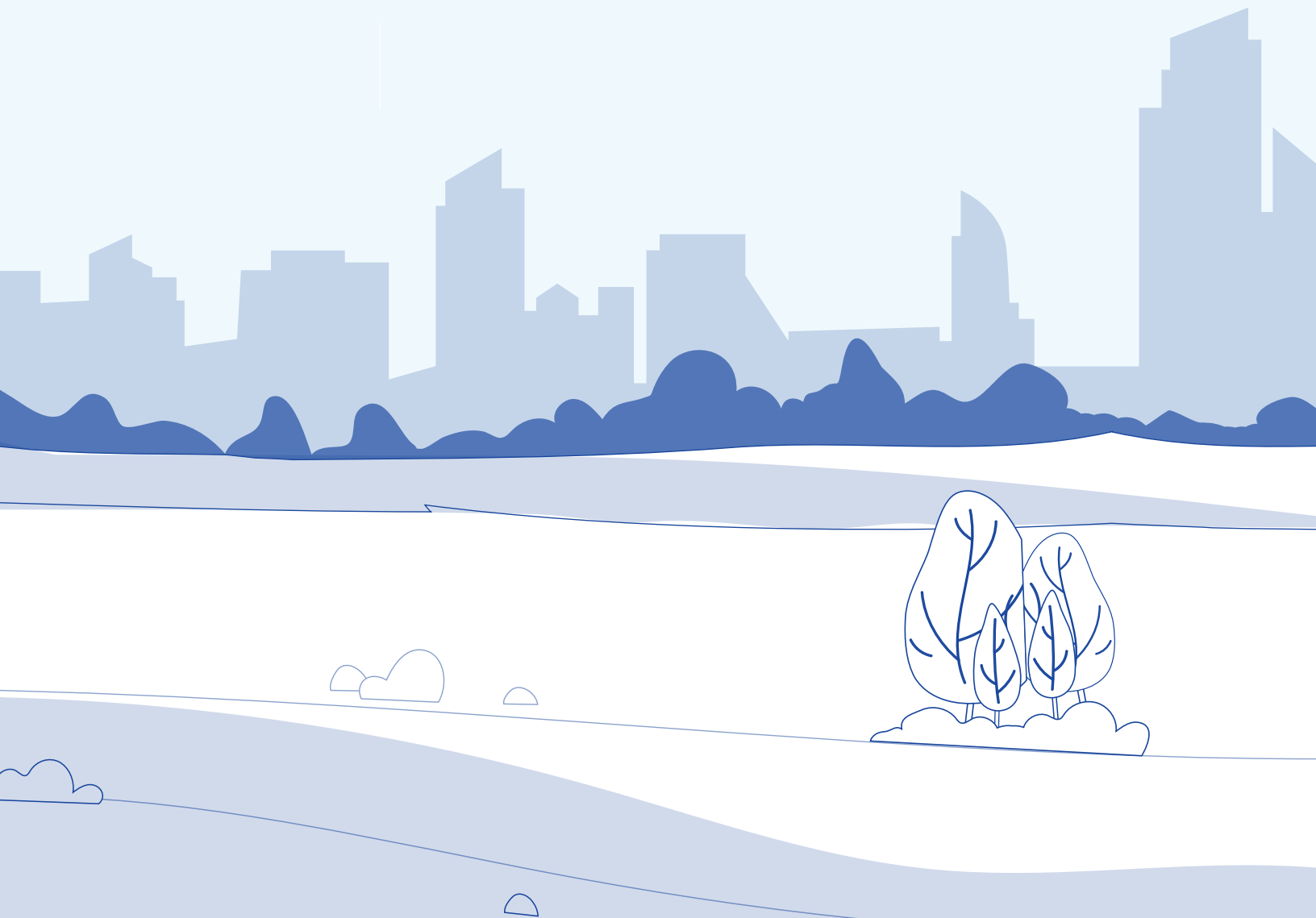
Total tax borne and Paid and
Total Tax Deducted/Collected
& paid for the last ten years

- 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 at source from payments made to service providers/ vendors and paid.
- 6 Comprises tax collected from the clients and paid.
- 7 Comprises corporate tax and dividend distribution tax.
- 8 Comprises GST, service tax, payroll tax, non-payroll tax and Securities transaction tax.

The above information has been verified by an independent chartered accountant firm.

Responsible

We seek to build lasting relationships steeped in mutual trust, with our people, our clients and other stakeholders. Our leadership commits with discipline, integrity and confidence, to reinforce our identity as a responsible partner and advisor for the long term.





Robust Governance



Mr. Nimesh Kampani
Non-Executive Chairman



Mr. Vishal Kampani
Managing Director



Mr. E A Kshirsagar
Independent Director



Mr. Darius E Udwardia
Independent Director



Mr. Paul Zuckerman
Independent Director



Dr. Vijay Kelkar
Independent Director



Mr. Keki Dadiseth
Independent Director



Ms. Jagi Mangat Panda
Independent Director

Committed Leadership

Mr. Shashwat Belapurkar

Managing Director & CEO,
Credit Solutions

Mr. Atul Mehra

Managing Director & Co CEO,
Investment Banking

Mr. Bhanu Katoch

Managing Director & CEO,
Mutual Fund

Mr. Prashant Choksi

Group Head, Compliance,
Legal & Company Secretary

Ms. Gitanjali Mirchandani

Managing Director & Country
Head Origination, Real Estate

Mr. Dimplekumar Shah

Managing Director & Co CEO,
Equity Broking Group

Mr. Anil Mavinkurve

Managing Director & Head,
Arbitrage, ESOP & Broker Funding

Mr. Manish Prasad

Managing Director & CEO,
Institutional Equities

Mr. Adi Patel

Managing Director & Co CEO,
Investment Banking

Mr. Darius Pandole

Managing Director & CEO,
Private Equity & Equity AIFs

Mr. Suhas Harinarayanan

Managing Director & Head,
Research, Institutional Equities

Mr. Anil Salvi

Group Head, Human Resources &
Administration and CEO, RE Consulting

Mr. Krishna Rao

Managing Director & Co CEO,
Equity Broking Group

Mr. Chaitanya Wagh

Group Head,
Information Technology

Mr. Subodh Shinkar

Managing Director & CEO,
Investment Advisory and Distribution

Mr. Anil Bhatia

Managing Director & CEO,
Asset Reconstruction

Mr. Manish Sheth

Group CFO and Managing
Director & CEO, Home Loans

Ms. Sonia Dasgupta

Managing Director & Head,
Financial Institutions Group

Mr. Ajay Mishra

Managing Director & Head,
Wealth Group

Mr. Sanjay Bhatia

Managing Director & Head,
Franchisee Group



Reliable

The confidence and approval of clients form the very foundation of JM Financial. We will always place the needs of clients first and strive to innovate and offer advice, along with the most value-accretive products and services that meet their needs.

Trusted Insights

Our rich experience allows us to tailor our strategies to the needs of each segment in which we operate and provide bespoke solutions. We provide a bouquet of innovative offerings that have garnered industry-wide recognition.

Value-accretive Businesses



Investment Banking, Wealth Management and Securities (IWS)

Advisory and execution services of diverse nature enable us to serve our clients in an integrated and holistic manner, thus being a single point of contact for all their financial requirements.

- Investment Banking
 - Equity Capital Markets
 - Mergers & Acquisitions and Private Equity
- Securities Business
 - Institutional Equities Business
 - Equity Brokerage Group
- Wealth Management
- Capital Markets Lending
- Independent Financial Distribution Group
- Real Estate Consulting Services
 - Dwello
- Structured Finance (Corporate)
- Private Equity Fund
- Real Estate Fund

Read more on Pages 21 – 27



Mortgage Lending

Comprehensive solutions to our clients in the real estate sector, with an emphasis on loans to underpenetrated segment of the housing finance market, education sector and SMEs.

- Wholesale Mortgage Business
- Retail Mortgage Business
 - Housing Finance Business
 - Educational Institutional Loans
 - SME Loans

Read more on Pages 28 – 29



Distressed Credit

Acquisition of distressed assets, with strong underlying businesses that have a restructuring potential to realise their investments and generate returns through the revival of companies, restructuring of debt and/or monetisation of assets.

- Asset Reconstruction Business

Read more on Pages 30



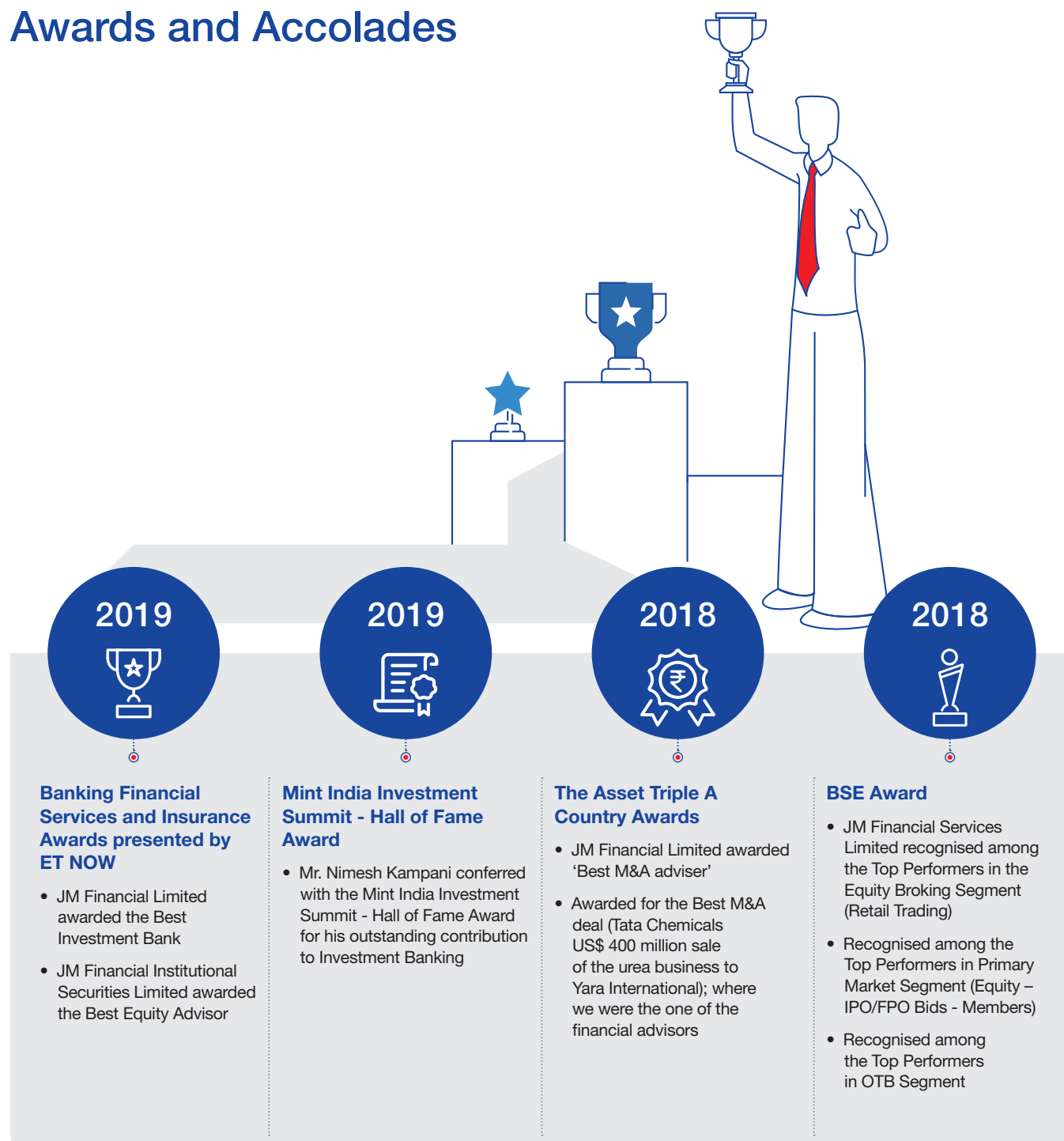
Asset Management

Wide range of investment options that cover the entire risk spectrum, catering to the diverse needs of the Institutional and the Non-institutional investors.

- Mutual Fund

Read more on Pages 31

Awards and Accolades



Management Perspective



Mr. Vishal Kampani
Managing Director,
JM Financial Group



During H2 FY2018-19, Indian NBFCs faced liquidity crunch, as a result of scepticism regarding their repayment abilities and higher cost of funds. Despite these headwinds, we demonstrated a resilient performance, riding on our diversified business, conservative asset-liability management and robust underwriting standards. Our business model enabled us to maintain strong traction and demonstrated how growing at a measured pace with an emphasis on risk-adjusted profitability facilitates progress even in a challenging market scenario. Going forward, we are confident of continuing our momentum with a stable government and its strong policies, positive economic trends and our focus on expanded offerings and innovative initiatives.



Ms. Dipti Neelakantan
Firm Management,
JM Financial Group



Building on a strong value system and robust foundation of rich experience, expertise and dedicated client-focus approach, we aptly demonstrate our unparalleled capabilities of growing business in a calibrated and sustainable manner.

We are particularly enthused by the Government's relentless pursuit of its growth agenda as well as its intent to implement ease of doing business. Such development centric outlook bodes well for all aspects of our businesses, as we remain committed to take our business to higher levels of growth backed by our zeal and a truly resilient value system.



Mr. V P Shetty
Chairman, JM Financial Asset
Reconstruction Company Limited



The financial services sector has been witnessing troubled times in recent months. As a result, our growth has been moderate as well. Having a restrained approach has been a conscious move on our part to maintain healthy liquidity to safeguard against unforeseen developments. Now that the people of India have given an unprecedented mandate to the ruling coalition, we are confident that the government at the centre will take up the unfinished big reforms agenda, hasten the process of public and private investments to cover the lost grounds as well as accelerate growth.

Clients' Speak



We are delighted to inform you that we are extremely happy with your services. Your deep understanding of the Real Estate Industry is highly appreciated.

It has been quiet sometime that we have been dealing with you and your work culture and professional ethics represent some of the best business in the industry.

We value your sincerity, honesty and promptness in problem-solving solutions. We definitely wish to continue this association in the long run.

Mr. Rasesh Kanakia

Chairman & Managing Director,
Kanakia Spaces



I would like to express my appreciation to JM Financial for the work undertaken and support with regards to the amalgamation of Bank of Baroda, Vijaya Bank and Dena Bank.

We are pleased to share that this is the first major consolidation of three public sector banks and a significant milestone for the Indian Banking Industry. From the time the 'in-principle' approval to the amalgamation was granted by the Boards of the three banks in end-September 2018, the process has been completed in record time.

We are happy about the accomplishment and this would not have been possible without your co-operation and support in meeting the challenging timelines for the tasks in which you were actively involved.

Mr. P S Jayakumar

Managing Director & CEO,
Bank of Baroda



On behalf of Sundaram Finance Ltd. and other selling shareholders and Royal Sundaram General Insurance Co. Ltd., I would like to thank the entire team at JM Financial Ltd. for the impressive work done as our exclusive Financial Advisor for sale of our 40% equity stake held in Royal Sundaram General Insurance.

We greatly appreciate the guidance, commitment and professionalism of all the team members at JM Financial, thereby effectively positioning the Company, guiding us through the process, facilitating value maximisation and finding a suitable strategic partner for us.

The closure of this transaction reinforces our trust and confidence in JM Financial and we look forward to our continued association.

Mr. Harsha Viji

Managing Director,
Sundaram Finance



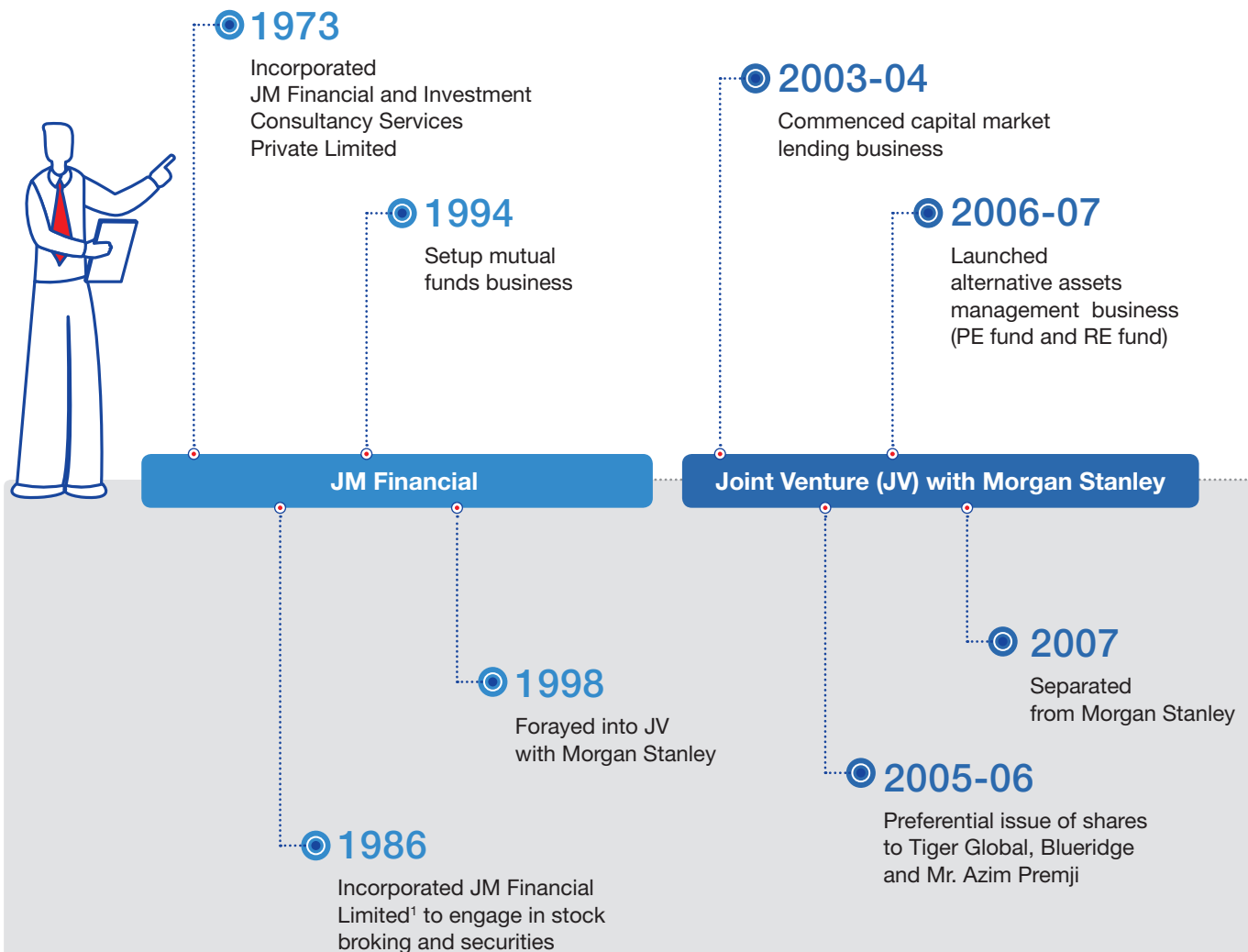
Resilient

Through the years, we have relied on our robust fundamentals and strong foundation to capitalise on business opportunities and navigate industry challenges. We have maintained an unwavering focus on earning the trust of our clients and understanding their needs. Our inherent strengths equip us to optimise our performance amid a fast-paced and continuously changing environment.



Resilience in Action

JM Financial can trace its history back to 1973. The DNA of taking on new challenges is as old as we are; and we will continue unceasingly to pursue greater stakeholder value.



¹ Then known as JM Financial Share and Stock Brokers Private Limited

² Then known as FICS Consultancy Services Limited

2007

Commenced institutional equities and research business operations

2008-09

Commenced real estate and corporate lending

2008

Started distressed lending through Asset Reconstruction business

2014

Received capital investment in real estate lending subsidiary JM Financial Credit Solutions Limited² (JMFCSL) from Global Fund led by Mr. Vikram Pandit

2015

Received long-term debt – credit rating upgrade in JM Financial Products Limited and JMFCSL to AA Stable by CRISIL and ICRA, respectively

2017

- Received licence for Housing Finance from National Housing Bank (NHB)
- Commenced Housing Finance and Education Institutional Loans business

2016

Received long-term debt – credit rating upgrade in JM Financial Asset Reconstruction Company Limited (JMFCAR) by ICRA and CRISIL to AA- Stable

2019

- Acquisition of 2.18% stake in JMFCAR
- Public issue of secured NCDs of JM Financial Products Limited

2018

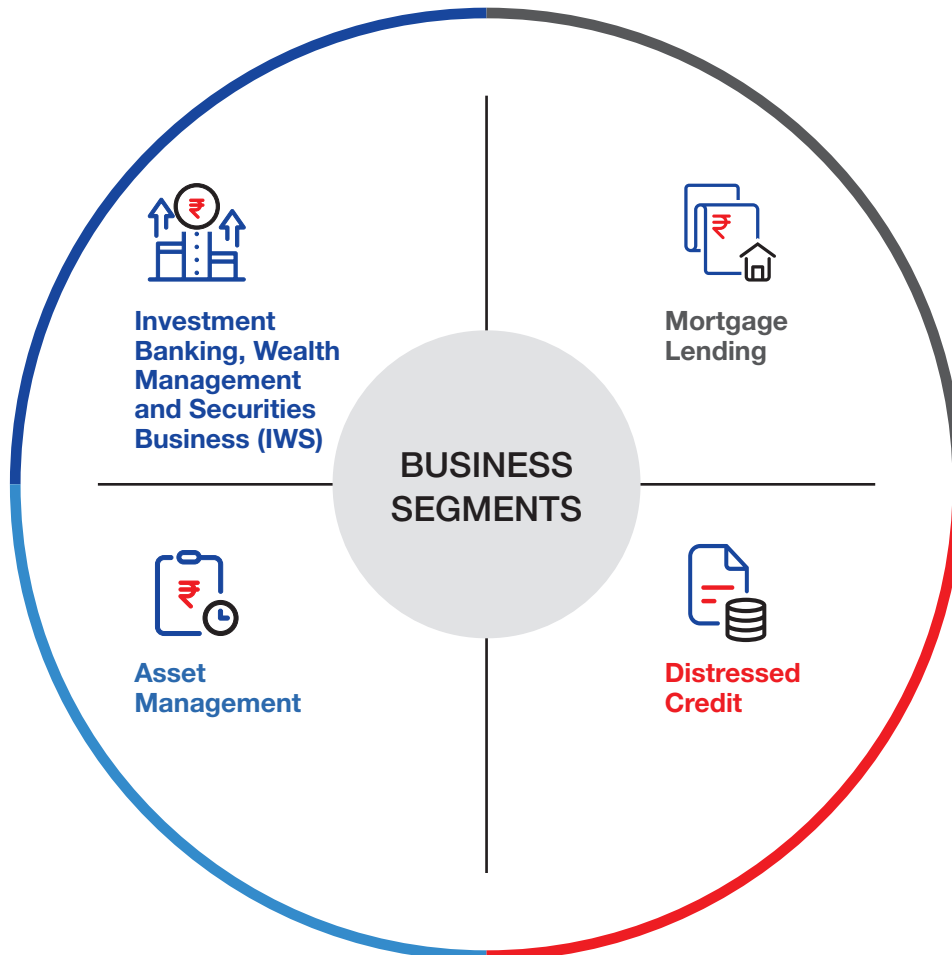
- Fund raising of ₹ 650 crore through QIP in JM Financial Limited
- Rights issue of ~₹ 280 crore in JMFCAR
- Public issue of secured NCDs of ~₹ 1,014 crore in JMFCSL
- Equity fund raise in JMFCSL of up to ₹ 875 crore

JM Financial

Diversifying on the Road to Growth

JM Financial has evolved into a prominent diversified financial services provider. With over four decades of experience, a differentiated portfolio and presence across several interdependent businesses, we cater to various customer segments with bespoke products and services. Over the years, we have developed our brand to be synonymous with responsible, reliable and resilient. Today, our clients view us as a trusted partner, peers regard us as a formidable market player, and we are known as an insight-driven organisation in the industry.

During FY 2018-19, we reclassified our business segments in accordance with Ind AS:





Investment Banking, Wealth Management & Securities Business (IWS)



Our IWS segment has been created with the objective of serving our clients in an integrated and holistic manner and become the single point of contact for all their financial requirements.

It includes advisory and execution services of diverse nature to corporates, institutions, governments and government owned corporations, banks, providing wealth advisory services institutional securities business, broking services, distribution of financial products, syndication, private equity and real estate fund and providing leverage to our clients.



INVESTMENT BANKING

We are a full-service investment banking franchise with a robust presence across various products equity capital markets, debt capital markets, mergers and acquisitions and private equity syndication in this segment. Our strong performance record, industry insights, experience and enduring client relationships provide us a competitive edge.

The investment banking business is among our oldest business divisions. Over the last four decades, we have managed some of the most complex, innovative, challenging and largest transactions in India under its umbrella.

Going forward, a conducive business environment is likely to facilitate more spending among corporates, aimed at both organic and inorganic growth. We are geared to capitalise this market phenomenon with continued focus on ideation with more insightful coverage;

and synergistically use our resources to expand our revenue base and gain profitable market share. We will further engage in strategies that leverage our relationships and expertise to offer clients with a more expanded products and services portfolio.

We have over the last four decades, managed some of the most complex, innovative, challenging and largest transactions in India.



Equity Capital Markets

Our services in this segment includes advising corporates for fund raising, debts and related offerings. During FY 2018-19, the primary markets remained active in the first half, but saw a subdued performance in the second half. However, we successfully participated in some of the leading capital market transactions.

Concluded equity capital market transactions during FY 2018-19

- Book Running Lead Manager to the IPO of:
 - Indostar Capital Finance Ltd.: ₹ 1,844 crore
 - Fine Organic Industries Ltd.: ₹ 600 crore
 - HDFC Asset Management Company Ltd.: ₹ 2,800 crore
 - Chalet Hotels Ltd.: ₹ 1,641 crore
- Book Running Lead Managers to the Qualified Institutional Placement (QIP) by:
 - Oberoi Realty Ltd.: ₹ 1,200 crore
 - HDFC Bank Ltd.: ₹ 2,775 crore
- Book Running Lead Managers to the real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) issues by:
 - India Infrastructure Trust (InvIT): ₹ 952 crore
 - Embassy Office Parks (REITs): ₹ 3,874 crore
- The performance of the equity capital markets is expected to pick momentum in FY 2019-20

During FY 2018-19, the primary markets remained active in the first half, but saw a subdued performance in the second half. The equity capital markets is expected to pick up momentum in FY 2019-20.



Mergers & Acquisitions and Private Equity

We further strengthened our Mergers and Acquisitions (M&A) and Private Equity business during FY 2018-19, with a strong focus on delivering successful transactions to our clients based on our experience, expertise and insights. We were advisor to some of the leading transactions in the industry.

Advisor to highly valued transactions during FY 2018-19

- Exclusive financial advisor to one of the largest deals in India's hospitality segment, involving the sale of four owned hotels, property in Agra and management contracts by Hotel Leelaventure Limited to Brookfield Asset Management in a deal valued at ₹ 3,950 crore
- Transaction advisor to Reliance Group on its acquisition of Hathway Cable and Datacom Limited and Den Networks Limited and manager to the Open Offers triggered as a result of these acquisitions. These transactions are among India's largest acquisition in the cable broadband and television services market
- Exclusive financial advisor to Sundaram Finance Limited and Royal Sundaram General Insurance Company Limited on the sale of 40% stake in Royal Sundaram General Insurance Company Limited to Ageas Insurance International N.V.
- Financial advisor to Heineken in connection with the acquisition of 2.80% of United Breweries Limited
- Exclusive lead manager to private placement of units by India Infrastructure Trust (an infrastructure investment trust sponsored by the Brookfield Group) for acquisition of the pipeline business owned by Pipeline Infrastructure Private Limited
- Financial advisor to JSW Steel Limited (JSW Steel) on Aion-JSW Steel's acquisition of Monnet Ispat Energy Limited under the Indian Bankruptcy Code process
- Exclusive financial advisor to Scootsy Logistics Pvt. Ltd. on the sale of its 100% equity shares to Swiggy (Bundl Technologies Private Limited)
- Advisor to Sona BLW Precision Forgings and JM Financial PE for private placement from Blackstone

₹ **3,950** CRORE



Exclusive financial advisor to one of the largest deals in India's hospitality segment

(The transaction was announced on March 18, 2019 and is under execution)



SECURITIES BUSINESS

Our securities business encompasses our Institutional Equities business and Equity Brokerage Group, which serve our institutional clients, and our individual and corporate clients, respectively.



Institutional Equities

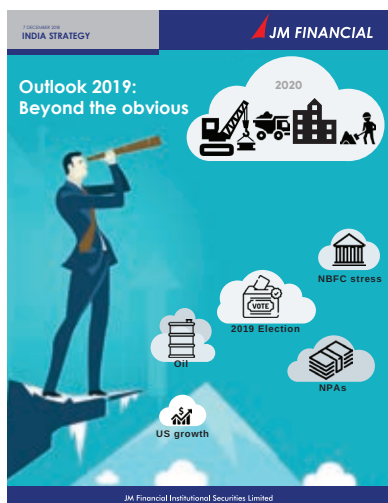
Our Institutional Equities business offers brokerage services in both cash and derivatives segments to domestic, as well as international institutional clients. The business division functions with the objective to provide high-quality differentiated research with a focus on new stock ideas, intensive client servicing and efficient

trade execution, complemented by hassle-free post trade settlement.

During FY 2018-19, we continued to generate differentiated research spanning stock ideas, thematic and sector reports, macro and investment strategy notes, among others.

As always, this helped us maintain a strong two-way relationship with our existing and ever-growing institutional client base. Today, we are the preferred choice of our clients and consistently rank top among broker partners for several foreign and domestic institutional investors. We ensure to provide end-to-end delivery through full-service sale, trading, research and corporate access services.

In addition to a strong local presence, our international offices in Singapore and USA continue to help expand our reach across large foreign institutional investors (FIIs) that are looking for exposure to Indian equities. We are also looking forward to enhancing our derivatives product range and coverage to further augment our position in institutional equities business.



We are the preferred choice of our clients and consistently rank top among broker partners for several foreign and domestic institutional investors.



Equity Brokerage Group

At JM Financial, our Equity Brokerage Group offers research-based equity advisory and trading services to high net worth individuals (HNIs), corporates and retail clients. We enjoy a robust presence in 120 top Indian cities through a wide network of branches and franchisees. The combination of branches and franchisees has enabled us to achieve a de-risked business model and service over 38,000 active clients with sales team of 392 personnel across the country.

Our advisory and funding-led broking services enable us to differentiate ourselves from other small brokers and render us profitable.

Achievements in FY 2018-19

- Average daily client volume was ₹ 5,779 crore and 30% of our customer volume was from online trading
- Conducted a training programme for our relationship managers and sales traders to improve their understanding on our wealth products and services, thereby strengthening our broking platform, as we intend to offer wealth products on this platform as well
- Continued to invest in people, research capabilities and online technology platforms, which will help us grow this business cost effectively



Mr. Gautam Shah, Director & Technical Analyst at JM Financial Services Limited conducting the Talking Finance seminar in Jodhpur



WEALTH MANAGEMENT

We cater to ultra high net worth and high net worth investors, corporates, banks and institutions through our Wealth Management Group. We follow the asset allocation model and provide a complete range of financial and custody solutions to our clients, including family office, advisory and execution services through in-house and third-party products.

- Obtained Registered Investment Advisor (RIA) licence, which will enable us to garner sizeable new AUMs and provide advisory-based services to a large set of clients

Currently, we offer services in seven major Indian cities, while we reach customers in other cities through our reliable hub and spoke model.

We have a robust team in place that ensures our clients across different locations receive integrated services. Going forward, we will fortify our products division to offer new products and services to our clients. We are focussing on technology upgradation to offer better client servicing.

Achievements in FY 2018-19

- Assets under advice, distribution and management grew by 31.7% from ~₹ 31,808 crore as on March 31, 2018 to ~₹ 41,886 crore as on March 31, 2019
- Observed further improvement in the quality of our asset mix by garnering better yielding equity and debt assets, which now stands at ~85% of our assets under management (AUM) vis-à-vis ~81% in previous year
- Integrated with Institutional Equities and Investment Banking teams for group synergies and have introduced large families/mandates to them, besides taking references from the IBD team to get access to clients



Mr. Ajay Mishra, Managing Director & Head, Wealth Group, addressing the Wealth sales and support team at the Synergies and Beyond offsite in Goa

During the review period, our Asset under advice, distribution and management grew by 31.7% from ~₹ 31,808 crore as on March 31, 2018 to ~₹ 41,886 crore as on March 31, 2019.



CAPITAL MARKETS LENDING

Our Capital Markets Lending largely caters to our wealth and broking clients and includes financing in the domains of loan against shares, margin funding, ESOP financing, loan against bonds/ mutual funds, sponsored financing and loans against property, which witnessed moderate growth during H1 FY 2018-19.

In H2 FY 2018-19, NBFCs were impacted on account of tight liquidity conditions and the volatility in capital markets resulted in capital market lending business reducing drastically from FY 2017-18 level. During FY 2018-19 our IPO funding book was ₹ 11,425 crore across 29 public issues (including six Non-Convertible

Debentures (NCD) issues) compared to ₹ 49,419 crore across 69 public issues during FY 2017-18.

The evolving liquidity scenario for NBFCs in coming quarters and the outcome of the election results will have an impact on capital market lending business going forward.



INDEPENDENT FINANCIAL DISTRIBUTION GROUP

Independent Financial Distribution Group (IFDG) has a network of over 8,400 active Independent Financial Distributors (IFDs), who distribute various financial products such as mutual funds, fixed deposits, IPOs, bonds to retail and high net worth investors across the country. We are among the top players in terms of distribution of mutual funds, IPOs and fixed deposits through IFDs.

Our online platform witnessed major progress this year with EVOLVE (account opening application) as today ~90% of online accounts are opened paperless and 1,040+ IFDs use the online facility. We have focussed on quality advisor addition and 83% of our new IFDs, who joined us in FY 2018-19 are AMFI Registration Number holders.

Achievements in FY 2018-19

- Reached No. 2 all-India ranking in Prime Database league table in retail IPO applications
- Mobilised more than ₹ 4,000 crore in various company fixed deposits and bonds and more than ₹ 1,200 crore in various equity and debt mutual fund schemes
- Increased our mutual fund AUM from ~₹ 3,100 crore in FY 2017-18 to ~₹ 3,570 crore in FY 2018-19 and Equity AUM moved up from ~₹ 2,450 crore last year to ~₹ 2,895 crore, despite market corrections
- Online transactions gained momentum with total 14,340 clients

Our online platform witnessed major progress this year with EVOLVE (account opening application) as today ~90% of online accounts are opened paperless and 1,040+ IFDs use the online facility.



Independent Financial Distributors attending the Spark Event 2018 in Mumbai



Mr. Surajit Misra, ED & Head – IFD Group presenting an award at the Achievers Awards 2018 in Goa



REAL ESTATE CONSULTING SERVICES



Dwello

Dwello offers services to home buyers to make right decisions at every step from initiation to completion of their home buying journey. It helps real estate developers to source home buyers for their projects.

The value proposition of Dwello is backed by technology, data analytics and use of online and social media marketing.

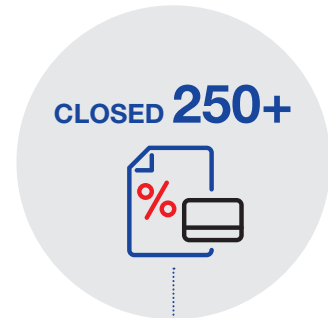
Our algorithms offer accurate recommendations by sifting through vast knowledge banks comprising real-time market data and historical decisions of many home buyers, curated by experts.

We are expanding to different areas within Mumbai. Currently we operate from four different offices in Mumbai viz. Borivali, Chembur, Thane, Prabhadevi.

Achievements in FY 2018-19

- Closed 250+ transactions valued upto ₹ 270 crore, which is thrice the total worth of transactions closed during the previous financial year
- Commenced operations in Pune towards the end of the financial year and are very bullish on the Pune residential real estate market

At Dwello, we are well poised to add significant value to our customers and scale new heights with our expansion strategies to reach newer and promising micro markets and a vision to create a technologically advanced real estate consulting company. Going forward, we will continue our efforts to increase the number of transactions facilitated in the coming year.



Transactions valued up to ₹ 270 crore



STRUCTURED FINANCE (CORPORATE)

At JM Financial, the Structured Finance Group (SFG) aims to provide customised financing solutions to growth sector companies, with a strong track record of promoters and management. H1FY 2018-19 witnessed significant growth momentum, benefitting from the banking sector issues and demand for alternate capital solutions to meet corporate business requirements. With the liquidity crisis and negative sentiment towards the NBFC market, business growth remained muted during second half of the financial year and focus shifted on asset quality, liability management, appropriate risk-return pricing and relationship-driven lending.

Achievements in FY 2018-19

- Recorded ₹ 2,317 crore Structured Finance (Corporate) loan book

comprising over 20 client groups as on March 31, 2019

- Booked over 11 new transactions, with average ticket size of ~₹ 100 crore
- Added over five new clients, greater push on distribution business within Structured Finance (Corporate)

Despite the negative market sentiment towards NBFCs in general, and ongoing liquidity constraints particularly for long-term funding transactions, the team remains focussed on building a strong pipeline for coming quarters by leveraging our franchise clients and direct relationships.

Moving ahead, the Structured Finance (Corporate) team will drive the business through consistent client engagement. It will identify short-term finance requirements of our franchise clients

and other credit-worthy corporates even as challenges of liquidity, competition and rising yields persist.

We recorded **₹ 2,317 crore** Structured Finance (Corporate) loan book comprising over 20 client groups as on **March 31, 2019.**



PRIVATE EQUITY FUND

JM Financial India Fund (the Fund) is an India-focused private equity fund that provides growth capital to dynamic, fast-growing companies in India. The Fund raised capital of ₹ 952 crore through its domestic and offshore schemes and invested the corpus in 13 companies across various sectors.

The Fund has successfully exited from ten of its portfolio companies (including one partial exit) and has distributed/appropriated (gross of tax, including tax retentions) an aggregate of ~112% of the capital contributions as of March 31, 2019.

The Fund is currently working to seek exit opportunities for the balance portfolio.

JM Financial India Fund II (Fund II) is established as a trust under the Indian Trust Act, 1882 and registered with the Securities and Exchange Board of India (SEBI), under the SEBI (Alternative Investment Funds) Regulations, 2012 as a Category II AIF.

Fund II is also an India-focused private equity fund, which concentrates on investing in dynamic and fast-growing small to mid-market companies in India. It has completed a second close and is in the process of raising further capital.

The Fund II has completed three investments and is actively evaluating additional investment opportunities.

The Fund II has completed three investments and is actively evaluating additional investment opportunities.



REAL ESTATE FUND

JM Financial Property Fund (the Property Fund) is a real estate focused private equity fund that has invested in residential, hospitality and 'mixed-use' development assets at individual project or at holding level in development companies.

The Property Fund through its domestic and offshore schemes had raised total capital contribution of ₹ 401 crore, which is fully invested. Till date, it has made an aggregate distribution of ₹ 294 crore, which is 73.4% of the total capital contribution in rupee terms. The Property Fund will continue to focus on exploring exit opportunities for its outstanding portfolio investments.



Mortgage Lending Business



WHOLESALE MORTGAGE BUSINESS

Our Wholesale Mortgage Lending business aims to offer integrated solutions to our clients in the real estate sector by catering to their various financing requirements. Our offerings have evolved over time and are a result of our industry insights, experience across geographies and enduring client relationships. Our products in this segment include Project Funding, Loan against Ready Property, Project Acquisition Funding and Debt Syndication/Equity Raising.

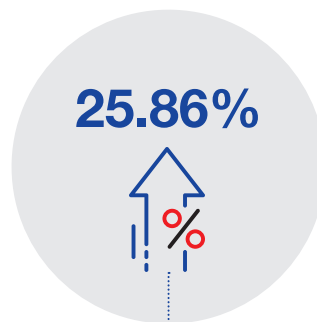
Achievements in FY 2018-19

- Grew our loan book to ₹ 8,123 crore as on March 31, 2019 from ₹ 7,339 crore as on March 31, 2018
- Expanded client relationships to 88 groups across India
- Recorded CAGR of 25.86% over the last three years

- Initiated focus on fee-based income by way of debt/equity raise for real estate developers

On the road ahead, we will leverage our long-standing relationships in the industry and provide financing solutions to our clients. We will increase exposure selectively to existing clients

and add credit-worthy clients, while we continue with diversification of the loan book across existing geographies. We will provide project financing, along with other financing solutions like raising debt/equity and asset sale to real estate developers.



25.86%

CAGR over the last three years

We grew our loan book to ₹ 8,123 crore as on March 31, 2019 from ₹ 7,339 crore as on March 31, 2018.





RETAIL MORTGAGE BUSINESS



Housing Finance Business

Our Housing Finance Business undertook firm steps towards laying a strong foundation in its first full year of operations and now people, processes and policies are in place to scale the business.

During FY 2018-19, we maintained our focus on serving the under-penetrated segment of the housing finance market; and offered ~80% of the home loans to the Economically Weaker Section (EWS)/Low Income Group (LIG) customer segments, with a fourth of them without any credit history. Despite this, our relentless emphasis on credit quality and stringent underwriting standards ensured zero delinquencies.

Unlike the market, our housing finance business was largely insulated from the liquidity condition as it remained adequately funded by the parent.

Achievements in FY 2018-19

- Expanded our operations to 15 locations primarily in Tier II and Tier III towns across the country

- Incorporated robust back-end IT systems and a strong credit underwriting framework to originate and service loans
- Disbursed ~80% of the loans to EWS/LIG segments
- Recorded zero delinquency as on March 31, 2019

We believe, going forward, the scope of this business segment is likely to increase further as the Government of India is relentlessly focussing on its Housing for All programme. The taxation policies regarding the housing sector, including the reduction of GST for under-construction houses for affordable category are likely to bolster the housing industry. Additionally, softening retail inflation and recent repo rate cuts by the Reserve Bank of India (RBI) will also drive demand in the industry, which will enable housing finance companies (HFCs) to grow.

During FY 2018-19, we maintained our focus on serving the under-penetrated segment of the housing finance market; and offered ~80% of the home loans to the Economically Weaker Section (EWS)/Low Income Group (LIG) customer segments, with a fourth of them without any credit history.



Education Institutional Loans

India's young demography, with over 40% of its population still under the education seeking age, offers tremendous growth potential in private education. A strong cultural affinity towards educating the next generation and rising income levels is fuelling demand for private education beyond the urban centres. This increase in demand across all levels of education from pre-primary to professional courses is driving expansion of education infrastructure across semi-urban and rural centres. In keeping with this trend in the education institution lending business, we are continuing our focus on improving business reach by building capability to support these growing institutions.

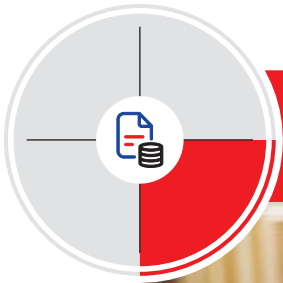


SME Loans

SMEs play an important role in India's economic growth. The critical factor for the success of this sector is availability of credit both in terms of quantum and timely support.

SME Loans are provided primarily for the purpose of business expansion and meeting working capital and other requirements.

We also provide loan against property to our clients requiring funds for business and other purposes.



Distressed Credit



During FY 2018-19, we witnessed a significant amount of activity in the Insolvency and Bankruptcy space. While 1,589 companies came under the radar and resolution plans for 94 companies were approved, 333 enterprises have been ordered to be liquidated.

Our Distressed Credit business focusses on the acquisition of individual corporate accounts, with strong underlying businesses that have a restructuring potential leading to faster turnaround and resolution. We conduct all business-related activities such as financial and legal due diligence for acquisitions, resolutions and document storage in-house. We actively work with industry specialists and sector-specific firms for acquisition of loans. During FY 2018-19, we continued our focus on the revival, restructuring and resolution of corporate accounts.

Our investment strategy primarily focusses on acquiring over-leveraged operating companies with viable businesses. We turnaround these

companies by right-sizing the leverage and bringing in strategic partners or business specialists for operational efficiencies.

Foreign Portfolio Investors (FPIs) and Foreign Investors (FIs) have also been active in this space and have been investing in distressed companies through Asset Reconstruction Companies (ARC). During FY 2018-19, FPIs and FIs co-invested with us for acquiring loans from banks. We are in the process of launching an alternative investment fund (AIF), which will focus on distressed investment.

Achievements in FY 2018-19

- Submitted 23 Expression of Interest for various accounts undergoing corporate insolvency and resolution process
- Out of ~1,589 admitted cases under Insolvency and Bankruptcy Code (IBC), our JM Financial Asset Reconstruction Company Limited (JMFARC) received exposure to 41 accounts, of which one has been assigned, resolution plan has been approved in four cases and liquidation has been ordered in nine cases

- Filed a total of 22 cases before various benches of National Company Law Tribunal (NCLT) under Insolvency & Bankruptcy Code, 2016 of which six have been admitted

- Acquired one large account and aggregated existing accounts; recoveries from various accounts were robust and recoveries were mostly utilised to repay the existing liabilities

During the year under review, our growth was affected by liquidity issues for NBFCs, resulting in disruption in long-term borrowings and elevated cost of funds.

There were impediments to procuring long-term debt and timely access to bank and long-term funding remains a critical factor for the growth of the business.

This market scenario is expected to spill over in the current year as well and will impact growth of this business division. We do not envisage any fresh acquisitions in the coming quarter and believe this situation will take a little longer to ease out and return to normalcy.



Asset Management



MUTUAL FUND

JM Financial Mutual Fund (JMF MF) has been operational for over two decades in India's Asset Management space. We offer a bouquet of 15 mutual fund schemes across the risk-return spectrum that caters to the specifics of both institutional and individual investors.

We provide a wide range of retail and corporate investment solutions, with schemes like equity-oriented schemes, equity-linked savings scheme, debt-based schemes (both short-term and long-term debts), hybrid schemes and specialised schemes such as arbitrage.

We were among the first few fund houses in India to launch and create a niche in the arbitrage category. Our risk and fund management framework allows us to effectively manage both risk and investments, while generating high-quartile returns across the product categories.

We have established a strong presence across all demographics and enjoy pan-India footprint with 13 branches, 81 investor service centres and over 15,000 distributors and an investor base of over 1.20 lakh.

Achievements in FY 2018-19

We recorded average assets under management (AAUM) at ~₹ 11,225 crore with Equity AAUM ~₹ 7,612 crore and Debt AAUM ~₹ 3,613 crore for JM Financial Mutual Fund.

The average AUM of the mutual fund industry stood at ~₹ 24.5 trillion for the quarter ending March 31, 2019. FY 2018-19 witnessed volatility on account of various factors such as high crude oil prices; depreciation of the rupee against the dollar; credit crisis; border tensions; global events like the US-China trade war and others. Despite the volatility, broader indices such as S&P BSE Sensex gained ~17.3% during the year under review.

The mutual fund industry saw good flows from retail investors in equity schemes, especially by way of Systematic Investment Plans (SIPs). Industry initiatives such as customer education, focus on smaller cities and towns, as well as concentration on inflows through SIP have helped in bringing in stable assets. It has also been evident that mutual funds are emerging as a popular investing vehicle for investors and are making the markets more resilient to pull outs by FIIs.

Reinforcing Our Corporate Culture

We follow a culture of empowering employees that has enabled us to create a workplace that nurtures cooperation and excellence at every level.

Our people practices ensure we provide a congenial work culture, drive motivation and engagement to develop a healthy ecosystem.

Talent Management

Our people play a pivotal role in attaining our organisational goals and overall performance. Therefore, talent management remains one of the most important aspects for our business. At JM Financial, we consider our people as our partners in growth and key stakeholders that help us maximise our competitive edge in the market.



JM Financial ARC team attending a training on business etiquette



Winners of JM Financial Football Championship 2019

Skill Development

We prioritise building and developing our talent pool with relevant competencies. We encourage an environment of continuous learning and promote both on-the-job and classroom trainings for upskilling our people. These programmes on both behavioural and technical skills have played a crucial role in our growth and driving motivation in the organisation.



Training - Leadership Acceleration Programme

We also nominate our people for various internal and external trainings to enhance their current skill sets. During FY 2018-19, we organised several workshops and training programmes, which included behavioural programmes such as eye for detail, leadership acceleration, business etiquette & fine dining, emotional intelligence, corporate grooming and executive presence and team development intervention. Our technical training programmes involved equity analysis and valuation, cross-selling, investment advisory certification programme, MS office, financial modelling, credit-risk management and digital marketing. We have successfully achieved a total of 1,746 person-days of trainings for all our employees.

Engagement Activities

Interaction and communication with our employees are key focus areas for us. We endeavour to engage with our people through various forums and events. We celebrate all major festivals like Independence Day, Navratri, Diwali, Christmas and Women's Day with exciting and memorable events.

We also conduct team-building exercises, which include offsites, outings and picnics, among others and reinforce inter-team functionalities. Additionally, we encourage our people to participate in various activities by promoting the music club and sports club, while we sponsor various tournaments like football, cricket and bowling to inspire participation among colleagues.

During FY 2018-19, we participated in employee engagement surveys such as Great Place to Work and were recognised as one of the best places to work in the 'Great Place to Work 2018' survey.



Diwali celebration 2018



JM Financial women's cricket team



2018 Awards Galore

- JM Financial Group was accredited as Great Place to Work Certified™ by the Great Place to Work Institute for all participating entities
- JM Financial Services Limited ranked among the Top 100 in India's Best Companies to Work
- JM Financial Limited (Representing Institutional Businesses) ranked among the Top 50 in India's Great Mid-Sized Work Places
- JM Financial Asset Management Limited ranked among the Top 50 in India's Great Mid-Sized Work Places



Employees participating in the team-building activity at the Corporate Functions Group offsite



Christmas celebration 2018

Shaping Holistic Community Well-being

We believe in extending our core value of ‘trust’ to the communities around us and co-creating value with them. This empathy towards our communities enables us to go beyond our business and handhold them to help channelise their true potential and realise their aspirations.

We reach out to less-privileged communities through our various social initiatives that we conduct under the aegis of our philanthropic arm, JM Financial Foundation. Our key social responsibility programmes include:

Integrated Rural Transformation Programme

- Enables learning from and working with communities at the grassroots

Philanthropic Support

- Caring for causes that would otherwise go unaided

We are reaching out to over 10,057 households across 271 villages in six blocks in four districts of Bihar, Jharkhand and Maharashtra with transformational initiatives in the realms of agriculture enhancement, livelihoods generation, livestock development, quality education and nutrition, and women empowerment. We are positively impacting 18,000+ people through our need-based initiatives.

We are positively impacting 18,000+ people through our need-based initiatives.



Bachpan Centre children enjoying their daily play time right after a meal



Didis working with dignity at the Shri Vardhmaan Mahila Griha Udyog



ILDC cattle health camp at Mirchaphatakchak village, block Sikandra



MHU Group counselling session on worm infestations

Our initiatives and their outcomes so far have been detailed in the Corporate Social Responsibility section of the Management Discussion and Analysis. Refer page nos. from 92 to 105.

Corporate Information

BOARD OF DIRECTORS
NON-EXECUTIVE CHAIRMAN
Mr. Nimesh Kampani

MANAGING DIRECTOR
Mr. Vishal Kampani

INDEPENDENT DIRECTORS
Mr. E A Kshirsagar
Mr. Darius E Udawadia
Mr. Paul Zuckerman
Dr. Vijay Kelkar
Mr. Keki Dadiseth
Ms. Jagi Mangat Panda

MEMBER – FIRM MANAGEMENT
Ms. Dipti Neelakantan

**GROUP HEAD – COMPLIANCE,
LEGAL & COMPANY SECRETARY**
Mr. Prashant Choksi

**GROUP CHIEF FINANCIAL
OFFICER**
Mr. Manish Sheth

PRINCIPAL BANKER
HDFC Bank Limited

STATUTORY AUDITORS
Deloitte Haskins & Sells, LLP

REGISTRAR & TRANSFER AGENTS
Karvy Fintech Private Limited
Unit: JM Financial Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad 500 032
Phone: 040-6716 2222
Fax: 040-23420814
Toll Free no.: 1800-3454-001
Email ID: einward.ris@karvy.com
Website: www.karvyfintech.com

REGISTERED OFFICE
JM Financial Limited
7th Floor, Chenergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400025
Tel: 91-22-66303030
Fax: 91-22-66303223
Email: shareholdergrievance@jmfl.com
Website: www.jmfl.com

CIN: L67120MH1986PLC038784

Notice

NOTICE IS HEREBY GIVEN THAT THE THIRTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JM FINANCIAL LIMITED (THE COMPANY) WILL BE HELD ON FRIDAY, JULY 19, 2019 AT 3.30 P.M. AT J. K. BANQUETS HALL, INDUSTRY MANOR, 1/B-1&2, GROUND FLOOR, APPASAHEB MARATHE MARG, NEAR CENTURY BHAVAN, PRABHADEVI, MUMBAI 400 025 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company consisting of the Balance Sheet as at March 31, 2019, 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; and
 - (b) the Audited Consolidated Financial Statements of the Company consisting of the Balance Sheet as at March 31, 2019, 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 Auditors' Report thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr. Nimesh Kampani (DIN 00009071), who retires by rotation and being eligible, seeks re-appointment.
4. To authorise the Board of Directors of the Company, to fix the remuneration of Deloitte Haskins & Sells LLP, (ICAI Firm Registration Number 117366W/W-100018), the Statutory Auditors of the Company for the remainder of their tenure as such Auditors.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made thereunder read with Schedule IV to the Act, applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) and/or

re-enactment(s) thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, approval of the Members of the Company be and is hereby granted to re-appoint Ms. Jagi Mangat Panda (DIN 00304690), as an Independent Director of the Company, not liable to retire by rotation, for a further term not exceeding five (5) consecutive years from March 31, 2020 to March 30, 2025.”

“RESOLVED FURTHER THAT the Board of Directors or any Key Managerial Personnel of the Company for the time being are hereby severally authorised to do all such acts, deeds, matters and things and take such steps as may be necessary, expedient or desirable in this regard.”

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”) and Section 188 of the Companies Act, 2013 (hereinafter referred to as “the Act”), if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”) which term shall include any Committee thereof) to enter into any and all transactions/contracts/arrangements with JM Financial Credit Solutions Limited (“JM Financial Credit Solutions”), a subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, relating to making of loan(s) to, and/or giving of guarantee(s) or providing security(ies) on behalf of JM Financial Credit Solutions and/or making of investments in the securities of JM Financial Credit Solutions and the purchase from and/or sale to it of any securities and/or providing to/availing of services by the Company, on such terms and conditions as the Board in its absolute discretion may deem fit PROVIDED HOWEVER THAT the amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial Credit Solutions and remaining outstanding at any point of time shall not exceed ₹ 500 Crore (Rupees Five Hundred Crore Only) during a financial year.”

“**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 full effect to the above resolution and matters connected therewith or incidental thereto.”

7. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as “the Listing Regulations”) and Section 188 of the Companies Act, 2013 (hereinafter referred to as “the Act”), if and to the extent applicable, and other applicable provisions of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regards, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) to enter into any and all transactions/contracts/arrangements with JM Financial Asset Reconstruction Company Limited (“JM Financial ARC”), a subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, relating to making of loan(s) to, and/or giving of guarantee(s) or providing security(ies) on behalf of JM Financial ARC and/or making of investments in the securities of JM Financial ARC and/or the purchase from and/or sale to it of any securities and/or providing to/availing of services by the Company, on such terms and conditions as the Board, in its absolute discretion, may deem fit PROVIDED HOWEVER THAT the amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial ARC and remaining outstanding at any point of time shall not exceed ₹ 500 Crore (Rupees Five Hundred Crore Only) during a financial year.”

“**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 full effect to the above resolution and matters connected therewith or incidental thereto.”

8. 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 (hereinafter referred to as “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 Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Securities and Exchange Board of India regulations and guidelines, Reserve Bank of India guidelines along with applicable circulars and clarifications issued by them from time to time and to the extent applicable to the Company including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force and subject to the provisions of the Company’s Memorandum and Articles of Association, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) to offer, issue and allot secured/unsecured, listed/unlisted, rated/unrated redeemable Non-Convertible Debentures, in one or more series/tranches, aggregating up to ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore Only), on private placement basis and/or through public offer, on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company.”

“**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 full effect to the above resolution and matters connected therewith or incidental thereto.”

By Order of the Board

Prashant Choksi

Group Head - Compliance, Legal
& Company Secretary

Place: Mumbai
Date : May 2, 2019

Registered Office:

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

Notice (Contd.)

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DULY FILLED IN ALL RESPECTS AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to the applicable provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Rules made thereunder, a person can act as proxy on behalf of the Members not exceeding fifty (50) in number and holding in the aggregate not more than ten per cent (10%) of the total share capital of the Company. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. A Member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.

1. The relevant statement to be annexed to the Notice pursuant to Section 102 of the Act, which sets out details relating to the Special Business at item nos. 5 to 8 of the Notice, is annexed hereto and forms part of the Notice.
2. Members are requested to:
 - i bring the attendance slip duly completed and signed at the meeting.
 - ii quote their respective folio numbers or DP ID and Client ID number for easy identification of their attendance at the meeting.
3. Body Corporate Members of the Company are requested to send a certified copy of the board resolution authorising their representative(s) to attend and vote at the meeting.
4. The Register of Members of the Company shall remain closed from Tuesday, May 14, 2019 to Friday, May 17, 2019 (both the days inclusive) for the purpose of dividend and Annual General Meeting (AGM).
5. The final dividend as recommended by the Board of Directors, if declared at the ensuing AGM, will be paid on and from Monday, July 22, 2019 to those Members:
 - i whose names appear in the Register of Members at the close of business hours on Monday, May 13, 2019, in respect of shares held by them in physical form; and
 - ii 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 Monday, May 13, 2019, in respect of shares held by them in dematerialised form.

6. Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as “the IEPF Rules”), mandates the transfer of dividend amount that remains unclaimed or unpaid for a period of seven years, from the date of transfer of such amount to the Unpaid Dividend Account, to the Investor Education and Protection Fund (hereinafter referred to as “IEPF”).

Members, who have not yet claimed their dividend for the financial year 2011-12 and/or for any subsequent financial years, are requested to immediately claim the same from the Company or its Registrar and Transfer Agents, as the unclaimed dividend for the financial year 2011-12 is due for transfer to the IEPF in September 2019.

Details of the Members whose dividend has remained unclaimed/unpaid up to interim dividend 2017-18 as on the date of the Thirty Third AGM held on July 18, 2018, has been uploaded on the website of the IEPF viz., www.iepf.gov.in and also under “Investor Relations” section on the website of the Company viz., www.jmfl.com.

7. Section 124(6) of the Act read with the IEPF Rules, mandates the companies to transfer all the shares, in respect of which the dividend has not been claimed for seven consecutive years or more, in the name of IEPF Authority. The shares are transferred by way of credit to the Demat Account established by the IEPF Authority for the said purpose.

The equity shares in respect of which the dividend has not been claimed for seven consecutive years from the financial year 2011-12, (barring the equity shares that have already been transferred by the Company to IEPF earlier) are due to be transferred by the Company in the name of IEPF Authority in September 2019.

The Company has so far transferred 13,18,809 equity shares to IEPF Authority in accordance with the applicable provisions including 1,53,526 equity shares on September 24, 2018. The Company has also transferred an amount of ₹ 15,78,072 to IEPF being the unclaimed dividend for the financial year 2010-11.

The Company has been sending periodic reminders to the Members to claim their dividend 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 an advertisement in newspaper.

Members whose unclaimed/unpaid 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 shares from IEPF/IEPF Authority by following the procedure prescribed in the IEPF Rules.

In case of any queries/clarification required for claiming the dividend/shares from IEPF, Members may contact Mr. Prashant Choksi, Nodal officer, appointed as per IEPF at the email id: prashant.choksi@jmfl.com.

The details in respect of amount of unclaimed dividend for last seven years are given in the General Shareholders' Information Section forming part of this Annual Report.

8. Pursuant to the provisions of Sections 101 and 136 of the Act read with the Companies (Accounts) Rules, 2014, electronic copy of the Annual Report for the financial year 2018-19 is being sent to those Members whose email IDs are registered with their respective Depository Participants (DPs), the Company or its Registrar and Transfer Agents, viz., Karvy Fintech Private Limited, unless any Member has requested for a hard copy of the same. Members, who have not registered their email addresses so far, are requested to promptly intimate the same to their respective DPs or to the Company/its Registrar and Transfer Agents, as the case may be. Physical copies of the Annual Report for the financial year 2018-19 will be sent through the permitted mode in cases where the email addresses are not available with the Company.
9. Electronic copy of the Notice convening the Thirty Fourth AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members who hold shares in dematerialised mode and whose email IDs are registered with their respective DPs. For those Members who have not registered their email address, physical copies of the said Notice, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through permitted mode.
10. Members may also note that the Annual Report for the financial year 2018-19 including the Notice convening the Thirty Fourth AGM will also be available on the Company's website viz., www.jmfl.com which can be downloaded from the site. The physical copy of the aforesaid documents along with the Certificate from Statutory Auditors certifying that the Company's Employee Stock Options Scheme is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and other statutory documents for inspection as required under the Act will also be available for inspection at the Company's Registered Office on all the working days, except Saturdays, between 2.00 p.m.

and 4.00 p.m. up to the date of this AGM. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. Members may also send their requests to the Company's investor email id: shareholdergrievance@jmfl.com.

11. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017, with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at this AGM.
12. Voting through electronic means:
 - I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company provides to its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the Thirty Fourth AGM by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using the electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Fintech Private Limited (Karvy).
 - II. The facility for voting through ballot paper shall also be made available at the AGM and the Members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not cast their vote by remote e-voting.
 - III. Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on Monday, July 15, 2019 (9:00 a.m.) and ends on Thursday, July 18, 2019 (5:00 p.m.). During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, (as on the cut-off date of Friday, July 12, 2019) may cast their votes by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter.
 - V. Once the vote on a resolution is cast by a Member through e-voting, the concerned member shall not be allowed to change it subsequently or cast the vote again.

Notice (Contd.)

- VI. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- VII. The process and manner for remote e-voting is as under:
- A. Members whose email IDs are registered with the Company/DPs will receive an email from Karvy informing them of their User ID and Password. Once a Member receives the email, he or she will need to go through the following steps to complete the e-voting process:
- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and Password) which will be sent separately. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1800-3454-001 for your existing password.
 - (iii) After entering these details appropriately, click on "LOGIN".
 - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you have forgotten your password. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the E-Voting Event Number for JM Financial Limited.
 - (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. If you do not want to cast your vote, select "ABSTAIN".
- (viii) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm your vote on the Resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail ID: jayshreedagli@gmail.com or shareholdergrievance@jmfl.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the format "Corporate Name_EVENT NO."
- B. In case a Member receives physical copy of the Notice of AGM (for those Members whose email IDs are not registered or who have requested the physical copy):
- a) Initial password is provided in below format at the bottom of the Attendance Slip for the AGM :

USER ID	PASSWORD
.....
 - b) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
- VIII. In case of any query pertaining to e-voting, please visit 'Help & FAQ's section' available at Karvy's website <https://evoting.karvy.com>.
- IX. If you are already registered with Karvy e-voting platform then you can use your existing User ID and Password for casting the vote through remote e-voting.

- X. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.
- XI. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, July 12, 2019.
- XII. Any person who becomes a Member of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Friday, July 12, 2019, may obtain the User ID and Password in the manner as mentioned below:
- a) If the mobile number of the Member is registered against Folio No./DP ID and Client ID, the Member may send SMS : **MYEPWD** <space> E-Voting Event Number + Folio No. or DP ID and Client ID to **9212993399**
- Example for NSDL:
MYEPWD <SPACE> IN12345612345678
- Example for CDSL:
MYEPWD <SPACE> 1402345612345678
- Example for Physical:
MYEPWD <SPACE> XXXX1234567890
- b) If e-mail address or mobile number of the Member is registered against Folio No./DP ID and Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID and Client ID and PAN to generate a new password.
- c) You may call Karvy's toll free number 1800-3454-001 for any help.
- d) You may also send an e-mail request to evoting@karvy.com.
- XIII. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., Friday, July 12, 2019 only, shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- XIV. Ms. Jayshree S Joshi, Company Secretary (Membership No. FCS 1451), Proprietress of Jayshree Dagli & Associates, Company Secretaries, Mumbai, is appointed as the Scrutiniser by the Board of Directors of the Company to scrutinise the e-voting process in a fair and transparent manner.
- XV. Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held with the assistance of Scrutiniser, by use of ballot paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVI. The Scrutiniser shall, after the conclusion of voting at the AGM, count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The voting result declared along with the report of the Scrutiniser shall be placed on the website of the Company, viz., www.jmfl.com and on the website of Karvy immediately after the declaration of result by the Chairman or by a person, duly authorised for the purpose. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office the Company.
- XVIII. 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., Friday, July 19, 2019.
13. The Company has paid the annual listing fees for the financial year 2019-20 to BSE Limited and National Stock Exchange of India Limited.
14. Members are entitled to make nomination in respect of the shares held by them in physical form. Members desirous of making nominations may send their request in Form No. SH-13 in duplicate to the Registrar and Transfer Agents (RTA) of the Company. Members may obtain a blank Form No. SH-13 upon request to the Company or its RTA.
15. Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN), bank account details and documents pertaining to address proof by every participant in the securities market. Members holding shares in physical form are requested to submit their PAN, bank account details and documents pertaining to address proof details to the Company or to its RTA, if not submitted earlier.
16. The Company has made necessary arrangements for the Members to hold their shares in dematerialised form. Those Members who are still holding shares in physical form are requested to dematerialise their shares by approaching any of the registered DPs. As per Regulation

Notice (Contd.)

40 of the Listing Regulations, securities of Listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Members may write to the Company Secretary at the Registered Office of the Company in case they wish to get their securities dematerialised.

17. Payment of dividend through Electronic Clearing Services (ECS)/ National Automated Clearing House (NACH):

All companies are mandatorily required to use ECS/NACH facility wherever available for payment of dividend, wherein the dividend amount would be directly credited to the Members' respective bank accounts.

Members holding shares in electronic form are informed that bank particulars registered in their respective demat accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. All Members holding shares in electronic form are, therefore, requested

to update their correct bank details with their DPs to ensure receipt of dividend through ECS/NACH mode. Members holding shares in physical form and desirous of either registering their bank particulars or changing bank particulars already registered in their respective folios for payment of dividend, are requested to write to the Company or to its RTA.

18. Members are requested to immediately notify any change in their address to:

- their DPs in case they hold shares in electronic form; and
- RTA or the Company (along with their bank account details) in case they hold shares in physical form so as to enable the Company to despatch the dividend pay orders or the communication relating to the ECS/NACH at the changed address.

19. The route map showing directions to reach the venue of the Thirty Fourth AGM forms part of this report.

REQUEST TO MEMBERS

Members are requested to send their queries, if any, relating to the financial statements, shareholding, etc., to the Company Secretary/Chief Financial Officer at the Registered Office of the Company, on or before Friday, July 12, 2019, so that the answers/details can be kept ready at the AGM.

Annexure to Notice

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

Item No. 5

The Members of the Company had appointed Ms. Jagi Mangat Panda (DIN 00304690), as an Independent Director of the Company for a term of five (5) consecutive years commencing from March 31, 2015 and expiring on March 30, 2020.

The Members may note that pursuant to Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five (5) consecutive years on the board of a company, but shall be eligible for re-appointment for a further term of up to five (5) consecutive years on passing of a special resolution by the company.

The Nomination and Remuneration Committee (the NRC) of the Board of the Company, at its meeting held on April 18, 2019, had unanimously recommended to the Board, the re-appointment of Ms. Jagi Mangat Panda as an Independent Director for a further term not exceeding five (5) consecutive years from March 31, 2020 to March 30, 2025.

The NRC, while recommending the re-appointment of Ms. Panda, had considered various factors, viz., the number of Board, Committee and General Meetings attended by her, knowledge & experience; her specific skills helping the Board and the Company in attaining its objectives; her participation in the Board/Committee deliberations; summary of her performance evaluation; time devoted by her; specialised skills and expertise and her independent judgment in the opinion of the entire Board.

Based on the recommendation made by the NRC as above, the Board of Directors, at its meeting held on May 2, 2019, has

unanimously decided to re-appoint Ms. Jagi Mangat Panda for a further term not exceeding five (5) consecutive years with effect from March 31, 2020 to March 30, 2025.

Ms. Panda has given her consent to be re-appointed as such and also the confirmation that she is not disqualified to act as Director in terms of Section 164 of the Act. Besides, she has also provided a confirmation that she meets the criteria of independence as prescribed, both, under Section 149(6) of the Act read with relevant Rules and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 (“Listing Regulations”).

In the opinion of the Board, Ms. Panda, fulfil the conditions specified in Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder read with Schedule IV to the Act and Regulation 25 of the Listing Regulations. Members may also note that Ms. Panda is independent of the management.

The Company has received notice in writing under the provisions of Section 160 of the Act from a Member proposing the candidature of Ms. Panda for re-appointment as an Independent Director of the Company.

Copy of the draft letter of appointment to be issued to Ms. Panda setting out the terms and conditions would be available for inspection, without any fee, by the Members at the Company’s Registered office on all the working days except Saturdays between 2.00 p.m. and 4.00 p.m. up to the date of the AGM.

The profile of Ms. Jagi Mangat Panda for her re-appointment as an Independent Director is mentioned in the table annexed to the Notice.

Details of Ms. Panda’s attendance at the Board, Committee and General Meetings held during the last three financial years are given below:

Financial Year	Board meeting	Stakeholders’ Relationship Committee meeting*	Annual General meeting
2018-19	4 out of 6	3 out of 3	Yes
2017-18	6 out of 6	-	Yes
2016-17	4 out of 6	-	Yes

*Appointed as a member of the Stakeholders’ Relationship Committee w.e.f. July 18, 2018.

Ms. Panda has been an active member of the Board and the Board Committee of which she is a member. She brings independent judgement to the Board of the Company and her continued association will be valuable and positive. With her entrepreneur skills and vast management experience, the Company has benefited immensely.

Apart from the above information, additional disclosures as required pursuant to Regulation 36 of the Listing Regulations and as per Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) are also stated in the

table annexed hereto.

The Board commends passing of the Special Resolution set out at item no. 5 of the Notice.

Ms. Jagi Mangat Panda is interested in item no. 5 of the Notice since it pertains to her own re-appointment as an Independent Director of the Company. None of the other Directors/Key Managerial Personnel (KMP) of the Company, or their relatives is, in anyway concerned or interested financially or otherwise in the said Special Resolution.

Annexure to Notice (Contd.)

Item Nos. 6 & 7

Pursuant to the Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter referred to as “the Listing Regulations”), all related party transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall also require approval of the Members of a public listed company through a resolution and the related parties shall not vote to approve such resolutions. Additionally, as per the provisions of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, all related party transactions beyond the thresholds mentioned in sub-rule (3)(a) of the said Rule 15, shall require prior approval of the Members at a general meeting.

Further, “Material Related Party Transaction” under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated

turnover of a listed company as per its last audited financial statements. The annual consolidated turnover of the Company for the financial year 2018-19 is ₹ 3,578.65 Crore. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 357.86 Crore (being 10% of the Company’s annual consolidated turnover) shall be considered as material transaction and hence, prior approval of the Members will be required for the same.

The Company has made investments in its group companies and it may also make further investments and/or lend funds in/to its group entities from time to time including JM Financial Credit Solutions Limited and JM Financial Asset Reconstruction Company Limited as and when they require funds for their business activities/working capital needs.

The Company has a net worth of ₹ 2,447.63 Crore and it enjoys credit rating ICRA A1+ and ICRA AA (stable) from ICRA Limited, CARE A1+ from CARE Ratings Limited, CRISIL A1+ from CRISIL Limited for its borrowings, from time to time.

In view of the above, it is proposed to obtain the Members’ approval for the following transactions which may be entered into by the Company with its related parties from time to time:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Amount (₹ in Crore)*
1.	JM Financial Credit Solutions Limited	Subsidiary Company	Loans/Inter-corporate Deposits/ Investment, purchase and/or sale of securities, transfer of assets, providing/availing of services, etc.	Not exceeding ₹ 500 Crore
2.	JM Financial Asset Reconstruction Company Limited	Subsidiary Company	Loans/Inter-corporate Deposits/ Investment, purchase and/or sale of securities, transfer of assets, providing/availing of services, etc.	Not exceeding ₹ 500 Crore

* The ceiling on the amount of transactions specified as above would mean the transactions, if any, entered into and remaining outstanding at any point of time during a financial year.

The Members at the Thirty Third AGM had accorded their approval, inter alia, to give loans/inter corporate deposits/make investment, purchase and/or sale of securities to/from, provide to/avail services from JM Financial Credit Solutions Limited (JM Financial Credit Solutions) and JM Financial Asset Reconstruction Company Limited (JM Financial ARC) for an amount of up to ₹ 500 Crore each. Pursuant to the said approval, the Company has done transactions with JM Financial Credit Solutions for an amount aggregating ₹ 297.36 Crore and with JM Financial ARC for an amount aggregating ₹ 5.82 Crore during the financial year 2018-19. Apart from the above, no other transactions have been entered into by the Company with these companies.

JM Financial Credit Solutions is a Non-Banking Finance Company registered with the Reserve Bank of India and engaged in lending activities focused on Real Estate Financing

which includes loan against commercial real estate/properties. As on March 31, 2019, the Company holds 47.05% equity stake of the total paid-up share capital in JM Financial Credit Solutions. The Company continues to have Board and Management control of JM Financial Credit Solutions and the right to appoint the majority directors.

JM Financial ARC is a Securitisation Company registered with the Reserve Bank of India and engaged in acquisition of non-performing and distressed assets (NPAs) from Banks and Financial Institutions. As on March 31, 2019, the Company holds 59.25% equity stake of the total share capital in JM Financial ARC.

The above transactions, which are enabling in nature, have been approved by the Audit Committee of the Board of the Company at their meeting held on January 23, 2019, in terms of the requirements of Regulation 23(3) of the Listing Regulations.

The Board commends passing of the Ordinary Resolutions set out at item nos. 6 and 7 of the Notice.

Mr. Darius E Udawadia, also a Director of JM Financial Credit Solutions and Dr. Vijay Kelkar, also a Director of JM Financial ARC may be deemed to be interested in the Ordinary Resolutions at item nos. 6 and 7 respectively, of the Notice.

None of the other Directors/Key Managerial Personnel of the Company and their relatives is, in any way concerned or interested, financially or otherwise, in the Ordinary Resolutions set out at item nos. 6 and 7 of the Notice.

Item No. 8

Pursuant to Sections 23, 42, 71 and other applicable provisions of the Act, if any, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, 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.

In case of any offer or invitation to subscribe to Non-Convertible Debentures (NCDs) where the proposed amount to be raised through such offer or invitation exceeds the limit as specified in clause (c) of sub-section (1) of section 180 of the Act, it shall be sufficient if such company passes the Special Resolution only once in a year for all such offers or invitations during one year period from the date of passing such Special Resolution by the members of a company.

The Company had obtained the approval of Members by way of Special Resolution passed at the Thirty Third AGM held on July 18, 2018 for raising of funds of up to ₹ 5,000 Crore (Rupees Five Thousand Crore Only) by way of issue of NCDs, in one or more tranches. Pursuant to the said approval, the Company so far has not raised any amount by way of issue of NCDs. In order to facilitate the raising of funds, if any, by way of issue of NCDs, it would be necessary to have the approval of Members.

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, for grant of loans to its subsidiaries and/or group companies or for the acquisition of securities of its subsidiaries and/or group companies and for the general corporate purposes of the Company to the extent permissible under the applicable laws. Accordingly, consent of the Members is sought for issuing the NCDs aggregating up to ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore Only) 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 during the period of one year commencing from date of passing of the resolution as proposed above.

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/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) in the Special Resolution set out at item no. 8 of the Notice.

By Order of the Board

Prashant Choksi

Group Head - Compliance, Legal
& Company Secretary

Place: Mumbai
Date : May 2, 2019

Registered Office:

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

Annexure to Notice (Contd.)

ADDITIONAL INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT(S) AT THE THIRTY FOURTH ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS (INFORMATION AS ON MARCH 31, 2019)

Name of the Director	Mr. Nimesh Kampani	Ms. Jagi Mangat Panda
Date of Birth	September 30, 1946	November 6, 1966
Date of First Appointment (appointment as an additional director on the Board)	June 12, 1987	March 31, 2015
Date of Last Re-appointment	July 18, 2018	Appointed as an Independent Director for a term of five consecutive years in accordance with the applicable provisions of the Companies Act, 2013
Qualification(s)	B.Com, FCA	Bachelors in Biology and Chemistry, Osmania University (Hyderabad) Management Development Programme (Executive MBA) at the Indian Institute of Management Ahmedabad (IIM-Ahmedabad)
Brief Profile	<p>Mr. Nimesh Kampani is a commerce graduate from Sydenham College, Mumbai and a fellow member of the Institute of Chartered Accountants of India.</p> <p>Mr. Kampani is the founder and the Chairman of JM Financial Group, one of India's leading players in the financial services space. The Group is engaged in businesses covering investment banking, institutional equity sales, trading, research and broking, private and corporate wealth management, equity broking, portfolio management, asset management, commodity broking, fixed income, non-banking financial services, private equity and asset reconstruction.</p> <p>In his career spanning over four decades, Mr. Kampani has made pioneering contributions to the development of the Indian capital markets and has advised several corporates on their strategic and financial needs, especially, capital raising, mergers & acquisitions, regulators and law makers on progressive regulations for development of financial markets and corporate activities.</p> <p>Mr. Kampani has served as a member on several important committees constituted by the Ministry of Finance, Government of India, Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI) and Institute of Chartered Accountants of India.</p>	<p>Ms. Jagi Mangat Panda is the Managing Director of Odisha Television Limited.</p> <p>Ms. Panda holds a bachelor's degree in biology and chemistry from Osmania University and also participated in the three-tier middle management programme for management development at the Indian Institute of Management, Ahmedabad. She has been awarded and recognized as the "Young Global Leader" at the World Economic Forum in 2008. She has more than 20 years of experience in the media and broadcasting industry.</p>

	<p>Mr. Kampani was a member of the High Powered Expert Committee constituted by the Ministry of Finance on making Mumbai an International Finance Centre and also a member of the Advisory Panel on Financial Regulation and Supervision constituted by RBI Committee on Financial Sector Assessment. He was a member of the Bloomberg Asia Pacific Advisory Board and also a member of the Governing Board of Centre for Policy Research.</p> <p>Mr. Kampani is the Chairman of the CII National Council on Financial Sector Development. He is also a member of the Advisory Board of Venture Studio promoted by Ahmedabad University. He is also on the Boards and Committees of several leading Indian companies.</p>					
Relationship with other Directors, Manager and Key Managerial Personnel (KMP)	Mr. Vishal Kampani, Managing Director of the Company is son of Mr. Nimesh Kampani.		Ms. Panda is not related to any Director or Key Managerial Personnel of the Company.			
Expertise in specific functional areas	Financial advisory including Investment Banking, Mergers, Acquisitions & Restructuring, Corporate Finance and Capital Markets.		Media and broadcasting industry.			
Shares held in the Company	Mr. Kampani held 13,53,57,500 equity shares of the Company as on March 31, 2019. (Includes 12,50,000 equity shares held by Nimesh Kampani HUF)		Nil			
Directorships held in other listed companies* excluding foreign companies	<ul style="list-style-type: none"> • Apollo Tyres Limited • Britannia Industries Limited • Deepak Nitrite Limited • Chambal Fertilisers and Chemicals Limited 		<ul style="list-style-type: none"> • Ortel Communications Limited 			
Memberships of Committees in other listed companies**	Name of the Company	Audit Committee	Stakeholders' Relationship Committee	Name of the Company	Audit Committee	Stakeholders' Relationship Committee
	Britannia Industries Limited	Member	Member	Ortel Communications Limited	Member	-
-	Apollo Tyres Limited	Member	-			
Details of remuneration paid during the financial year (FY) 2018-19	Sitting fees : ₹ 7.55 Lakh Commission paid ₹ 16 Lakh (Pertains to FY2017-18) Total : ₹ 23.55 Lakh		Sitting fees : ₹ 5.30 Lakh Commission paid ₹ 20 Lakh (Pertains to FY2017-18) Total : ₹ 25.30 Lakh Commission payable : ₹ 20 lakh (Pertains to FY2018-19)			
Remuneration sought to be paid	Sitting Fees and Commission, if any.		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 provisions of Section 152 of the Companies Act, 2013.		As per the draft letter of appointment.			
No. of Board Meetings attended during the financial year 2018-19	6/6		4/6			

*Only equity listed entities are considered.

**Only Audit Committee and Stakeholders' Relationship Committee memberships in equity listed entities have been considered.

Board's Report

Dear Members,

The Directors of the Company are pleased to present their Thirty Fourth Annual Report together with the annual audited consolidated and standalone financial statements for the financial year ended March 31, 2019.

Financial Performance

I. Financial Highlights

The summary of the consolidated and standalone financial results for the financial year ended March 31, 2019 and the previous financial year ended March 31, 2018 is given below:

₹ in Crore

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Gross income	3,578.65	3,096.60	271.88	426.17
Profit before depreciation and amortisation expense, finance costs and tax expenses	2,756.11	2,330.00	137.12	269.25
Less: Depreciation and amortisation expenses	27.11	26.17	1.86	1.87
Finance costs	1,446.21	1,138.99	19.56	34.73
Profit before tax	1,282.79	1,164.84	115.70	232.65
Current tax	489.23	454.06	6.66	21.24
Deferred tax	(42.49)	(69.75)	(2.59)	22.47
Tax adjustments of earlier years (net)	(0.43)	(2.54)	0.33	(2.75)
Net Profit after tax but before share in profit of associate	836.48	783.07	111.30	191.69
Add: Share in profit of associate	0.57	1.79	-	-
Net Profit after tax and share in profit of associate	837.05	784.86	111.30	191.69
Other Comprehensive Income	7.82	1.79	(0.04)	(0.11)
Total Comprehensive Income	844.87	786.65	111.26	191.58
Net Profit Attributable to:				
Owners of the Company	572.18	600.86		
Non-controlling Interest	264.87	184.00		
Total Comprehensive Income Attributable to:				
Owners of the Company	580.11	602.63		
Non-controlling Interest	264.76	184.02		

Note: The Group has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 with comparative figures being restated to make them comparable. The financial statements have been prepared in accordance with the recognition and measurement principles laid down in Ind AS notified under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India.

Appropriations

The following appropriations have been made from the available profits of the Company:

₹ in Crore

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Net Profit	572.18	600.86	111.30	191.69
Add: Other Comprehensive Income	(0.44)	0.10	(0.04)	(0.11)
Add: Balance profit brought forward from previous year	2,271.69	1,956.34	870.62	803.61
Add/(Less): Pursuant to the scheme of arrangement*	-	(17.69)	-	7.00
Add: On loss of control in subsidiary trusts transferred from Capital reserve on consolidation	4.27	-	-	-
Less: Transferred to Non-Controlling interest	-	(0.04)	-	-
Profit available for appropriation	2,847.70	2,539.57	981.88	1,002.19
Less: Appropriations				
Interim dividend	41.99	55.84	41.99	55.84
Final dividend	92.26	67.69	92.26	67.69
Dividend distribution tax	28.25	25.15	5.56	8.04
Tax on buy back of shares in a subsidiary company	-	1.18	-	-
Transfer to Statutory reserve	126.53	112.22	-	-
Transfer to Capital Redemption Reserve	-	5.80	-	-
Transfer to Debenture Redemption Reserve	33.76	-	-	-
Surplus carried to balance sheet	2,524.91	2,271.69	842.07	870.62

*Refer Note 50 of the Notes to the consolidated financial statements and Note 32 of the Notes to the standalone financial statements.

II. Consolidated Financial Performance

Consolidated Financial Statements prepared in accordance with Section 133 of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with the rules made thereunder and applicable Ind AS along with the Auditor’s Report forms part of the Thirty Fourth Annual Report. The Consolidated Financials reflect the cumulative performance of the Company together with its various subsidiary and associate companies. Detailed description about the business carried on by these entities including the Company is contained in the Management Discussion and Analysis Report forming part of this Annual Report.

The Consolidated Gross Income of the Company for the financial year ended March 31, 2019 is ₹ 3,578.65 Crore vis-à-vis ₹ 3,096.60 Crore in the previous year, thereby registering a growth of 15.57%. Consolidated Net Profit for the financial year ended March 31, 2019 is ₹ 572.18 Crore as compared to ₹ 600.86 Crore in the previous year, registering a decrease of 4.77%.

III. Standalone Financial Performance

The Gross Income of the Company stood at ₹ 271.88 Crore for the year ended March 31, 2019 as against ₹ 426.17 Crore in the previous year primarily on account of decline in deal closures in the investment banking business and mark to market impact of investment. The Company made a Net Profit of ₹ 111.30 Crore for the year ended March 31, 2019 as compared to the Net Profit of ₹ 191.69 Crore in the previous year.

Dividend

The Directors have recommended final dividend of ₹ 0.50 per share of the face value of ₹ 1/- each for the financial year 2018-19 (previous year ₹ 1.10 per share). During the year under review, an interim dividend of ₹ 0.50 per equity share of the face value of ₹ 1/- each (previous year ₹ 0.70 per share) was declared and paid by the Company.

With the above recommendation, the total dividend for the financial year 2018-19 is ₹ 1.00 per share (previous year ₹ 1.80 per share). The total outgo on account of interim and final dividend amounts to ₹ 83.99 Crore for the financial year 2018-19 as against ₹ 148.10 Crore for the previous year. The Directors have recommended lower dividend as compared to the previous year to conserve the capital/provide for growth capital for various businesses in light of the liquidity situation in the market and cost effective availability of funding.

The final dividend, if declared, at this Annual General Meeting, will be paid to those Members, whose names appear on the Register of Members/beneficial holders’ list at the close of business hours on Monday, May 13, 2019.

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (hereinafter referred to as “the Listing Regulations”), the Board of Directors of the Company has formulated the Dividend Distribution Policy. The Policy is available on the website of the Company at www.jmfl.com.

Share Capital

During the financial year 2018-19, an aggregate of 20,51,205 equity shares were issued and allotted to the eligible employees, upon exercise of stock options by them, under the Company’s Employees’ Stock Option Scheme – Series 4 to Series 10.

As on March 31, 2019, the issued, subscribed and paid-up equity share capital of the Company stands at ₹ 83,99,31,463 (comprising 83,99,31,463 equity shares of ₹ 1/- each) as against ₹ 83,78,80,258 as at the end of the previous financial year (comprising 83,78,80,258 equity shares of ₹ 1/- each).

Employees’ Stock Option Scheme

The Employees’ Stock Option Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SBEB Regulations”) and SEBI Circulars issued thereon. Deloitte Haskins & Sells LLP, has certified that the Company’s Employees’ Stock Option Scheme has been implemented in accordance with the SBEB Regulations.

Up to March 31, 2019, an aggregate of 2,66,45,379 stock options have been exercised by the Employees and 1,51,87,816 stock options have lapsed. The aggregate number of stock options outstanding as on March 31, 2019 are 43,55,624.

The Nomination and Remuneration Committee of the Board, at its meeting held on April 18, 2019, has granted 6,62,130 stock options to the eligible employees under the Employees’ Stock Option Scheme – Series 12.

Information required under SBEB Regulations read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 is appended to this Report as **Annexure A** and also uploaded on the website of the Company at www.jmfl.com.

The relevant disclosures in terms of the Ind AS 102 relating to share based payment, forms part of Note 34 of the Notes to the Standalone Financial Statements and Note 42 of the Notes to the Consolidated Financial Statements of the Company.

Deposits

During the year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

Board's Report (Contd.)

Subsidiary and Associate Entities

As on March 31, 2019, the Company has 15 subsidiaries (including step down subsidiaries), a partnership firm and an associate company. Details of the subsidiaries, partnership firm and associate are as under:

Subsidiaries

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

Partnership Firm

Astute Investments, a partnership firm in which JM Financial Services Limited and JM Financial Properties and Holdings Limited, the wholly owned subsidiaries of the Company, are partners.

Associate

JM Financial Trustee Company Private Limited.

Details of business activities of the subsidiaries and associate, their performance and financial position are stated at length in the Management Discussion and Analysis Report which forms part of this Annual Report.

In accordance with Section 129(3) of the Act and Regulation 34 of Listing Regulations, the consolidated financial statements of the Company and all its subsidiary/associate companies have been prepared and are forming part of this Annual Report. A statement containing salient features of the financial statements of subsidiary and associate companies is stated in Form AOC-1 forming part of this Annual Report.

The Annual Report of the Company, containing, inter alia, its standalone and the consolidated financial statements will be uploaded on the website of the Company viz., www.jmfl.com in accordance with Section 136 of the Act.

The audited financial statements of each of the subsidiaries have also been placed on the website of the Company. Members interested in obtaining a copy of the audited financial statements of subsidiary companies may write to

the Company Secretary at the Company's Registered Office. The Company will make available, the audited financial statements and related information of its subsidiaries, to those Members who wish to have copies of the same and these documents will also be kept open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 2.00 p.m. and 4.00 p.m. up to the date of this Annual General Meeting.

Awards and Recognition

2019	Banking Financial Services and Insurance Awards 2019 presented by ET NOW	<ul style="list-style-type: none"> • JM Financial Limited was awarded the best Investment Bank. • JM Financial Institutional Securities Limited was awarded the best Equity Advisor.
2019	Mint India Investment Summit 2019 - Hall of Fame Award	<ul style="list-style-type: none"> • Mr. Nimesh Kampani, the Non-executive Chairman conferred with the Mint India Investment Summit - Hall of Fame Award for his outstanding contribution to Investment Banking.
2018	The Asset Triple A Country Awards 2018	<ul style="list-style-type: none"> • JM Financial Limited was awarded Best M&A adviser. • JM Financial Limited was awarded for the Best M&A deal (Tata Chemicals US\$ 400 million sale of the urea business to Yara International) as one of the financial advisors.
2018	BSE Awards, 2018	<ul style="list-style-type: none"> • JM Financial Services Limited has been recognised amongst the Top Performers in the Equity Broking Segment (Retail Trading). • JM Financial Services Limited has been recognised amongst the Top Performers in Primary Market Segment (Equity – IPO/FPO Bids - Members). • JM Financial Services Limited has been recognised amongst the Top Performers in Offer to Buy (OTB) Segment.
2018	The Great Place To Work	<ul style="list-style-type: none"> • JM Financial Limited ranked amongst the Top 50 in India's Great Mid-Size Workplaces. • JM Financial Asset Management Limited ranked amongst the Top 50 in India's Great Mid-Size Workplaces.
2018	The Great Place To Work	<ul style="list-style-type: none"> • JM Financial Group has been accredited as Great Place to Work-Certified™ by the Great Place to Work Institute. • JM Financial Services Limited ranked amongst the Top 100 in 'India's Best Companies to Work For 2018'.

Board of Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Nimesh Kampani (DIN 00009071), Non-Executive Director of the Company, retires by rotation at this Annual General Meeting of the Company. Being eligible, Mr. Kampani has offered himself for re-appointment as a Director.

During the year, the Special Resolutions have been passed with requisite majority through postal ballot process for continuation of directorships of Mr. E A Kshirsagar, Mr. Darius E Udawadia and Dr. Vijay Kelkar, who are above the age of 75 years, beyond April 1, 2019 till the expiry of their existing term viz., July 2, 2019. This was done, as the Members are aware, in accordance with the amendments made by SEBI in the Listing Regulations.

The Members have also passed the Special Resolutions with requisite majority through postal ballot re-appointing Mr. E A Kshirsagar, Mr. Darius E Udawadia, Dr. Vijay Kelkar, Mr. Paul Zuckerman and Mr. Keki Dadiseth as Independent Directors of the Company, for a term not exceeding three years commencing from July 3, 2019.

Mr. Vishal Kampani, Managing Director, Mr. Prashant Choksi, Company Secretary and Mr. Manish Sheth, Chief Financial Officer are the Key Managerial Personnel (KMP) within the meaning of Section 2(51) read with Section 203(1) of the Act.

Declarations by Independent Directors

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the Listing Regulations.

Board Meetings

During the year, six (6) meetings of the Board of Directors were held. Details about the Board meetings and committee meetings are given in report on Corporate Governance which forms part of this Report.

Policies on Appointment of Directors and their Remuneration

Pursuant to sub-section (3) of Section 178 of the Act and Regulation 19(4) of the Listing Regulations, the Board has formulated Policies on Directors' appointment and remuneration. This Policy includes criteria for selection of Directors, determining their qualifications, positive attributes, remuneration and

independence of Directors, evaluation process for performance of Directors, key evaluation criteria and other matters.

In accordance with the applicable provisions of the Act and the Listing Regulations, these Policies are uploaded on the website of the Company, viz., www.jmfl.com.

Evaluation of Board of Directors

The Board carried out annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee (the NRC) and Corporate Social Responsibility Committee. The Board also carried out the performance evaluation of all the individual directors. Additionally, the NRC also carried out the evaluation of the performance of all the individual directors, Chairman of the Company and the Managing Director of the Company. The performance evaluation was carried out by way of obtaining feedback from the Directors through a structured questionnaire prepared in accordance with the policy adopted by the Board and also taking into consideration the Guidance Note on Board Evaluation issued by SEBI.

The structured questionnaire prepared to evaluate the performance of individual directors including the Chairman and the Managing Director, inter alia, contained parameters such as professional conduct, roles and functions, discharge of duties and their contribution to Board/Committees/Senior Management. The questionnaire prepared for evaluation of the Board, as a whole and its Committees also covered various aspects such as structure and composition, effectiveness of the board process, information, roles and responsibilities and functioning of the Board and its Committees, establishment and determination of responsibilities of Committees, the quality of relationships between the Board and the management and professional development.

The Non-Executive Chairman of the Board and the Chairman of the NRC reviewed the feedback received from all the individual directors and conducted one-on-one meetings with all the Directors to provide the feedback received.

The performance evaluation of the non-independent Directors viz., the Chairman, the Managing Director and the Board as a whole was carried out by the Independent Directors at their separate meeting held on March 18, 2019, taking into account the views of the executive director and the non-executive directors.

Board Committees

During the year under review, the Company has constituted the Risk Management Committee pursuant to the provisions of Regulation 21 of Listing Regulations.

Details of all the following Committees constituted by the Board along with their composition, terms of reference and

Board's Report (Contd.)

meetings held during the year are provided in the Report on Corporate Governance which forms part of this Report:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Allotment Committee
6. Risk Management Committee (constituted on January 23, 2019)

Directors' Responsibility Statement

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

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

In terms of Section 139 of the Act, Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as statutory auditors of the Company for a period of five years from the conclusion of the Thirty Second Annual General Meeting until the conclusion of the Thirty Seventh Annual General Meeting, subject to the ratification of their appointment by the Members every year. Members may note that the first provision to Section 139 of the Act, which required ratification of the appointment of the statutory auditors by the Members at every annual general meeting has been omitted by the Companies (Amendment) Act, 2017. Accordingly, matter for ratification has not been placed at the ensuing Annual General Meeting. Members are

requested to authorize the Board of Directors of the Company to fix the Statutory Auditors' remuneration for the remainder of their term, for which necessary proposal has been included in the Notice convening this Annual General Meeting.

Auditors' Report

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors, in their Audit Report for the financial year 2018-19. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2018-19.

Secretarial Audit

Pursuant to the requirements of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Company had appointed M/s. N L Bhatia & Associates, Company Secretaries in Practice, for conducting Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2019 is appended to this Report as **Annexure B**. There are no qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Audit Report.

Secretarial Standards

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

Corporate Social Responsibility

The Board has constituted Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The CSR Policy of the Company, inter alia, list the activities that can be undertaken or supported by the Company for CSR, composition and meetings of CSR Committee, details of existing Charitable trust(s) within the JM Financial Group, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities/projects. The details of CSR activities are given in **Annexure C** appended to this Report.

Risk Management

The Company has a well-defined risk management framework in place and robust structure for managing and mitigating risks. The Board of Directors of the Company has constituted Risk Management Committee to monitor and review the risk management plan including functions related to cyber security, assess the risks and measures to mitigate the risks.

Details about development and implementation of risk management policy have been covered in the Management Discussion and Analysis Report.

Internal Financial Control Systems and its Adequacy

The Board has adopted accounting policies which are in line 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. The Audit Committee monitors this system and ensures adequacy of the same. The Statutory Auditors of the Company also provides their opinion on the internal financial control framework of the Company.

During the year under review, no material or serious observation has been highlighted for inefficiency or inadequacy of such controls. The details of adequacy of Internal Financial Controls are given at length in the Management Discussion and Analysis Report.

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.

Significant and Material Orders

During the financial year 2018-19, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

Report on Corporate Governance

Report on Corporate Governance for the financial year ended March 31, 2019 along with the certificate from the Auditors of the Company confirming the compliance with regulations of corporate governance under the Listing Regulations forms part of this Report.

Management Discussion and Analysis Report

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

Business Responsibility Report

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

Particulars of Employees and Related Information

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, are appended to this Report as **Annexure D**.

As per the provisions of Section 136(1) of the Act, the reports and accounts are being sent to the Members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The same is available for inspection by Members at the Registered Office of the Company on all working days except on Saturdays between 2.00 p.m. and 4.00 p.m. up to the date of the Thirty Fourth Annual General Meeting. Any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on such request.

Particulars of Loans, Guarantees or Investments

Particulars, if any, of investments made, loans and guarantees given and securities provided are given in the Note 40 of the Notes to the standalone financial statements.

Particulars of Contracts or Arrangements with Related Parties

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and Listing Regulations. The same is displayed on the website of the Company at www.jmfl.com.

During the year under review, all the related party transactions were entered in the ordinary course of business and on arm's length basis, majority of which were with wholly owned subsidiaries of the Company. All related party transactions as required under Indian Accounting Standards - 24 (Ind AS-24) are reported in Note 40 of Notes to the Standalone Financial Statements and Note 39 of the Notes to the Consolidated Financial Statements of the Company.

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.

Annual Return

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is appended as **Annexure E** to this Report and also uploaded on the website of the Company at www.jmfl.com.

Board's Report (Contd.)

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

During the financial year 2018-19, the Company's foreign exchange earnings were ₹ 285.33 Lakh and outgo was ₹ 188.80 Lakh.

The details of the amount spent in foreign exchange is provided in Note 44 and 45 of the Notes to the standalone financial statements forming part of this Report.

Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism to provide appropriate avenues to the directors and employees to bring to the attention of the Management, their genuine concerns about behavior of employees. Details of Vigil Mechanism/Whistle Blower are included in the report on Corporate Governance.

During the financial year 2018-19, no cases under this mechanism were reported to the Company and/or to any of its subsidiaries/associate.

Maintenance of Cost Records

The maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated the policy and has constituted Internal Complaints Committee to redress any issues related to sexual harassment in the organisation. The provisions related to prevention of sexual harassment are also imbibed in the Company's Code of Conduct for employees.

During the year under review, no complaints were received from any of the employees.

Managing Director (MD) and Chief Financial Officer (CFO) Certificate

In terms of the Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Mr. Vishal Kampani, Managing Director and Mr. Manish Sheth, Chief Financial Officer, for the financial year 2018-19 with regard to the financial statements and other matters. The said certificate forms part of the report on Corporate Governance.

Acknowledgments

The Directors acknowledge the support extended by the Securities and Exchange Board of India, Reserve Bank of India, National Housing Bank, Ministry of Corporate Affairs, Registrar of Companies and all other governmental and regulatory authorities.

The Directors place on record the gratitude for the guidance and support extended by BSE Limited, National Stock Exchange of India Limited, Metropolitan Stock Exchange of India Limited, Multi Commodity Exchange of India Limited, National Commodity and Derivatives Exchange Limited, National Securities Depository Limited, Central Depository Services (India) Limited, Association of Investment Bankers of India, Association of National Exchanges Members of India (ANMI), Bombay Stock Exchange Brokers Forum (BBF) and Association of Mutual Funds of India.

The Directors also place on record their sincere appreciation for the continued support extended by the bankers, financial institutions, lenders and stakeholders and the trust reposed by them in the JM Financial Group.

Recognising the challenging work environment, the Directors also place on record, their appreciation for the dedication and commitment displayed by the employees of the Company and its subsidiaries/associate across all levels.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 2, 2019

Nimesh Kampani
Chairman

Annexure A

Details of the Employees' Stock Option Scheme as stipulated under SEBI (Share Based Employee Benefits) Regulations, 2014

1.	Options granted during the year (financial year 2018-19)	:	18,48,018
2.	Pricing formula	:	As determined by the Nomination and Remuneration Committee
3.	Options vested during financial year 2018-19	:	15,91,072
4.	Options exercised during financial year 2018-19	:	20,17,448
5.	Total number of shares arising as a result of exercise of Options during financial year 2018-19	:	20,51,205 (Includes 33,757 shares allotted on May 2, 2018 which were exercised by eligible employees during financial year 2017-18).
6.	Options lapsed during financial year 2018-19	:	4,74,600
7.	Variation of terms of Options	:	None
8.	Money realised from the Employees by exercise of Options during financial year 2018-19	:	₹ 20,17,448*
9.	Total Options in force as on March 31, 2019	:	43,55,624
10.	Employee wise details of Options granted to:		
	(i) senior managerial personnel	:	14,40,099 stock options have been granted to 41 senior managerial personnel (eligible employees/directors of the Company and/or its subsidiaries).
	(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 (AS) - 33 'Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	:	Standalone – ₹ 1.32 Consolidated – ₹ 6.79
12.	Weighted-average exercise prices and weighted average fair values of Options whose exercise price is either equal to or exceeds or is less than the market price of the Stock Options.	:	Weighted average exercise price: ₹1 Weighted average value of options granted during the year: • Tranche 1 (Vesting Schedule Stage 1): ₹131.10 • Tranche 2 (Vesting Schedule Stage 2): ₹129.86 • Tranche 3 (Vesting Schedule Stage 3): ₹128.62
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
			Tranche 1 Tranche 2 Tranche 3
	i. Risk-free interest rate	:	7.28% 7.42% 7.52%
	ii. Life of options	:	3 years 3.75 years 4.50 years
	iii. Expected volatility	:	44.74% 44.62% 46.30%
	iv. Expected dividend yield	:	1.31% 1.31% 1.31%
	v. The price of the underlying share in market at the time of Option grant	:	137.2 137.2 137.2

*In addition to ₹ 20,17,448 received from eligible employees, an aggregate amount of ₹ 11,64,49,372 being the difference between the exercise price and fair value of options has been reimbursed by the subsidiary companies with which the eligible employees are/were employed/associated.

Additionally, an aggregate amount of ₹ 6,35,18,413 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.

Board's Report (Contd.)

Annexure B

To,
The Members,
JM Financial Limited

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 the 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 the 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 the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Mumbai
Date: May 2, 2019

For N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800

N. L. Bhatia
(Managing Partner)
FCS: 1176
CP. No. 422

Secretarial Audit Report

For the financial year ended March 31, 2019

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

To,
The Members,
JM Financial Limited

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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 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 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f. The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992; **Not Applicable for the Financial year.**
- g. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable for the Financial year.**
- h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the Financial year.**
- i. 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; **Not Applicable for the Financial year.**
- j. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable for the Financial year and**
- k. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable for the Financial year**

Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:

- a. Reserve Bank of India Act, 1934 and its circulars, Master circulars, notifications
- b. Prevention of Money Laundering Act, 2002 and its circulars, notifications
- c. Anti Money Laundering Regulation issued by RBI and various circulars and Guidelines thereunder
- d. Tax Laws
 - Income Tax Act, 1961
 - Goods and Service Tax
- e. Employee Laws
 - The Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972
 - The Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
 - The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & the scheme provided thereunder

Board's Report (Contd.)

- f. The Maharashtra Shops and Establishment Act, 1948
- g. The Negotiable Instrument Act, 1881
- h. The Indian Stamp Act, 1899 and the State Stamp Acts
- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

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

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director and Independent Directors. During the period under review, there was no change in the composition of the Board of Directors of the Company.

Adequate notice is given to all directors to schedule the Board Meetings, 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 are captured and recorded as part of the minutes where applicable. **All the decisions have been taken unanimously and no dissent recorded in Board Meetings.**

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 Members at the Annual General Meeting held on July 18, 2018, inter-alia approved the following special business;

1. To enter into transactions/ contracts/ arrangements with JM Financial Credit Solutions Limited, which is a related party, for an amount not exceeding ₹ 500 Crore during a financial year.
2. To enter into transactions/ contracts/ arrangement with JM Financial Asset Reconstruction Company Limited which is a related party, for an amount not exceeding ₹ 500 Crore during a financial year.
3. Issue of Redeemable Non-Convertible Debentures for an amount aggregating ₹ 5,000 Crore on private placement basis and/or through public offer.
4. Re-classification of Mr. Ashith Kampani from the Promoter's group to Non-Promoter's group/ Public Category.

5. To give loans/guarantees/ providing securities in connection with loans to any person and /or body corporate and acquisition of securities of other body(ies) corporate for an amount of upto ₹ 2,000 Crore over and above the limits available to the Company.

We further report that; during the audit period, the Members approved the following Special Resolutions through Postal Ballot on March 5, 2019;

1. Continuation of the directorship of Mr. E A Kshirsagar (DIN 00121824), who has attained the age of seventy five years, as a Non-Executive Independent Director of the Company, up to July 2, 2019, being the date of expiry of his current term of office.
2. Continuation of the directorship of Mr. Darius E Udwardia (DIN 00009755), who has attained the age of seventy five years, as a Non-Executive Independent Director of the Company, up to July 2, 2019, being the date of expiry of his current term of office.
3. Continuation of the directorship of Dr. Vijay Kelkar (DIN 00011991), who has attained the age of seventy five years, as a Non-Executive Independent Director of the Company, up to July 2, 2019, being the date of expiry of his current term of office.
4. Re-appointment of Mr. E A Kshirsagar (DIN 00121824) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.
5. Re-appointment of Mr. Darius E Udwardia (DIN 00009755) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.
6. Re-appointment of Dr. Vijay Kelkar (DIN 00011991) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.
7. Re-appointment of Mr. Paul Zuckerman (DIN 00112255) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.
8. Re-appointment of Mr. Keki Dadiseth (DIN 00052165) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.

Place: Mumbai
Date: May 2, 2019

For N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800

N. L. Bhatia
(Managing Partner)
FCS: 1176
CP. No. 422

Annexure C

Annual Report on Corporate Social Responsibility Activities

A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects/programs and a reference to the web-link of the CSR policy is given below:

1. CSR Policy of the Company lists the activities that can be undertaken by the Company for CSR, composition of CSR Committee, details of existing charitable trusts within the JM Financial Group, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities/ projects. The CSR Policy is hosted on the Company's website viz., www.jmfl.com.

In accordance with the CSR Policy adopted pursuant to the provisions of Section 135 of the Companies Act, 2013, (hereinafter referred to as "the Act") and Schedule VII thereto, the Board and the CSR Committee of the Company approved to contribute an aggregate amount of ₹ 22 Lakh in respect of FY 2018-19 by way of Corpus Donation to JM Financial Foundation, a philanthropic arm of JM Financial Group. The said amount shall be earmarked for carrying out the CSR activities.

2. Composition of the CSR Committee of the Company
 1. Mr. Nimesh Kampani (Chairman)
 2. Mr. Paul Zuckerman (Independent Director)
 3. Mr. Keki Dadiseth (Independent Director)
3. Average net profit before tax of the Company for last three financial years as per the provisions of the Act: ₹ 10.59 Crore.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 21.18 Lakh (Rounded off to ₹ 22.00 Lakh).
5. Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year: ₹ 22.00 Lakh
 - (b) Amount unspent, if any: Nil
 - (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (i) Local area or other (ii) Specify the State and district where projects or programmes were undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Contribution to JM Financial Foundation towards corpus donation for CSR activities in accordance with the CSR Policy of the Company	Health, education and various sectors covered by Schedule VII to the Act.	Pan India*	₹ 22.00 Lakh	₹ 22.00 Lakh	₹ 22.00 Lakh	JM Financial Foundation and other implementing agencies.*

*Details of various projects supported by CSR across JM Financial Group and the activities of JM Financial Foundation are given under the heading Corporate Social Responsibility in Management Discussion and Analysis Report forming part of this Annual Report.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report: **Not Applicable since amount has been spent.**

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

for JM Financial Limited and the CSR Committee

Nimesh Kampani
Chairman

Place : Mumbai
Date : May 2, 2019

Board's 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 2018-19 is as follows:

Sr. No.	Name of the Director	Ratio of remuneration of Director to the Median remuneration
1	Mr. Nimesh Kampani	0.32
2	Mr. E A Kshirsagar	1.33
3	Mr. Darius E Udawadia	1.26
4	Dr. Vijay Kelkar	1.35
5	Mr. Paul Zuckerman	1.25
6	Mr. Keki Dadiseth	1.07
7	Ms. Jagi Mangat Panda	1.08
8	Mr. Vishal Kampani	7.32

b. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19, is as follows*:

Sr. No.	Name of the Director	Designation	Increase/ (Decrease) (%)
1	Mr. Nimesh Kampani	Non-executive Chairman	(68.48)
2	Mr. E A Kshirsagar	Non-executive Independent Director	(0.64)
3	Mr. Darius E Udawadia	Non-executive Independent Director	11.21
4	Dr. Vijay Kelkar	Non-executive Independent Director	0.63
5	Mr. Paul Zuckerman	Non-executive Independent Director	-
6	Mr. Keki Dadiseth	Non-executive Independent Director	(8.03)
7	Ms. Jagi Mangat Panda	Non-executive Independent Director	(6.30)
8	Mr. Vishal Kampani	Managing Director	21.3
9	Mr. Prashant Choksi	Company Secretary	5.8
10	Mr. Manish Sheth	Chief Financial Officer	33.3

*Remuneration of Directors has been compared to actual median remuneration for all 131 employees who were on rolls of the Company as on March 31, 2019. Remuneration is annualised for employees who were there for part of the year.

c. Percentage increase in the median remuneration of employees in the financial year 2018-19:** 13.6%

**Median remuneration has been computed and compared for employees who were on rolls of the Company in financial year 2017-18 and financial year 2018-19. Remuneration is annualised for employees who were there for part of the year.

d. Number of permanent employees on the rolls of Company at the end of March 31, 2019:

Particulars	2018-19	2017-18
Number of permanent employees on the rolls of the Company	131	142

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

The average salaries of the employees other than the managerial personnel have not increased during the financial year 2018-19 as compared to the previous year.

Average salary of managerial personnel has increased by 19.9%.

***The above has been computed and compared for employees who were on rolls of the Company in financial year 2017-18 and financial year 2018-19. Remuneration is annualised for employees who were there for part of the year.

f. Affirmation:

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

For and on behalf of the Board of Directors

Nimesh Kampani
Chairman

Place : Mumbai
Date : May 2, 2019

Form No. MGT-9

Annexure E

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i)	CIN	: L67120MH1986PLC038784
ii)	Registration Date	: January 30, 1986
iii)	Name of the Company	: JM Financial Limited
iv)	Category / Sub-Category of the Company	: Company Limited by Shares and an Indian Non-Government Company
v)	Address of the Registered office and contact details	: 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel.: 022-6630 3030 Fax: 022-6630 3223 Email ID: prashant.choksi@jmfl.com Website: www.jmfl.com
vi)	Whether listed company	: Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agents, if any	: Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Tel.: 040-67162222 Fax: 040-23001153 Toll Free no.: 1800-345-4001 Email ID: einward.ris@karvy.com Website: www.karvyfintech.com

II. Principal Business Activities of the Company

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Investment Banking	66190	39.06%
2	Management of other investment funds	66309	3.72%
3	Activities of holding companies	64200	57.22%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	JM Financial Institutional Securities Limited (Formerly known as "JM Financial Securities Limited") 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U67100MH2017PLC296081	Subsidiary	100*	2(87)(ii)
2	JM Financial Services Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U67120MH1998PLC115415	Subsidiary	100	2(87)(ii)
3	JM Financial Capital Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65190MH2015PLC270754	Subsidiary	100*	2(87)(ii)

Board's Report (Contd.)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
4	JM Financial Commtrade Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U51100MH2005PLC153110	Subsidiary	100*	2(87)(ii)
5	JM Financial Overseas Holdings Private Limited JTC Fiduciary Services (Mauritius) Limited (Formerly known as "Minerva Fiduciary Services (Mauritius) Limited") Suite 2004, Level 2, Alexander House 35 Cybercity, Ebène, Republic of Mauritius	-	Subsidiary	100	2(87)(ii)
6	JM Financial Singapore Pte Limited 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624	-	Subsidiary	100*	2(87)(ii)
7	JM Financial Securities, Inc 2711 Centerville Road, Suite 400, City of Wilmington, Country of New Castle, Delaware 19808 United States of America	-	Subsidiary	100*	2(87)(ii)
8	Infinite India Investment Management Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74140MH2006PLC163489	Subsidiary	100	2(87)(ii)
9	JM Financial Properties and Holdings Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65990MH2010PLC201513	Subsidiary	100	2(87)(ii)
10	CR Retail Malls (India) Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U92190MH1999PLC122208	Subsidiary	100	2(87)(ii)
11	JM Financial Products Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74140MH1984PLC033397	Subsidiary	99.35	2(87)(ii)
12	JM Financial Credit Solutions Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74140MH1980PLC022644	Subsidiary	47.05	2(87)(i)
13	JM Financial Home Loans Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65999MH2016PLC288534	Subsidiary	98.35 [#]	2(87)(ii)
14	JM Financial Asset Reconstruction Company Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U67190MH2007PLC174287	Subsidiary	59.25	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
15	JM Financial Asset Management Limited 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65991MH1994PLC078879	Subsidiary	59.54	2(87)(ii)
16	JM Financial Trustee Company Private Limited 141, Maker Chambers III, Nariman Point, Mumbai 400 021	U65991MH1994PTC078880	Associate	25	2(6)
17	Astute Investments 1 st & 2 nd Floor, Suashish IT Park, Plot No. 68E, Off Datta Pada Road, Opp. Tata Steel, Borivali (East), Mumbai 400 066	-	Partnership Firm in which Wholly Owned Subsidiaries of the Company are Partners	100*	-

*Holding through the Company's Wholly Owned Subsidiaries.

#Holding through JM Financial Products Limited.

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise Shareholding

Category of Shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A (i) Promoter									
(1) Indian									
a) Individual/HUF	13,53,57,500	-	13,53,57,500	16.15%	13,53,57,500	-	13,53,57,500	16.12%	(0.03%)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	20,34,06,600	-	20,34,06,600	24.28%	20,34,06,600	-	20,34,06,600	24.22%	(0.06%)
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
A (ii) Promoter Group									
(1) Indian									
a) Individual/HUF	5,69,51,250	-	5,69,51,250	6.80%	5,78,01,250	-	5,78,01,250	6.88%	0.08%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	12,47,72,908	-	12,47,72,908	14.89%	12,47,72,908	-	12,47,72,908	14.85%	(0.04%)
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	52,04,88,258	-	52,04,88,258	62.12%	52,13,38,258	-	52,13,38,258	62.07%	(0.05%)
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FIs	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of promoter	52,04,88,258	-	52,04,88,258	62.12%	52,13,38,258	-	52,13,38,258	62.07%	(0.05%)
(A) = (A)(1)+(A)(2)									

Board's Report (Contd.)

B. Public Shareholding

1. Institutions

a) Mutual Funds	3,36,20,152	-	3,36,20,152	4.01%	3,95,99,021	-	3,95,99,021	4.71%	0.70%
b) Banks /FI	7,45,484	-	7,45,484	0.09%	5,55,311	-	5,55,311	0.07%	(0.02%)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	13,49,81,643	-	13,49,81,643	16.11%	15,02,90,634	-	15,02,90,634	17.89%	1.78%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
j) Alternative Investment Funds	12,312	-	12,312	0.00%	806,450	-	806,450	0.10%	0.10%
Sub total (B)(1):	16,93,59,591	-	16,93,59,591	20.21%	19,12,51,416	-	19,12,51,416	22.77%	2.56%

2. Non-institutions

a) Bodies Corporate

i) Indian	2,21,25,444	34,750	2,21,60,194	2.64%	1,73,25,587	28,500	1,73,54,087	2.07%	(0.59%)
ii) Overseas	-	-	-	-	-	-	-	-	-

b) Individuals

i) Individual shareholders holding nominal share capital upto ₹1 lakh	4,29,87,513	34,30,517	4,64,18,030	5.54%	4,41,40,640	27,49,142	4,68,89,782	5.58%	0.04%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	4,69,58,660	-	4,69,58,660	5.60%	4,72,78,437	-	4,72,78,437	5.63%	0.03%

c) Others

i) NRIs	1,44,93,569	5,000	1,44,98,569	1.73%	1,44,86,074	10,000	1,44,96,074	1.73%	(0.00%)
ii) Trust	1,68,31,673	-	1,68,31,673	2.01%	4,600	-	4,600	0.00%	(2.01%)
iii) IEPF	11,65,283	-	11,65,283	0.14%	13,18,809	-	13,18,809	0.16%	0.02%

Sub total (B)(2):- 14,45,62,142 34,70,267 14,80,32,409 17.67% 12,45,54,147 27,87,642 12,73,41,789 15.16% (2.51%)

Total Public Shareholding (B) = 31,39,21,733 34,70,267 31,73,92,000 37.88% 31,58,05,563 27,87,642 31,85,93,205 37.93% 0.05%

(B)(1)+(B)(2)

C. Shares held by Custodian for GDRs and ADRs

Grand Total(A+B+C) 83,44,09,991 34,70,267 83,78,80,258 100.00% 83,71,43,821 27,87,642 83,99,31,463 100.00% 0.00%

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2018)			Shareholding at the end of the year (March 31, 2019)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1	J. M. Financial & Investment Consultancy Services Private Limited	20,34,06,600	24.28	0.00	20,34,06,600	24.22	0.00	(0.06)
2	J. M. Assets Management Private Limited	10,30,42,908	12.30	0.00	10,30,42,908	12.27	0.00	(0.03)
3	JSB Securities Limited	65,05,000	0.78	0.00	65,05,000	0.77	0.00	(0.01)
4	Mr. Nimesh Nagindas Kampani*	13,53,57,500	16.15	0.00	13,53,57,500	16.12	0.00	(0.03)
5	SNK Investments Private Limited	1,17,60,000	1.40	0.00	1,17,60,000	1.40	0.00	0.00
6	Persepolis Investment Company Private Limited	16,50,000	0.20	0.00	16,50,000	0.20	0.00	0.00
7	Kampani Consultants Limited	6,85,000	0.08	0.00	6,85,000	0.08	0.00	0.00
8	JM Financial Trustee Company Private Limited	11,30,000	0.13	0.00	11,30,000	0.13	0.00	0.00
9	Ms. Aruna Nimesh Kampani	3,84,51,250	4.59	0.00	3,84,51,250	4.58	0.00	(0.01)
10	Mr. Vishal Kampani	1,05,00,000	1.25	0.00	1,13,50,000	1.35	0.00	0.10
11	Ms. Amishi Akash Gambhir	80,00,000	0.95	0.00	80,00,000	0.95	0.00	0.01
	Total	52,04,88,258	62.12	0.00	52,13,38,258	62.07	0.00	(0.05)

* Includes 12,50,000 equity shares held by Nimesh Kampani HUF.

Notes:

- The percentage change in the shareholding of the Promoter/Promoters' Group is partly due to an increase in the paid up share capital of the Company consequent upon allotment of an aggregate of 20,51,205 equity shares pursuant to exercise of stock options by the eligible employees during the year and partly due to acquisition of equity shares by Mr. Vishal Kampani (8,50,000 equity shares) from the secondary market.
- Mr. Ashith Kampani has been re-classified from Promoter Group category to Non-Promoter Group/ Public category. The said re-classification has been approved by the Members of the Company at its Annual General Meeting held on July 18, 2018 and by the stock exchanges viz., BSE Limited and the National Stock Exchange of India Limited on September 7, 2018.
- Name of Ms. Amishi Kampani has been changed to Ms. Amishi Akash Gambhir consequent upon marriage.

Board's Report (Contd.)

(iii) Change in Promoters' shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	J. M. Financial & Investment Consultancy Services Private Limited	20,34,06,600	24.28	01.04.2018			20,34,06,600	24.28
					No change in the shareholding during the year			
		20,34,06,600	24.22	31.03.2019			20,34,06,600	24.22
2	J. M. Assets Management Private Limited	10,30,42,908	12.30	01.04.2018			10,30,42,908	12.30
					No change in the shareholding during the year			
		10,30,42,908	12.27	31.03.2019			10,30,42,908	12.27
3	JSB Securities Limited	65,05,000	0.78	01.04.2018			65,05,000	0.78
					No change in the shareholding during the year			
		65,05,000	0.77	31.03.2019			65,05,000	0.77
4	Mr. Nimesh Nagindas Kampani*	13,53,57,500	16.15	01.04.2018			13,53,57,500	16.15
					No change in the shareholding during the year			
		13,53,57,500	16.12	31.03.2019			13,53,57,500	16.12
5	SNK Investments Private Limited	1,17,60,000	1.40	01.04.2017			1,17,60,000	1.40
					No change in the shareholding during the year			
		1,17,60,000	1.40	31.03.2018			1,17,60,000	1.40
6	Persepolis Investment Company Private Limited	16,50,000	0.20	01.04.2018			16,50,000	0.20
					No change in the shareholding during the year			
		16,50,000	0.20	31.03.2019			16,50,000	0.20
7	Kampani Consultants Limited	6,85,000	0.08	01.04.2018			6,85,000	0.08
					No change in the shareholding during the year			
		6,85,000	0.08	31.03.2019			6,85,000	0.08
8	JM Financial Trustee Company Private Limited	11,30,000	0.13	01.04.2018			11,30,000	0.13
					No change in the shareholding during the year			
		11,30,000	0.13	31.03.2019			11,30,000	0.13
9	Ms. Aruna Nimesh Kampani	3,84,51,250	4.59	01.04.2018			3,84,51,250	4.59
					No change in the shareholding during the year			
		3,84,51,250	4.58	31.03.2019			3,84,51,250	4.58
10	Mr. Vishal Kampani	1,05,00,000	1.25	01.04.2018			1,05,00,000	1.25
				09.11.2018	1,50,000	Market Purchase	1,06,50,000	1.27
				12.11.2018	1,00,000	Market Purchase	1,07,50,000	1.28
				13.11.2018	50,000	Market Purchase	1,08,00,000	1.29
				14.11.2018	1,50,000	Market Purchase	1,09,50,000	1.30
				16.11.2018	50,000	Market Purchase	1,10,00,000	1.31
				19.11.2018	7,662	Market Purchase	1,10,07,662	1.31
				20.11.2018	42,338	Market Purchase	1,10,50,000	1.32
				22.11.2018	1,50,000	Market Purchase	1,12,00,000	1.33
				05.12.2018	50,000	Market Purchase	1,12,50,000	1.34
				08.02.2019	50,000	Market Purchase	1,13,00,000	1.35
				18.02.2019	39,041	Market Purchase	1,13,39,041	1.35
				20.02.2019	10,959	Market Purchase	1,13,50,000	1.35
				1,13,50,000	1.35	31.03.2019		
11	Ms. Amishi Akash Gambhir	80,00,000	0.95	01.04.2018			80,00,000	0.95
					No change in the shareholding during the year			
		80,00,000	0.95	31.03.2019			80,00,000	0.95

*Includes 12,50,000 equity shares held by Nimesh Kampani HUF.

Notes:

- The percentage change in the shareholding of the Promoter/Promoters' Group is partly due to an increase in the paid up share capital of the Company consequent upon allotment of an aggregate of 20,51,205 equity shares pursuant to exercise of stock options by the eligible employees during the year and partly due to acquisition of equity shares by Mr. Vishal Kampani (8,50,000 equity shares) from the secondary market.
- Mr. Ashith Kampani has been re-classified from Promoter Group category to Non-Promoter Group/Public category. The said re-classification has been approved by the Members of the Company at its Annual General Meeting held on July 18, 2018 and by the stock exchanges viz., BSE Limited and the National Stock Exchange of India Limited on September 7, 2018.
- Name of Ms. Amishi Kampani has been changed to Ms. Amishi Akash Gambhir consequent upon marriage.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Valiant Mauritius Partners Offshore Limited	1,40,73,813	1.68	01/04/2018				
				06/04/2018	2,27,340	Purchase	1,43,01,153	1.71
				06/07/2018	3,76,383	Purchase	1,46,77,536	1.75
				27/07/2018	25,53,630	Purchase	1,72,31,166	2.05
				28/09/2018	7,59,289	Purchase	1,79,90,455	2.14
				05/10/2018	5,02,711	Purchase	1,84,93,166	2.20
				12/10/2018	23,52,309	Purchase	2,08,45,475	2.48
				08/02/2019	11,72,479	Purchase	2,20,17,954	2.62
				31/03/2019			2,20,17,954	2.62
		2	Baron Emerging Markets Fund	2,03,02,025	2.42	01/04/2018		
				10/08/2018	5,08,030	Purchase	2,08,10,055	2.48
				17/08/2018	32,102	Purchase	2,08,42,157	2.48
				28/09/2018	(3,99,430)	Sale	2,04,42,727	2.43
				11/01/2019	(1,91,590)	Sale	2,02,51,137	2.41
				29/03/2019	4,06,885	Purchase	2,06,58,022	2.46
				31/03/2019			2,06,58,022	2.46
3	Saif India VI FII Holdings Limited	-	-	01/04/2018				
				07/09/2018	57,83,944	Purchase	57,83,944	0.69
				14/09/2018	18,000	Purchase	58,01,944	0.69
				28/09/2018	19,00,000	Purchase	77,01,944	0.92
				05/10/2018	20,53,532	Purchase	97,55,476	1.16
				12/10/2018	1,15,000	Purchase	98,70,476	1.18
				26/10/2018	51,11,299	Purchase	1,49,81,775	1.78
				02/11/2018	1,40,000	Purchase	1,51,21,775	1.80
				31/03/2019			1,51,21,775	1.80
4	TIMF Holdings	1,56,02,096	1.86	01/04/2018				
				31/12/2018	(13,14,074)	Sale	1,42,88,022	1.70
				31/03/2019			1,42,88,022	1.70
5	Valiant Mauritius Partners Limited	94,80,359	1.13	01/04/2018				
				06/04/2018	1,51,560	Purchase	96,31,919	1.15
				06/07/2018	2,47,117	Purchase	98,79,036	1.18
				27/07/2018	12,38,370	Purchase	1,11,17,406	1.32
				28/09/2018	4,90,711	Purchase	1,16,08,117	1.38
				05/10/2018	3,24,889	Purchase	1,19,33,006	1.42
				12/10/2018	17,92,691	Purchase	1,37,25,697	1.63
				08/02/2019	(11,72,479)	Sale	1,25,53,218	1.49
				31/03/2019			1,25,53,218	1.49
6	Mr. Vikram Shankar Pandit	1,16,46,939	1.39	01/04/2018				
				31/03/2019			1,16,46,939	1.39
7	The Wellington Trust Company National Association	73,16,417	0.87	01/04/2018				
				22/06/2018	50,000	Purchase	73,66,417	0.88
				29/06/2018	3,79,053	Purchase	77,45,470	0.92
				03/08/2018	2,04,348	Purchase	79,49,818	0.95
				10/08/2018	2,97,429	Purchase	82,47,247	0.98
				24/08/2018	2,36,954	Purchase	84,84,201	1.01
				05/10/2018	5,90,530	Purchase	90,74,731	1.08
				12/10/2018	3,21,879	Purchase	93,96,610	1.12
				19/10/2018	48,721	Purchase	94,45,331	1.12
				26/10/2018	8,82,800	Purchase	1,03,28,131	1.23
				31/03/2019			1,03,28,131	1.23

Board's Report (Contd.)

Sr. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of Shares	% of total shares of the Company
	For each of the Top Ten Shareholders							
8	Reliance Capital Trustee Company Limited	27,77,777	0.33	01/04/2018				
				06/07/2018	3,01,120	Purchase	30,78,897	0.37
				13/07/2018	4,56,612	Purchase	35,35,509	0.42
				14/09/2018	15,00,000	Purchase	50,35,509	0.60
				05/10/2018	12,45,000	Purchase	62,80,509	0.75
				12/10/2018	5,00,000	Purchase	67,80,509	0.81
				02/11/2018	9,68,100	Purchase	77,48,609	0.92
				09/11/2018	5,00,000	Purchase	82,48,609	0.98
				21/12/2018	20,06,061	Purchase	1,02,54,670	1.22
		1,02,54,670	1.22	31/03/2019				
9	IDFC Premier Equity Fund	1,23,91,138	1.48	01/04/2018				
				06/04/2018	(13,078)	Sale	1,23,78,060	1.48
				13/04/2018	(27,252)	Sale	1,23,50,808	1.47
				14/09/2018	4,10,000	Purchase	1,27,60,808	1.52
				05/10/2018	(5,00,000)	Sale	1,22,60,808	1.46
				19/10/2018	(15,64,646)	Sale	1,06,96,162	1.27
				26/10/2018	(32,22,087)	Sale	74,74,075	0.89
				16/11/2018	(2,25,854)	Sale	72,48,221	0.86
				23/11/2018	(1,41,372)	Sale	71,06,849	0.85
				30/11/2018	(3,05,070)	Sale	68,01,779	0.81
				15/02/2019	(1,25,311)	Sale	66,76,468	0.79
				29/03/2019	2,37,026	Purchase	69,13,494	0.82
		69,13,494	0.82	31/03/2019				
10	BNP Paribas Arbitrage	66,66,515	0.80	01/04/2018				
				06/04/2018	(6,38,848)	Sale	60,27,667	0.72
				20/04/2018	64,093	Purchase	60,91,760	0.73
				27/04/2018	4,03,000	Purchase	64,94,760	0.77
				04/05/2018	(2,62,625)	Sale	62,32,135	0.74
				11/05/2018	(2,15,167)	Sale	60,16,968	0.72
				12/10/2018	8,92,000	Purchase	69,08,968	0.82
				19/10/2018	10,45,751	Purchase	79,54,719	0.95
				26/10/2018	(23,05,083)	Sale	56,49,636	0.67
				02/11/2018	1,76,437	Purchase	58,26,073	0.69
				07/12/2018	3,87,770	Purchase	62,13,843	0.74
				14/12/2018	1,64,172	Purchase	63,78,015	0.76
				21/12/2018	(26,51,324)	Sale	37,26,691	0.44
				28/12/2018	29,899	Purchase	37,56,590	0.45
				31/12/2018	1,33,945	Purchase	38,90,535	0.46
				04/01/2019	15,94,578	Purchase	54,85,113	0.65
				11/01/2019	6,195	Purchase	54,91,308	0.65
				18/01/2019	14,061	Purchase	55,05,369	0.66
				25/01/2019	(26,914)	Sale	54,78,455	0.65
				01/02/2019	(35,897)	Sale	54,42,558	0.65
				08/03/2019	53,651	Purchase	54,96,209	0.65
				22/03/2019	19,026	Purchase	55,15,235	0.66
				29/03/2019	7,30,974	Purchase	62,46,209	0.74
		62,46,209	0.74	31/03/2019				

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No	Name of the Shareholder	Shareholding	Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
	For each of the Directors and Key Managerial Personnel	No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company			No. of Shares	% of total shares of the Company
1	Mr. Nimesh Kampani*	13,53,57,500	16.15	01.04.2018		13,53,57,500	16.15
	Non executive Chairman				No change in the shareholding during the year		
		13,53,57,500	16.12	31.03.2019		13,53,57,500	16.12
2	Mr. E A Kshirsagar	0	0.00	01.04.2018		0	0.00
	Independent Director				No change in the shareholding during the year		
		0	0.00	31.03.2019		0	0.00
3	Mr. Darius E Udawadia	0	0.00	01.04.2018		0	0.00
	Independent Director				No change in the shareholding during the year		
		0	0.00	31.03.2019		0	0.00
4	Mr. Paul Zuckerman	0	0.00	01.04.2018		0	0.00
	Independent Director				No change in the shareholding during the year		
		0	0.00	31.03.2019		0	0.00
5	Dr. Vijay Kelkar	0	0.00	01.04.2018		0	0.00
	Independent Director				No change in the shareholding during the year		
		0	0.00	31.03.2019		0	0.00
6	Mr. Keki Dadiseth	0	0.00	01.04.2018		0	0.00
	Independent Director				No change in the shareholding during the year		
		0	0.00	31.03.2019		0	0.00
7	Ms. Jagi Mangat Panda	0	0.00	01.04.2018		0	0.00
	Independent Director				No change in the shareholding during the year		
		0	0.00	31.03.2019		0	0.00
8	Mr. Vishal Kampani	1,05,00,000	1.25	01.04.2018			
	Managing Director						
				09.11.2018	1,50,000	Market Purchase	1,06,50,000 1.27
				12.11.2018	1,00,000	Market Purchase	1,07,50,000 1.28
				13.11.2018	50,000	Market Purchase	1,08,00,000 1.29
				14.11.2018	1,50,000	Market Purchase	1,09,50,000 1.30
				16.11.2018	50,000	Market Purchase	1,10,00,000 1.31
				19.11.2018	7,662	Market Purchase	1,10,07,662 1.31
				20.11.2018	42,338	Market Purchase	1,10,50,000 1.32
				22.11.2018	1,50,000	Market Purchase	1,12,00,000 1.33
				05.12.2018	50,000	Market Purchase	1,12,50,000 1.34
				08.02.2019	50,000	Market Purchase	1,13,00,000 1.35
				18.02.2019	39,041	Market Purchase	1,13,39,041 1.35
				20.02.2019	10,959	Market Purchase	1,13,50,000 1.35
		1,13,50,000	1.35	31.03.2019			
9	Mr. Prashant Choksi	2,88,044	0.04	01.04.2018			
	Group Head- Compliance, Legal & Company Secretary			02.05.2018	17,987	Allotment pursuant to exercise of Stock Options	3,06,031 0.04
				20.08.2018	13,545	Allotment pursuant to exercise of Stock Options	3,19,576 0.04
		3,19,576	0.04	31.03.2019			
10	Mr. Manish Sheth	2,97,778	0.04	01.04.2018			
	Group Chief Financial Officer			02.05.2018	21,222	Allotment pursuant to exercise of Stock Options	3,19,000 0.04
				20.08.2018	12,484	Allotment pursuant to exercise of Stock Options	3,31,484 0.04
		3,31,484	0.04	31.03.2019			

*Includes 12,50,000 equity shares held by Nimesh Kampani HUF.

Note:

The percentage change in the shareholding of Mr. Vishal Kampani is partly due to an increase in the paid up share capital consequent upon allotment of an aggregate 20,51,205 equity shares pursuant to exercise of stock options by the eligible employees during the year and partly due to acquisition of an aggregate 8,50,000 equity shares by him from the secondary market.

Board's Report (Contd.)

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Lakh

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	85.90	-	-	85.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	85.90	-	-	85.90
Change in indebtedness during the financial year				
Addition	83.93	99,000.00	-	99,083.93
Reduction	41.05	99,000.00	-	99,041.05
Net Change	42.88	-	-	42.88
Indebtedness at the end of the financial year				
i) Principal amount	128.78	-	-	128.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	128.78	-	-	128.78

Note: The Indebtedness in respect of unsecured loans at the end of financial year is Nil (Previous year Nil), after excluding the unamortised discount on commercial papers.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in Lakh

Sr. No.	Particulars of Remuneration	Mr. Vishal Kampani (Managing Director)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	144.00	144.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28.16	28.16
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	172.16	172.16
	Ceiling as per the Act		656.71

B. Remuneration to other Directors:

₹ in Lakh

Sr. no.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Nimesh Kampani	Mr. E A Kshirsagar	Mr. Darius E Udwardia	Mr. Paul Zuckerman	Dr. Vijay Kelkar	Mr. Keki Dadiseth	Ms. Jagi Mangat Panda	
1.	Independent Directors								
	Fee for attending board/committee meetings	-	8.20	8.75	8.40	8.80	4.20	4.30	42.65
	Commission	-	22.00	20.00	20.00	22.00	20.00	20.00	124.00
	Others (Fee for attending Independent Directors' Meeting)	-	1.00	1.00	1.00	1.00	1.00	1.00	6.00
	Total (1)	-	31.20	29.75	29.40	31.80	25.20	25.30	172.65
2.	Other Non-Executive Directors								
	Fee for attending board/committee meetings	7.55	-	-	-	-	-	-	7.55
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	7.55	-	-	-	-	-	-	7.55
	Total (B)=(1+2)	7.55	31.20	29.75	29.40	31.80	25.20	25.30	180.20
	Remuneration to Managing Director, Whole-time Directors and/or Manager								172.16
	Remuneration to other Directors including sitting fees								180.20
	Total Managerial Remuneration including sitting fees								352.36
	Overall Ceiling as per the Act (6% of the Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)								788.05

C. Remuneration to Key Managerial Personnel other than Managing Director:

₹ in Lakh

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	214.26	270.87	485.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	40.84	46.84	87.68
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	Cost included in 1(b) above	Cost included in 1(b) above	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	255.10	317.71	572.81

VII. Penalties/Punishment/Compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalties / Punishment / Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. Company					
			None		
B. Directors					
			None		
C. Other Officers in Default					
			None		

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 2, 2019**Nimesh Kampani**
Chairman

Management Discussion and Analysis Report

Global growth momentum slows

Global growth remained strong until the first half of 2018 despite the commencement of the US-China trade war. However, with trade tensions due to retaliations and tariff hikes, declining business confidence, tightening of financial conditions and higher policy uncertainty across many countries, the IMF lowered growth projections for 2018 from 3.9% in Apr'18 to 3.6% in Apr'19. For 2019 too, global growth forecast was revised downwards to 3.3% YoY vs. 3.5% earlier due to uncertainties arising from Brexit, trade policy, downside risks to growth in Euro and China and deterioration in market sentiment.

Indian Economy

India remains the fastest growing economy in the world. However, the Central Statistical Office (CSO) estimates India's growth rate at 7.0% in FY19, slower than 7.2% in FY18, due to growth moderation in government spending (9% vs. 15% in FY18; 11% share in GDP) and capital formation (9% YoY vs. 10% in FY18; 33% share in GDP). For FY20, the IMF has projected growth at 7.3% YoY on account of recovery of investment and robust consumption, aided by expansionary stance of monetary policy and some expected boost from fiscal policy.

Since India is a consumption driven economy and rural India contributes c.50% to the GDP (FICCI 2018), food deflation for five consecutive months since Oct'18, against rising input prices (c.6% during the same period) became the chief cause of widespread agrarian challenges. This, along with upcoming elections compelled the government (both Centre and states) to announce various direct income transfer schemes along with farm loan waivers, to support the rural economy. Consequently, the general government budgeted to slip the FY19 consolidated gross fiscal deficit-to-GDP (GFD-to-GDP) target of 5.9% by 24bps - i) Centre by 3bps from 3.33%, and states (17 states. 90% of India's GDP) by 21 bps. For FY20, the government has targeted a GFD-to-GDP ratio at 5.88% (Centre+ states: 3.35% + 2.53%).

Inflation

Inflation remained benign throughout FY19 with headline CPI inflation declining from 4.9% YoY in May'18 to 2.0% in Jan'19 driven by falling food prices. In Feb'19, however, inflation inched up to 2.6% YoY (owing to turnaround in food deflation) although FYTD19 (Apr-Feb'19) inflation continues to stand below the medium term target of 4%, i.e. at 3.5% YoY. The RBI, in its monetary policy reviews stood clear by its mandate of inflation targeting, and raised policy rates in Jun'18 and Aug'18 by 25bps each when oil prices surged and

inflationary expectations of households and industries firmed. By Feb'19 however, the Monetary Policy Committee, headed by the new RBI Governor Mr. Shaktikanta Das, cut policy rates by 25bps due to concerns on growth against low inflation. Going forward, the RBI has projected inflation for 1HFY20 at 2.9-3.0%, and 2HFY20 at 3.5-3.8% with risks from reversal of food deflation, volatile oil prices, monsoon (possibility of EL-Nino), and general government fiscal slippage.

Monetary conditions

With significant leakages of liquidity driven by i) RBI's foreign exchange reserves operations (net spot sales of USD 25.6bn during Apr-Jan'19 vs. net purchase of USD 31bn during the same time last year), and ii) increase in currency in circulation (growth of which averaged c.20% during Oct-Feb'19), liquidity was constrained. The RBI intervened to conduct open-market purchases of bonds that amounted to ₹ 3tn by Mar'19. With year-end (26Mar'19), the RBI introduced a new tool for liquidity management- foreign exchange swap auction for injecting rupee liquidity worth ₹ 345.6bn.

Bank credit growth held up relatively in FY19. As on Feb'19, bank credit growth stood at 8.0% FYTD, driven by personal loans (13.4% FYTD), and services (11.0% FYTD). After subdued growth over last 2-3 years, industry credit uptake witnessed some recovery with a growth of 2.8% FYTD (supported by strong 10.7% FYTD growth exhibited by infrastructure sector). As on March 31, 2019, CRR stood at 4%, SLR at 19.25%, repo rate at 6.25%, reverse repo at 6.00% and MSF/bank rate at 6.50%.

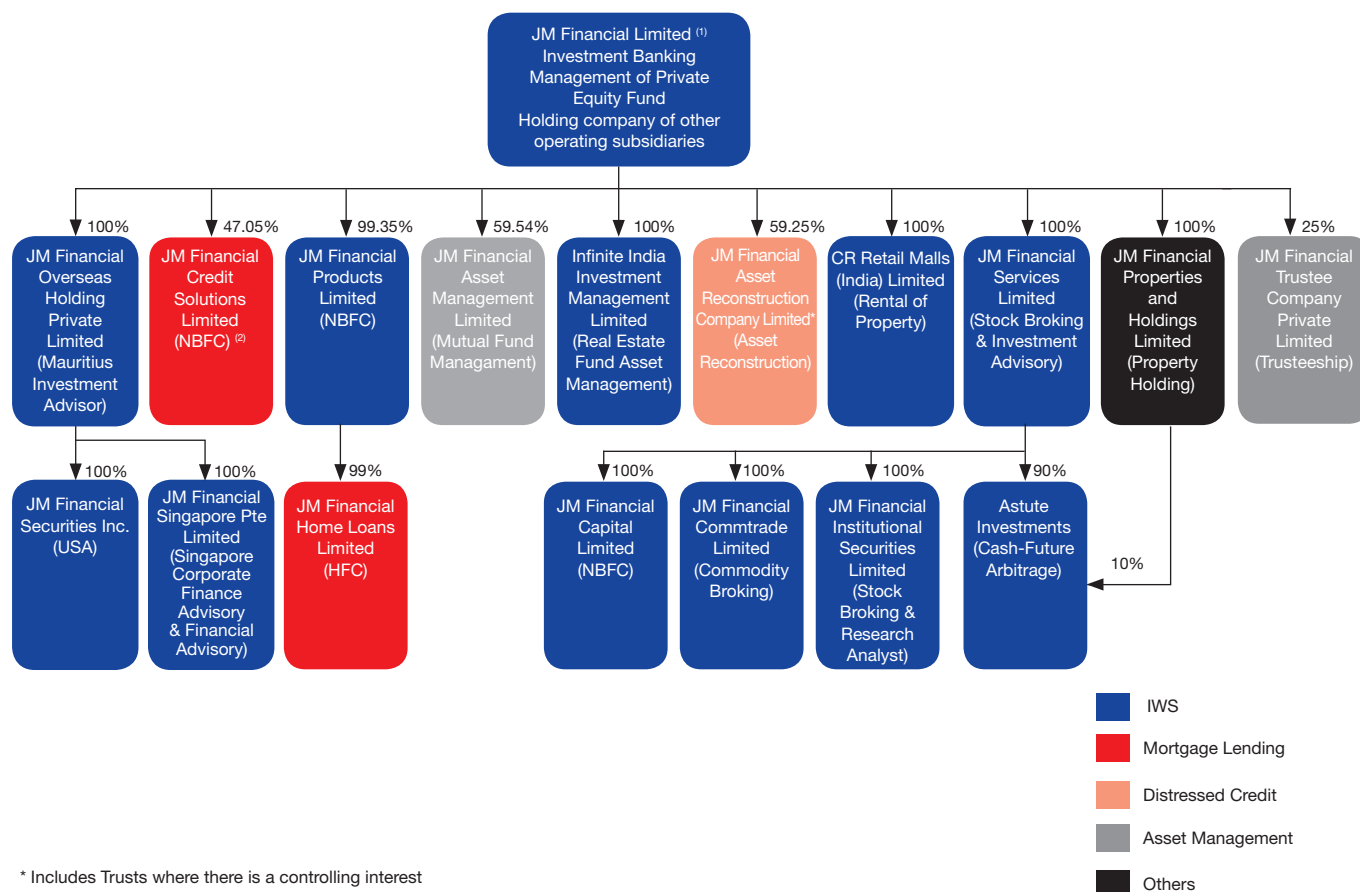
External economy

On the external front of the economy, the Re stood at 65/USD at the start of FY19. However, with rising oil prices (that began at USD 67/bbl in Apr'18 but peaked to USD 86/bbl in early Oct'18) and foreign capital outflows (net FII outflow worth USD 7.9bn in equity and USD 8.7bn in debt respectively during Apr-Oct'18), the Re depreciated to an all-time peak of ₹ 74.39/USD in early Oct'18. Since then, lower global oil demand and anticipation of excess supply by the OPEC (Organisation of the Petroleum Exporting Countries) in 2019, moderated oil prices. This has tempered concerns around the current account deficit, which is estimated at 2.5% of the GDP for FY19 (Union Interim Budget 2019-20). Further, with dovishness of the Federal Reserve since Dec'18, foreign flows picked up-cumulative FII in equity changed from a net outflow of USD 6.7bn until Dec'18 to net inflows worth USD 1.76bn by Mar'19 and the Re closed at 69.2/USD on 31Mar'19. Foreign exchange reserves settled at USD 411.9bn vs. USD 424.4bn in Mar'18.

Source: International Monetary Fund, Reserve Bank of India, Union Budget 2019-20

DISCUSSION ON BUSINESSES AND OPERATIONAL PERFORMANCE

The corporate structure of JM Financial Group (“the Group”) as of March 31, 2019 is presented below:



* Includes Trusts where there is a controlling interest

1. Largely IWS and balance others
2. JM Financial Limited controlled entity with effective ownership of 47.05%
3. The percentage shareholding as mentioned in the corporate structure is calculated on the basis of the face value of shares.

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 of the Company and the businesses of its Group Entities. The core business area of the Group remains financial services. According to Ind AS, considering that the views of the management have precedence over the erstwhile risks and rewards model, segments have been reported based on management’s evaluation of financial information for allocating resources and assessing performance. The various

businesses in the Group are divided in four reportable segments. These are:

- **Investment banking, Wealth management and Securities business (IWS):** Our Group has evolved over time to a leading diversified financial services firm. We have a wider range of product offering and cater to several customer segments. We have presence across several complementary businesses. Clients are differentiating their service providers based on delivery capabilities across product categories. The IWS segment has been created with the objective of serving the clients in an integrated and holistic manner

Management Discussion and Analysis Report (Contd.)

and being a one stop shop for all our client's needs. Our IWS segment includes advisory and execution services of diverse nature to corporates, institutions, governments and government owned entities, banks, providing wealth advisory services, institutional securities business, broking services, distribution of financial products, syndication, private equity and real estate fund and providing leverage to our clients.

- **Mortgage Lending:** Our mortgage lending segment includes wholesale mortgage and retail mortgage as follows:
 - Wholesale mortgage which includes commercial real estate lending to real estate developers
 - Retail mortgage which includes housing finance business, lending to education institutions and SME lending (including loan against property)
- **Distressed Credit** Comprises of acquisition and resolution of distressed assets and
- **Asset management** Comprises of mutual fund business.

Our business segments are discussed in detail below:

Investment Banking, Wealth Management and Securities Business

Investment Banking Business

Investment banking business is amongst the oldest businesses within the JM Financial group. We are a full service investment banking franchise present across products viz. equity capital markets, debt capital markets, mergers and acquisitions and private equity syndication with a strong track record of over four decades. We have deep relationships with established and emerging corporates in India and have acted as their trusted 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 innovation have helped us handle some of the most complex, innovative, challenging and largest transactions in India.

A positive economic and a conducive business and regulatory environment is expected to provide growth opportunities for our investment banking business as corporates look for avenues of fund raising as well as consider inorganic growth and restructurings to implement their strategy. We will continue to focus on ideation with deeper, wider and sharper coverage and to synergistically use our balance sheet resources to expand our revenue base and gain profitable market share. Leveraging our relationships and expertise built through our investment banking platform and providing clients with products and services across other segments will be at the forefront our strategies.

Market Environment

Primary Market

The breakup of funds raised in public markets during FY 2018-19 as compared to the FY 2017-18 is as follows:

Capital market	FY 2018-19		FY 2017-18		FY 19 v/s FY 18
	No.	₹ in Crore	No.	₹ in Crore	%
IPO	14	14,674	45	81,516	(82%)
IPO on the SME Platform	106	1,620	155	2,249	(28%)
InvIT	3	7,971	2	7,283	9%
Rights Issue	8	1,999	20	21,397	(91%)
QIP	13	10,489	52	62,520	(83%)
IPP	-	-	2	4,668	-
Offer for Sale	28	21,686	36	17,431	24%
Total Equity Raised	172	58,439	312	197,064	(70%)
Total Debt raised through Public issue	26	36,715	8	5,103	619%
Total Amount Raised	198	95,154	320	202,167	(53%)

(Source: Prime Database)

The Indian equity capital markets raised a total of ₹ 58,439 Crore in FY 18-19 as compared to ₹ 197,064 Crore in FY 17-18, a decrease of 70% over one year. This has impacted our capital markets business for FY 18-19. Companies and Promoters have predominantly used the OFS, IPO and QIP routes to raise funds.

The first half of FY 18-19 sustained the momentum of FY 17-18, but the second half saw subdued performance by the equity capital markets, resulting from the following factors:

- Liquidity crunch that systemically affected NBFCs, coupled with the weak balance sheets of state owned banks, led to a virtual freeze in credit offtake
- Mid and Small cap stocks witnessed a strong correction, with FIIs being net sellers for the first time after 6 years
- GDP growth was weaker than expected
- Uncertainty of the general elections of 2019

Mergers and Acquisition

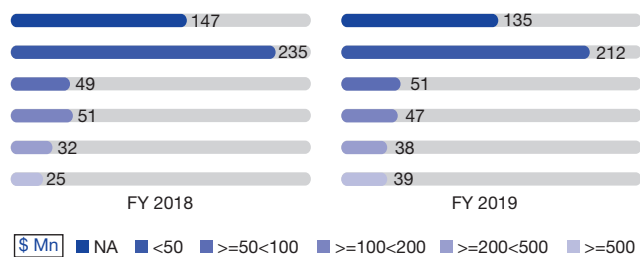
During FY 2018-19, 522 deals were announced as compared to 539 deals in FY 2017-18. The total value of the deals announced was ₹ 7.58 lakh crore for FY 2018-19 (not including 135 deals for which deal values were not available) as against ₹ 4.15 lakh crore for FY 2017-18 (not including 147 deals for which deal values were not available).

Deal Volume

No of Deals

Total : 539

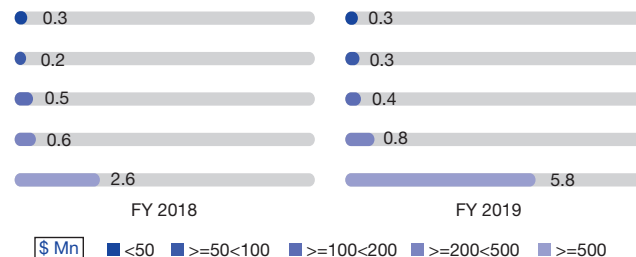
Total : 522



Deal Value

₹ in Lakh Crore

Total: ₹ 4.15 Lakh Crore Total: ₹ 7.58 Lakh Crore



Source: Mergermarket

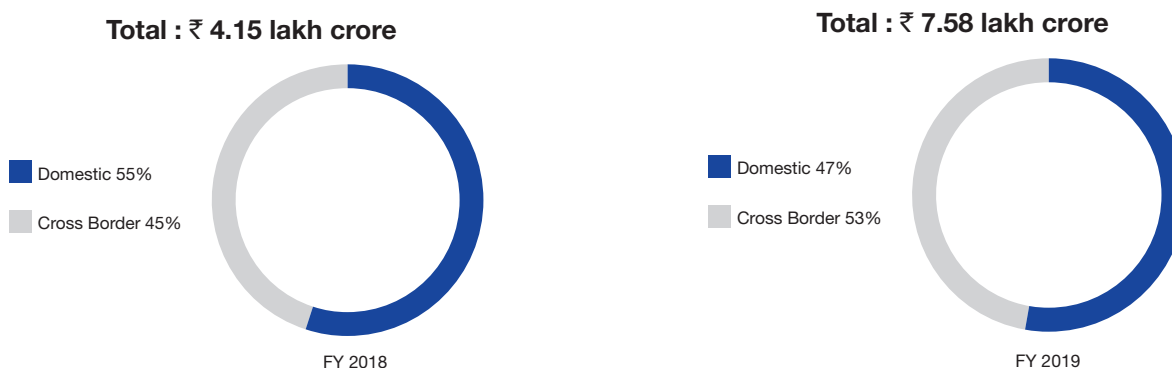
Notes

- Deals are considered based on announcement date (excluding lapsed/ withdrawn bids)
- Deals where both target and bidder are outside India are not considered.
- Deal values are converted from USD to INR based on the average exchange rates for FY 2017-18 and FY 2018-19 obtained from RBI websites viz <https://www.rbi.org.in/> and <https://www.fbil.org.in>

Domestic v/s Cross-Border Activity

During FY 2018-19, domestic transactions contributed 47% to the overall M&A activity with deal value aggregating ₹ 3.53 lakh crore compared to 55% in FY 2017-18 and a deal value aggregating ₹ 2.29 lakh crore.

Domestic Vs Cross Border



Source: Mergermarket

Notes

- Deals are considered based on announcement date (excluding lapsed/withdrawn bids).
- Deals where both target and bidder are outside India are not considered.
- Deal values are converted from USD to INR based on the average exchange rates for FY 2017-18 and FY 2018-19 obtained from RBI websites viz <https://www.rbi.org.in/> and <https://www.fbil.org.in>

Private Equity

In FY 2018-19, private equity deals worth ₹ 2,01,488 crore were announced compared to ₹ 1,76,681 crore in FY 2017-18. (Source: JM Financial Estimates).

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

Management Discussion and Analysis Report (Contd.)

Operational Performance of Investment Banking Business

During FY 2019, we concluded the following capital market transactions:

- Book Running Lead Manager to the IPO of:
 - Indostar Capital Finance Ltd. – ₹ 1,844 Crore
 - Fine Organic Industries Ltd. – ₹ 600 Crore
 - HDFC Asset Management Co Ltd. – ₹ 2,800 Crore
 - Chalet Hotels Ltd – ₹ 1,641 Crore
- Book Running Lead Managers to the QIP by:
 - Oberoi Realty Ltd. – ₹ 1,200 Crore
 - HDFC Bank Ltd – ₹ 2,775 Crore
- Book Running Lead Managers to the OFS by:
 - L&T Technology Services Ltd. – ₹ 789 Crore
 - L&T Infotech Ltd. – ₹ 1,846 Crore
 - Coal India Ltd. – ₹ 5,274 Crore
 - L&T Technology Services Ltd. – ₹ 250 Crore
- Buyback:
 - Tata Consultancy Services Ltd. – ₹ 16,000 Crore
 - HCL Technologies Ltd. – ₹ 4,000 Crore
 - Mphasis Ltd.– ₹ 988 Crore
 - Tata Investment Corp Ltd. – ₹ 450 Crore
 - Cyient Ltd. - ₹ 200 Crore
 - HEG Ltd. - ₹ 750 Crore
- Manager to the Debt issue:
 - JM Financial Credit Solutions Ltd. – ₹ 750 Crore
 - Shriram Transport Finance Co Ltd. - ₹ 3,649 Crore
 - JM Financial Credit Solutions Ltd. – ₹ 264 Crore
- Book Running Lead Managers to the REITs and InvITs issues by:
 - India Infrastructure Trust (InvIT) – ₹ 952 Crore
 - Embassy Office Parks REIT - ₹ 3,874 Crore
- Brookfield Asset Management. The deal was announced on March 18, 2019 and is under execution.
- Transaction Advisor to Reliance Group on its acquisition of Den Networks Limited and Manager to the Open Offer triggered pursuant to the acquisition.
- Transaction Advisor to Reliance Group on its acquisition of Hathway Cable Datacom Limited (Hathway) and Manager to the Open Offers triggered in Hathway, GTPL Hathway Limited and Hathway Bhawani Cabletel Datacom Limited, pursuant to the acquisition of Hathway.
- Financial Advisor to Heineken in connection with the acquisition of 2.80% of United Breweries Limited.
- Exclusive Lead Manager to the private placement of units by India Infrastructure Trust (an Infrastructure Investment Trust sponsored by Brookfield Group) for acquisition of the pipeline business owned by Pipeline Infrastructure Private Limited.
- Exclusive Financial Advisor to Sundaram Finance Limited and Royal Sundaram General Insurance Co. Limited on the sale of 40% stake in Royal Sundaram General Insurance Co. Limited to Ageas Insurance International N.V.
- Financial Advisor to JSW Steel Limited (JSW Steel) on Aion-JSW Steel's acquisition of Monnet Ispat Energy Limited under the Indian Bankruptcy Code process.
- Manager to the Open Offer by Xchanging Technology Services India Private Limited along with Computer Sciences Corporation India Private Limited and DXC Technology Company to the shareholders of Xchanging Solutions Limited. The Open Offer tendering period closed in May, 2018.
- Financial Advisor to Orient Refractories Limited (Orient) in connection with the merger of certain group companies with Orient.
- Advisor to Zydus Wellness Limited for acquisition fund raising.
- Exclusive Financial Advisor to True North Fund VI LLP and Exclusive Manager to the Open Offer for acquisition of 75% equity stake in Shree Digvijay Cement Company Limited.
- Financial Advisor to Timken India Limited on acquisition of ABC Bearings Limited through a scheme of arrangement, which was closed in August, 2018.
- Exclusive Financial Advisor to Scootsy on sale of its 100% equity shares to Swiggy (Bundl Technologies Private Limited).
- Exclusive Transaction Advisor to Arpita Agro on sale of its home care brands and related intellectual property to ITC.
- Advisor to Sona BLW Precision Forgings and JM Financial PE for private placement from Blackstone.

Mergers & Acquisitions and Private Equity

JM Financial was an advisor to the following marquee transactions during FY 2018-19:

- Exclusive Financial Advisor to Hotel Leela Venture Limited for sale of four owned Leela Hotels located at Bengaluru, Delhi, Chennai, Udaipur and a property owned at Agra to

- We also provided fairness opinions for a number of landmark transactions including:
 - Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda.
 - Demerger of the cement division business of Century Textiles and Industries Limited into Ultratech Cement Limited.
 - Amalgamation of Gruh Finance Limited with Bandhan Bank Limited.
 - To the board of directors of Merck Limited on valuation of the biopharma, performance materials and life sciences business division for transfer to Merck Life Science Private Limited.
 - Amalgamation of Harita Seating Systems Limited with Minda Industries Limited.

Securities Business

Our securities business includes our Institutional Equities Business which serves our institutional clients and our Equity Brokerage Group which serves individual and corporate clients. Our Institutional Equities business offers broking services in both cash and derivatives segments to Indian and global institutional clientele. We strive to provide high quality differentiated research with a focus on new stock ideas, intensive client servicing and efficient trade execution, complemented by hassle-free post trade settlement.

The global institutional equities industry is going through a catharsis of sorts led by technology, shift in assets under management from active fund management houses to passive fund management houses and global regulatory changes such as MIFD II, affecting service level agreements and pricing.

Such structural changes continue to impact yields on secondary markets businesses globally, across market participants. Despite these head-winds, our securities business delivered a stable performance during financial year FY19. We expect challenges on the yield front to continue in the foreseeable future across industry and hence a wider distribution reach, continuous augmentation of execution technology, wider and deeper research coverage strategies are being continuously implemented to ensure we maintain the momentum in our secondary institutional equities business.

While the global backdrop of securities yields remains a challenge, the strong growth in domestic asset under management at home grown assets management companies bodes well for our firm. As a well-recognized full service investment bank, the firm's institutional business continues to generate differentiated research spanning stock ideas,

thematic and sector reports, macro and investment strategy notes amongst others; thereby maintaining a strong two-way relationship with its existing and ever growing institutional client base. The firm continues to be positioned by many of its institutional clientele in their top tier rankings. Research analysts of the equities business continue to garner improved vote share and a full service sales –trading – research and corporate access service ensures end-to-end delivery, well appreciated by the firm's clientele.

To further augment its position in its institutional equities business, the firm has significantly grown its derivatives product and coverage in FY19. Recent regulatory changes such as the one permitting mutual funds to write call options should help the business over the medium term.

We also offer research based equity advisory and trading services to high net-worth individuals, corporate and retail clients. The Equity Brokerage Group has its presence in 120 top cities in India through network of branches and franchisees. The combination of branches and franchisee has helped us in achieving a de-risked business model and a wide spread presence. We service over 38,000 active clients with sales team of 392 spread across the country. During the FY2018-19, 30% of our clientele volume was contributed through online trading.

We will continue to focus on strengthening our branch network in Tier 1 cities and Franchisee Network in Tier 2 & 3 cities. We differentiate ourselves from discount and other small brokers as we provide advisory and funding led broking services, which are profitable.

During the year, we have continued to invest in people, research capabilities and online technology platform, which will help us to grow this business cost effectively.

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

(₹ in Crore)		
Average Daily Turnover	FY 2018-19	FY 2017-18
Cash		
BSE	3,127	4,384
NSE	32,164	29,263
Derivatives		
BSE	9	13
NSE	965,857	6,70,844
Total Average Daily Turnover	10,01,157	7,04,504

(Source: SEBI, NSE, BSE)

During FY 2018-19, our average daily turnover stood at ₹ 5,779 Crore compared to ₹ 5,187 Crore during FY 2017-18.

Management Discussion and Analysis Report (Contd.)

Wealth Management

The Wealth Management Group caters to ultra-high net-worth and high net-worth investors, corporates, banks and institutions. We follow the asset allocation model and provide a complete range of financial and custody solutions to clients including family office, advisory and execution services. During the year, our Asset under advice, distribution and management grew by 31.7% from ~₹ 31,808 Crore as on March 31, 2018 to ~₹ 41,886 Crore as on March 31, 2019. We have observed further improvement in the quality of our asset mix by garnering higher yielding equity and debt assets which now stands at ~85% of our Assets under advise as compared to ~81% in previous year. We are further looking at fortifying our product team to be able to offer new products and services to our clients.

Wealth business is currently being offered in 7 major cities in India and other cities are covered through hub and spoke model. We have a team of 54 advisors. We are focused to leverage our wealth management platform to meet client requirement across the group. We received Registered Investment Advisor (“RIA”) license with a view to service fee paying clients’ AUM under advisory based services to a large set of clients. We also provide lending to our wealth clients as part of our service advisory business.

Capital Markets lending

Our capital markets lending caters largely to our wealth and broking clients. Capital market lending in the area of loan against shares, margin funding, ESOP financing, loan against bonds/ mutual funds, sponsor financing, loans against property saw moderate growth during H1 of the FY19. In H2 FY19, NBFCs got impacted on account of tight liquidity conditions and the volatility in the capital markets leading to capital market lending business reducing drastically from FY18 level. During FY19 our IPO funding book was at ₹11,425 crore across 29 public issues (including 6 NCD issues) as compared to ₹ 49,419 Crore across 69 public issues during FY18. The evolving liquidity scenario for NBFCs in coming quarters and the outcome of the election results will have an impact on capital market lending business going forward. The Capital market loan book for March 31, 2019 stood at ₹ 1,078 Crore compared to ₹ 2,334 Crore as at March 31, 2018.

Independent Financial Distributors

With a network of over 8,400 active Independent Financial Distributors (IFDs). Our Independent Financial Distribution Group (IFDG) distributes various financial products such as mutual funds, fixed deposits, IPOs, bonds to retail and high net worth customers across the country. We are amongst the top players in terms of distribution of Mutual Funds, IPOs and Fixed Deposits through IFDs. We are No 2 position in All

India in league table of Prime Database in retail applications. During the FY 2018-19, we mobilised more than ₹ 4,000 crore in various corporate fixed deposits and bonds and over ₹ 1,200 crore in various mutual fund schemes. Our SIP count has grown by 23% from last year with average size of above ₹ 3,000 per SIP.

Our online platform saw a major progress this year with EVOLVE Account opening application. Today almost 90% of online accounts are opened paperless. We have focused on addition of quality advisors and 83% of our new IFDs joined in FY19 are AMFI Registration Number (ARN) holders. During the year, online transactions have gained momentum with total 14,340 clients doing transactions online. More than 1,040 IFDs are using online facility.

Structured Finance (Corporate and Real Estate)

The Structured Finance Group (SFG) at JM Financial aims to provide customized financing solutions to Companies and Promoters to meet various requirements e.g. debt repayment, working capital funding, growth capex, acquisition finance, bridge finance to equity fund-raising, stake accretion or investments in group companies, buy-out of private equity investors etc. The objective of structured lending is to provide efficient capital structures giving the desired flexibility to manage the cash flows and long term growth prospects of such companies. These loans are secured by one or more of the following collateral: fixed and current assets of the business, pledge of shareholding in the Company, Promoters’ personal assets and personal guarantee, other corporate guarantees / third party collateral as approved by the Lender. Lending to Promoters and/or their investment holding companies is typically secured by collateral comprising listed / unlisted share securities, or mortgage of properties, or other liquid investments or real estate.

The Structured Finance (Corporate and Real Estate) gross loan book for March 31, 2019 stood at ₹ 4,170 Crore, compared to ₹ 4,667 Crore as at March 31, 2018. The de-growth in the loan book demonstrates the quality of the portfolio where short term loans booked in the previous financial years have been successfully repaid by the client, despite the liquidity / pricing challenges in the credit markets.

The Group closed over 11 corporate loan transactions comprising of short term and long term loans across sectors such as consumer, pharma, metals and mining, infrastructure and the services sector. The business has been able to capitalize on the opportunity presented by waning presence of banks in the structured corporate lending space and successfully partnered with reputed clients with well established businesses looking for flexible capital structure solutions. Our key differentiator in the SFG franchise is therefore our ability to be a valued relationship oriented

financing partner, with a strong complementary investment banking franchise, while maintaining high credit standards and a strong portfolio for FY19.

SFG (Corporate) focus will be to drive business and profitability with stronger client partnerships, better structuring and distribution and robust portfolio monitoring while seeking to maximize the overall yield across the portfolio.

We also provide real estate lending solutions complementing the lending by JM Financial Credit Solutions Limited (JMFCSL).

NBFC lending

We have selectively partnered with NBFCs which have domain expertise by providing them with loans. This segment was affected by tight liquidity conditions in the second half of FY19.

New Age Technology Backed Real Estate Consultancy Services

In April 2017, we launched our new business named 'Dwello' which operates within the primary residential real estate space. We are building this business with a team of young, professional and trained real estate consultants. Dwello assists home buyers to make right decisions at every step from initiation to completion of their home buying journey. Dwello helps real estate developers to source home buyers for their projects.

The value proposition of Dwello is backed by technology, data analytics and use of online and social media marketing. Our algorithms offer accurate recommendations by sifting through vast knowledge banks comprising real time market data and historical decisions of many home buyers, curated by experts. Dwello is expanding to different areas within Mumbai. We believe that our existing real estate relationships and our expertise in closing transactions will help us further build this business and expand geographically.

With a vision to create a technologically advanced real estate consulting business, we believe Dwello will be able to add significant value to our customers.

Our strategy is to focus on simplifying the real estate decision making for the buyers by translating historical buying data and existing market data into meaningful insights. Home buyers are at the center of our strategy. We aim at creating a smooth workflow for converting a genuine enquiry into a transaction. Since we use systems for almost all the interactions internally and externally with the customers, we are using data analytics to find patterns and bring in efficiencies in everything we do. We are also focused on leveraging the real estate sector expertise and relationships across the group and benefit from the opportunities available in the market.

Private Equity and Real Estate Fund

Market Environment

In FY 2018-19, as per our estimate, the Private Equity (PE) investments were ₹ 2,01,488 Crore (707 deals) as compared to ₹ 1,76,681 Crore (531 deals) during FY 2017-18.

Year	Private Equity Investment (₹ in Crore)	Number of Deals	Average Deal Size (₹ in Crore)	Top Sectors where PE investments were made
2018-19	201,488	707	360	IT/ITES, Financial Services and Real Estate
2017-18	176,681	531	412	IT/ITES, Financial Services and Power and Power Ancillary

IT/ITES accounted for 36% of the total PE investments in FY 2018-19. Other sectors which witnessed high activity in terms of deal value were Financial Services and Real Estate accounting for 19% and 6% respectively of the total PE investments.

Total PE exits were ₹ 1,65,814 Crore (102 deals) in FY 2018-19 as compared to ₹ 76,270 Crore (135 deals) in FY 2017-18. Strategic and PE to PE transactions for unlisted companies, and secondary market transactions for listed companies were the preferred exit routes for PE Investors.

(Source: JM Financial estimates)

Operational Performance

JM Financial India Fund ("the Fund") is an India focused private equity fund, focused on providing growth capital to dynamic, fast growing companies in India. The Fund raised capital of ₹ 952 Crore through its domestic and offshore schemes and invested the corpus in thirteen companies across various sectors. The Fund has successfully exited from ten of its portfolio companies (including one partial exit) and has distributed / appropriated an aggregate of 112% in INR terms, of the capital contributions, as of March 31, 2019. The Fund is presently working to seek exit opportunities for the balance portfolio.

JM Financial India Fund II ("Fund II") is established as a trust under the Indian Trust Act, 1882 and registered with the Securities and Exchange Board of India ("SEBI"), under the SEBI (Alternative Investment Funds) Regulations, 2012 as a Category II AIF. Similar to the first Fund, Fund II is an India focused private equity fund, focused on providing growth capital to dynamic and fast growing small to mid-market companies in India. The Fund II has completed three investments and is actively evaluating other investment opportunities.

We continue to focus on exits from investments in our existing funds and deploying capital committed to Fund II. The primary

Management Discussion and Analysis Report (Contd.)

objective of the Fund II (sector agnostic with focus on investments in sectors such as Financial Services, Consumer, Infrastructure Services, IT/ITeS and Manufacturing) is to achieve superior risk adjusted returns, by investing growth capital in small to mid-market Indian companies. We believe that the small to mid-market opportunity is relatively less crowded, allowing for attractive investment opportunities in early stage companies that are in their first phase of expansion. We see a clear segmentation of investment strategies among peers.

JM Financial Property Fund (“the Property Fund”) is a real estate focused private equity fund that has invested in residential, hospitality and mixed use development assets at individual project or at holding level in development companies. The Property Fund through its domestic and offshore schemes had raised total capital contribution of ₹ 401 Crore, which is fully invested. Till date the Property Fund has made an aggregate distribution of ₹ 294 Crore which is 73.4 % of the total capital contribution in rupee terms. The Property Fund has Assets under Management (AUM) of ₹ 155 Crore as of March 31, 2019. The Property Fund continues to focus on exploring exit opportunities for its outstanding portfolio investments. During the year, the domestic scheme of the Property Fund has received consent from its investors to extend the tenure by another 2 years till March 04, 2021.

Our Private Equity and Real Estate 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.

Debt Trading and syndication

During the year, we carried out debt trading transactions in Government securities and Non SLR securities. We also syndicated loans through our debt syndication team.

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.

Our IWS 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.
- 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.
- Real estate sector has been experiencing flux of policy implementations which affect the home buying behaviour directly. Any new complex policy implementation like introduction of RERA, GST changes, etc. makes a lot of home buyers hold their decisions until the period of uncertainty settles down.

Financial Performance of IWS Segment

(₹ in Crore)

Particulars	FY 2018-19	FY 2017-18
Gross Income	1,635.39	1,724.38
Profit before tax	377.74	590.93
Profit after tax before non-controlling interest	240.94	399.15
Profit after tax after non-controlling interest	239.60	397.68
Segment Capital Employed	2,533.22	2,433.32

Mortgage Lending

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

Wholesale Mortgage Lending

The Wholesale Mortgage Lending business of JM Financial follows a solution based approach to its clients in the real estate sector by catering to the various financing requirements of its clients 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.

Various product offerings have evolved over a period of time based on our experiences across geographies and our close association with our clients:

- **Project Funding:** Project Funding is the most important aspect of real estate funding and our focus is to ensure that it continues to be the largest proportion of our product offering in this sector. Post Introduction of Real Estate Regulation and Development Act, 2016 (hereinafter referred to as “RERA”) the importance of project based funding has increased significantly as pre-launch sales, which used to fund construction in the past, are not possible.
- **Loan against Ready Asset:** The last few years have seen significant mis-match in the cash flow positions of

clients. By offering loans against their ready assets, we try to bridge the time gap between funding requirement and sales of assets.

- **Project Acquisition Funding:** Post-RERA, many larger developers are looking at opportunistic buying of various ongoing projects of smaller sized developers. Developers are also looking at selective land purchases for growth. We have been and would continue to remain relevant to our clients in this product offering as growth in the next decade would be significantly defined by such decisions made by the prominent developers.
- **Structured Finance:** We also provide unique solutions to clients such as providing exits to Private Equity Investments, Corporate Funding, etc. We have the flexibility to cross-collateralize existing securities and provide innovative structuring flexibility to developers.
- **Debt Syndication / Equity Raising:** We have effectively used our in-depth understanding of the sector to raise debt/equity for our clients from various sources like banks, private equity players, mutual funds and other NBFCs. This has given us the ability to underwrite larger amounts with the confidence to be able to sell it down or syndicate part of the exposure.

As on March 31, 2019, the gross loan book for wholesale mortgage lending stood at ₹ 8,123 Crore as compared to ₹ 7,339 Crore as on March 31, 2018. This growth has been aided by successfully adding newer geographies and expanding the book in the existing geographies like Mumbai and Bengaluru. We will continue to diversify across all our territories to ensure the city-wise concentration remains low.

The second half of the FY 2018-19 was marked with a lot of turbulence in the financial services sector in general and for the NBFC sector in particular. The liquidity squeeze being faced by the NBFCs had a direct impact on the real estate sector. A significant portion of the overall funding to real estate was taking place through NBFCs who faced a freeze in disbursements as liquidity was not available in the same manner as earlier periods. This situation has changed the funding landscape of the real estate sector who now are predominantly dependant on sales and bank funding for their cash flow requirements. Though most people would consider this a challenging time for wholesale NBFCs like ours, we see this as an opportunity to use our sector expertise along with our long standing relationships to provide holistic financial solutions to our clients which includes strategic tie ups, asset sales, equity raising, etc. The entire opportunity is subject to availability of long term capital at reasonable costs.

As we step into the next financial year we intend to use this situation to our advantage, by continuing to underwrite good credits and increase our exposures with our existing relationships. Our primary objective remains maintaining our asset quality along with identifying situations to grow our book gradually and associate with clients to provide not just a financial solution but even a strategic solution to address the need for capital.

Retail Mortgage Lending

• Housing Finance Business

Our housing finance business took small but firm strides in FY19. In the first full year of its operations, the focus of the business was to lay a strong foundation for building a long-term sustainable retail home finance lending business. We expanded our operations to 15 locations primarily in the tier-2 and tier-3 towns across the country. We put in place robust IT systems and a strong credit underwriting framework to originate and service loans.

True to our mandate to focus on the affordable housing segment, c.80% of the loans were disbursed to the Economically Weaker Segment (EWS) and Low Income Group (LIG) segment. Most of these EWS/LIG customers are either self-employed or employed in the informal economy. Our average home loan ticket size is c. ₹ 10 lakh. A fourth of our customers base are new to credit. Despite the above customer profile, our stringent credit evaluation standard and collection efficiency ensured a healthy credit quality. Our delinquency was zero as of March 31, 2019.

While the long-term structural trend of housing finance market remains intact, the tight liquidity conditions which emerged in September 2018 impacted the growth of HFCs in H2 FY19. HFCs curtailed their disbursements in H2 FY19 and increasingly resorted to securitization and direct assignment to sail over the liquidity crunch. This resulted in modest shift in market share between banks and HFCs. Share of housing credit of banks increased to 63% as on December 2018 from 62% as on September 2018.

There could be some pressure on the asset quality owing to the tough operating environment. One of the emerging risk factors is the stress faced by many developers where under-construction projects are delayed. Many lenders have curtailed lending for construction finance which could exacerbate the situation and could lead to delinquencies by the home buyers. Further, owing to higher securitization in H2 FY19, the overall on-book portfolio mix could change in favor of higher share of newer vintage loans, which could deteriorate as the portfolio seasons.

Management Discussion and Analysis Report (Contd.)

Unlike the market, our housing finance business was largely insulated from the liquidity condition as it remained adequately funded by the parent. Most of the borrowing of the housing finance business is long term in nature through non-convertible debentures and term loan.

Notwithstanding recent lower housing credit growth of HFCs, we believe HFCs remain central to the government's "Housing for All" mission. This is underlined by the measures announced in the 2019 union budget to support housing. The government addressed both the supply as well as demand challenges of housing sector in the interim budget. From the supply perspective, the extension of tax rebates for affordable housing projects (Section 80 IB –A) and exemption of notional tax on unsold inventory to two years are much needed support to the developers in the current scenario. On the demand side, added flexibility to deploy capital gains from property transactions and tax breaks for individual tax payers with annual taxable income of up to ₹ 5 lakh are positive steps for the industry. Reduction of GST for under-construction houses to 1% for affordable category and 5% for non-affordable category from 8% and 12% respectively is further likely to drive demand. Softening retail inflation and recent repo rate cuts by RBI should also support demand.

Education Institution loans

India's strong population demographic with over 40% in the bracket of education seekers supported by a strong cultural affinity towards educating the next generation and rising income levels is fuelling demand for private education beyond the urban centres. This increase in demand across all levels of education is driving expansion of education infrastructure across semi-urban and rural centres. In keeping with this trend, in the education institution lending business, we are continuing our focus on improving business reach by building capability to support these growing institutions.

SME Loans/Loan Against Property

SMEs play an important role in our economic growth. The critical factor for the success of this sector is availability of credit both in terms of quantum and timely support. SME Loans are provided primarily for the purposes of business expansion, meeting working capital and other requirements. We also provide loan against property to our clients requiring funds for business and other purposes.

Our mortgage lending segment is subject to threats which include

- 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.
- Real estate sector has been experiencing flux of policy implementations which affect the home buying behaviour directly. Any new complex policy implementation like introduction of RERA, Cost changes, etc., makes a lot of home buyers hold their decisions until the period of uncertainty settles down.

Financial performance of Mortgage Lending Segment

Particulars	₹ in Crore)	
	FY 2018-19	FY 2017-18
Gross Income	1,290.62	941.69
Profit before tax	619.79	481.96
Profit after tax before non - controlling interest	399.83	313.30
Profit after tax after non - controlling interest	189.78	155.89
Segment Capital Employed	3,021.11	1,698.87

Distressed Credit Business

Our distressed credit business includes asset reconstruction business.

The current legal and regulatory environment has resulted in unprecedented opportunities in the distressed assets market both on the resolution side and the acquisition side. The rollout of Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy Code 2016 (IBC) and Project Sashakt has provided significant impetus to the resolution of Non-Performing Assets (NPAs) in India. There is an inherent fear for the owners of losing control over their entities. This fear has also prompted various borrowers to settle/resolve their dues and it has been major driver of recovery for the Company during the year.

The recent amendments to the IBC such as bringing down the voting threshold from 75% to 66% for all major decisions such as approval of resolution plan and 51% for routine decisions, extension of CIRP period, giving home buyers the status of financial creditors, exempting the resolution applicants of micro, small and medium enterprises (MSMEs) from Section 29A (c) and (h) of the IBC to allow the existing promoters of MSMEs to participate in resolution process are welcome steps for resolving financially distressed businesses in the economy.

With a view to facilitate turnaround of listed distressed companies, the Securities Exchange Board of India (SEBI) has exempted open offer obligations for acquisitions pursuant to resolution plans approved by National Company Law Tribunal (NCLT) under the IBC.

Further, a high-level committee on restructuring stressed assets and creating more value for public sector banks (PSBs) has suggested a transparent market based solution with a focus on asset turnaround, i.e., Project Sashakt. Project Sashakt sketches the approach to the resolution of bad loans, depending on their size and strengthen the credit capacity, credit culture and portfolio of PSBs.

The recovery of stressed assets has improved through the channels of IBC and SARFAESI Act, 2002. The data published by the RBI in its report on trend and progress of banking in India dated December 28, 2018 shows that the share of subscriptions by Banks to Security Receipts (SRs) issued by Asset Reconstruction Companies (ARCs) has declined to 79.7% by end of June 2018 from 82.7% a year ago. Since April 1, 2017, the provisioning norms have been made progressively stringent in order to reduce their investments in SRs and incentivize ARCs and other financial institutions to bring in more capital. The Company is committed to meet the requirements of seller Banks/Financial Institutions in terms of cash.

In almost all policy initiatives, ARCs are recognized as important stakeholders for resolving distressed assets. Banks have been keen to sell large NPAs to ARCs on cash basis to expedite their recovery plans. The Company is actively evaluating opportunities arising out of companies undergoing CIRP under IBC as the code also allows ARCs to submit a resolution plan acting as a stronger tool for ARCs to deal with NPA situation.

During the year, the Company evaluated and acquired accounts undergoing the IBC process as well as prior to the initiation of the IBC process. The Company's investment strategy focuses on acquiring good quality assets at the right price and limiting the downside risk by ensuring sufficient underlying security value. Our goal is to realize the investments and generate returns through the revival of companies, restructuring of debt and/or monetization of assets, infusion of additional funds, if any. We have a strong team of professionals from diverse backgrounds who are experienced in banking, corporate debt restructuring and bankruptcy.

There is strong appetite from foreign investors to invest in SRs. These foreign investors have been tapped by the Company as a strong source of liquidity to raise long term capital especially in light of the recent liquidity constraints for NBFCs. The Company has co-invested with the foreign investors and has also been able to down sell a few of its investments in SRs.

For the accounts which were restructured, the Company closely monitored the operations of the accounts through specialized agencies and also controlled and supervised the cash flows of the accounts through Trust Retention Account

(TRA)/ Escrow Account mechanism. External agencies were also appointed to closely monitor the sale of non-core assets and also track other critical developments in these accounts on real time basis. The Company also worked closely with diverse sector-specific experienced professionals and sector-specialized firms for revival of the acquired accounts.

During the year, we concluded 19 transactions with outstanding dues of around ₹ 4,909 Crore acquired by issuing Security Receipts worth ₹1,880 Crore. Till March 31, 2019, we have acquired total outstanding dues of ₹ 37,258 Crore at a gross consideration of ₹ 16,641 Crore. Resolution strategies were initiated for majority of the assets acquired. Accounts worth ₹ 1,232 Crore were restructured and Security Receipts worth ₹ 801 Crore were redeemed during the year. The outstanding Security Receipts stood at ₹ 14,044 Crore as on March 31, 2019.

The key threats to the distressed credit segment 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.
- regulatory changes, delays and adverse sector changes affecting the acquisition and resolution of assets.

Financial performance of Distressed Credit Business

Particulars	(₹ in Crore)	
	FY 2018-19	FY 2017-18
Gross Income	560.06	319.41
Profit before tax	201.46	(2.45)
Profit after tax before non-controlling interest	131.61	2.07
Profit after tax after non-controlling interest	94.71	1.10
Segment Capital Employed*	1,749.28	1,629.06

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

Asset Management (Mutual Fund)

We offer a wide range of investment options that cover the entire risk spectrum, catering to the diverse needs of the Institutional and the Non-institutional Investors. The average assets under management (AAUM) of JM Financial Mutual Fund for FY2018-19 were at around ₹ 11,225 Crore with Equity AAUM around ₹ 7,612 Crore and Debt AAUM around ₹ 3,613 Crore.

Management Discussion and Analysis Report (Contd.)

Our mutual fund business continues to focus on profitable growth. Our PAT/AAUM ratio stood at around 0.36% for financial year 2018-19.

The average AUM of the mutual fund industry stood at around ₹ 24.5 trillion for the quarter ending March 31, 2019. The Financial Year 2019 witnessed a lot of volatility on account of various factors such as high crude oil prices, depreciation of the rupee against the dollar, credit crisis, border tensions, global events such as Brexit, US-China trade war etc. Despite the volatility, broader indices such as S&P BSE Sensex gained around 17.3% in FY19.

The mutual fund industry saw good flows from Retail investors in Equity Schemes especially by way of SIPs. Industry initiatives such as customer education, focus on smaller cities and towns as well as focus on inflows through Systematic Investment Plans (SIP) have helped in bringing in stable assets. It has also been evident that Mutual Funds are emerging as a popular investing vehicle for investors and are making the markets much more resilient to pullouts by FIIs.

Also, during the last financial year, JM Financial Asset Management Limited has formed a new division by the name JM Financial Credit Alternatives, with the objective of launching multiple Alternate Investment Funds with differentiated credit oriented strategies. The first of such funds that is proposed to be launched is a distressed opportunities fund that aims to generate superior risk adjusted returns by investing in distressed companies. JM Financial Asset Management Limited has obtained an NOC from SEBI to launch category II AIFs and is in the process of applying for a license to launch its first fund.

The alternative investment fund industry has grown at a CAGR of 138% over the last 5 years. With commitments under management of around ₹ 1.8 trillion (as on June 30, 2018), we believe that, the industry has attained critical mass and shall maintain high levels of growth in the near to medium term. Credit oriented investment strategies operated under AIFs offer differentiated investment avenues to discerning investors. Apart from domestic HNIs, such funds are finding huge interest from offshore institutional investors as well. At JM Financial Asset Management Limited we have identified this as a growth segment in the coming years.

Our Asset Management business is subject to the macro-economic environment both in India and globally which could impact the flow of funds into the mutual fund sector. Further there are certain business challenges such as increased competition affecting market share and fees, higher commissions to distributors, regulatory changes and redemption pressures.

Financial performance of Asset Management Business

(₹ in Crore)

Particulars	FY 2018-19	FY 2017-18
Gross Income	93.56	112.31
Profit before tax	57.01	80.52
Profit after tax before non-controlling interest*	41.55	59.81
Profit after tax after non-controlling interest	24.97	35.66
Segment Capital Employed	214.58	195.63

*Includes Profits from Associate

Analysis of Financial Performance

Consolidated Financial Performance

The consolidated gross income of the Company stood at ₹ 3,578.65 Crore as against ₹ 3,096.60 Crore in the previous year. Earnings before interest, depreciation and tax during the year stood at ₹ 2,756.11 Crore as against ₹ 2,330.00 Crore, in the previous year. The Profit before and after tax stood at ₹ 1,282.79 Crore and ₹ 572.18 Crore respectively as against ₹ 1,164.84 Crore and ₹ 600.86 Crore in the previous year.

The profit in the current year declined to ₹ 572.18 Crore as against ₹ 600.86 Crore in the previous year primarily due to decline in profits from Investment Banking, Wealth Management & Securities Business (IWS) segment to ₹ 239.60 Crore in the current year from ₹ 397.68 Crore in the previous year. This segment faced a slowdown in the current year due to volatility in the capital markets, decline in deal closures in the investment banking business, negative carry on account of liquidity held, the decline in loan book and impact of mark to market on investments, which resulted in a decline in the profitability of the segment.

The following table describes consolidated income during the year:

(₹ in Crore)

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
Interest Income	2,364.94	1,898.91
Fees and Commission Income	576.83	698.58
Brokerage Income	190.21	218.83
Net gain on derecognition of financial assets carried at fair value	205.09	26.08
Other Operating Income	204.81	207.91
Other Income	36.77	46.29
TOTAL	3,578.65	3,096.60

Interest Income

Interest Income from lending activities continued to be a major contributor to the gross revenue at ₹ 2,364.94 Crore as

against ₹ 1,898.91 Crore during the previous year, constituting around 66.08% of the total revenue. Increase in interest income is due to increase in average lending during the year. Also loan book of wholesale mortgage segment which yields higher interest increased to ₹ 10,131 Crore from ₹ 9,259 Crore in the previous year.

Fees and Commission Income

Fees and commission earned during the year were ₹ 576.83 Crore as against ₹ 698.58 Crore during the previous year, constituting 16.12% of the total revenue. The decrease in fees income is on account of decline in deal closures in investment banking and decline in management fees from asset management business due to reduction in AAUM to ₹ 11,225 Crore in the current year as against ₹ 14,822 Crore in the previous year .

Brokerage Income

Brokerage income earned during the year was ₹ 190.21 Crore as against ₹ 218.83 Crore during the previous year, constituting around 5.32% of the total revenue. The decrease in brokerage income is on account of decline in average daily turnover under Cash segment.

Net gain on derecognition of financial assets carried at fair value

Net gain on derecognition of financial assets carried at fair value pertaining to the distressed credit business were ₹ 205.09 Crore as against ₹ 26.08 Crore during the previous year, constituting 5.73% of the total revenue.

Other operating income and Other income comprising of revenue from treasury operations and investment income were ₹ 241.58 Crore as against ₹ 254.20 Crore during the previous year, constituting around 6.75% of the total revenue.

The following table describes consolidated expenditure during the year:

Particulars	For the Year ended	
	March 31, 2019	March 31, 2018
Finance costs	1,446.21	1,138.99
Net loss on fair value changes	79.16	63.66
Impairment on Financial Instruments	35.12	33.59
Employee Benefits Expense	421.61	391.01
Depreciation and amortisation expense	27.11	26.17
Other expenses	286.65	278.34
TOTAL	2,295.86	1,931.76

(₹ in Crore)

Finance Cost

The increase in finance cost is on account of increase in the borrowings raised and borrowing rates during the year. During the year, the Company also improved the long term: short term ratio to 73:27 versus 66:34 of last year which led to increase in the finance cost.

Net loss on fair value changes

Net loss on fair value changes stood at ₹ 79.16 Crore as against ₹ 63.66 Crore during the previous year. This is primarily due to mark-to-market changes on account of diminution in fair value of investments in equity shares, security receipts and financial assets under distressed credit business during the year.

Impairment on Financial Instruments

Impairment on Financial Instruments stood at ₹ 35.12 Crore as against ₹ 33.59 Crore during the previous year. This is on account of provisioning based on expected credit loss model on the loans and trade receivables.

Employee Benefits Expense

The increase in employee costs by about 7.8% is mainly on account of annual compensation increase, increase in headcount and expansion of operations.

Depreciation and Amortisation Expenses

The increase in depreciation and amortisation expenses by about 3.6 % is on account of normal increase in capital expenditure during the year.

Other Expenses

Other expenses comprise sub-brokerage, fees and commission and administrative costs. The sub-brokerage, fees & commission mainly relates to secondary market and distribution business. These expenses decreased by 2.4% in the current year. Administrative costs mainly comprise establishment expenses. These expenses increased by 6.2% primarily attributable to increase in advertisement and marketing expenses, rent expense and donations in the current year.

Management Discussion and Analysis Report (Contd.)

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

(₹ In Crore)

Segment Revenue	FY 2018-19		FY 2017-18	
	Amount	% to total	Amount	% to total
Investment banking, wealth management and securities business	1,635.39	45.70%	1,724.38	55.69%
Mortgage Lending	1,290.62	36.06%	941.69	30.41%
Distressed Credit	560.06	15.65%	319.41	10.31%
Asset management	93.56	2.61%	112.31	3.63%
Others	60.00	1.68%	55.37	1.79%
Total Segmental revenue	3,639.63	101.70%	3,153.16	101.83%
Less:- Inter segmental revenue	(60.98)	(1.70%)	(56.56)	(1.83%)
Total revenue	3,578.65	100.00%	3,096.60	100.00%
Segment Results (Profit Before Tax)				
Investment banking, wealth management and securities business	377.74	29.45%	590.93	50.73%
Mortgage Lending	619.79	48.32%	481.96	41.38%
Distressed Credit	201.46	15.70%	(2.45)	(0.21%)
Asset management	57.01	4.44%	80.52	6.91%
Others	26.79	2.09%	13.88	1.19%
Total Results (Profit Before Tax)	1,282.79	100.00%	1,164.84	100.00%
Segment profit after tax (after non-controlling interest)				
Investment banking, wealth management and securities business	239.60	41.87%	397.68	66.19%
Mortgage Lending	189.78	33.17%	155.89	25.94%
Distressed Credit	94.71	16.55%	1.10	0.18%
Asset management	24.97	4.36%	35.66	5.93%
Others	23.12	4.05%	10.53	1.76%
Total Segment profit after tax (after non-controlling interest)	572.18	100.00%	600.86	100.00%

(₹ in Crore)

Segment Capital Employed	March 31, 2019	% to total	March 31, 2018	% to total
	Investment banking, wealth management and securities business	2,533.22	32.84%	2,433.32
Mortgage Lending	3,021.11	39.17%	1,698.87	26.46%
Distressed Credit	1,749.28	22.68%	1,629.06	25.38%
Asset management	214.58	2.78%	195.63	3.05%
Others	195.51	2.53%	463.08	7.21%
Total Capital Employed	7,713.70	100.00%	6,419.96	100.00%

Investment Banking, Wealth Management and Securities Business

The investment banking, wealth management and securities business registered revenue of ₹ 1,635.39 Crore as against ₹ 1,724.38 Crore in the previous year. During the year, the percentage of segment results to segment capital employed was 14.91% as against 24.28% in the previous year. This segment contributed 41.87% to our consolidated profit after tax.

Mortgage Lending

This segment registered a growth of 37.05% in the revenue over the previous year. Percentage of segment results to segment capital employed in this segment was 20.52% as against 28.37% in the previous year. This segment contributed 33.17% to our consolidated profit after tax.

Distressed Credit

This segment registered a growth of 75.35% in the revenue over the previous year. Percentage of segment results to segment capital employed in this segment was 11.52% as against (0.15%) in the previous year. This segment contributed 16.55% to our consolidated profit after tax.

Asset management

The asset management business registered revenue of ₹93.56 Crore as against ₹ 112.31 Crore in the previous year. During the year, the percentage of segment results to segment capital employed in the segment was 26.57% as against 41.16% in the previous year. This segment contributed 4.36% to our consolidated profit after tax.

Standalone Financial Performance

On standalone basis, the Company earned gross income of ₹ 271.88 Crore during the year as against ₹ 426.17 Crore in the previous year. The gross income includes ₹ 110.37 Crore on account of dividend received from subsidiaries as against ₹ 84.06 Crore in the previous year. The profit before tax stood at ₹ 115.70 Crore as against ₹ 232.65 Crore in the previous year and the profit after tax stood at ₹ 111.30 Crore as against ₹ 191.69 Crore in the previous year.

The profit in the current year declined primarily on account of decline in deal closures in investment banking business and mark to market impact of investments. Net gain on fair value changes stood at ₹ 0.01 Crore in the current year as against ₹ 91.84 Crore in the previous year.

Key Financial Ratios:

Ratios	Consolidated		Standalone	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Interest Coverage Ratio	1.89	2.02	6.92	8.56
Current Ratio	1.26	1.25	5.41	9.21
Debt Equity Ratio	1.94	2.54	-	-
Net Debt Equity Ratio	1.70	2.29	-	-
Cost to Net Total Income Ratio	31.22%	31.93%	48.21%	44.11%
Net Profit Margin	23.39%	25.35%	40.94%	44.98%
Return on Equity (ROE)*	11.88%	16.53%	4.48%	10.38%
Return on Assets (ROA)*	3.42%	4.06%	4.18%	9.03%

*ROE and ROA are calculated on weighted average basis taking into account the equity infusion in one of the subsidiary companies namely, JM Financial Credit Solutions Limited in the FY 2018-19 and in the Company in the FY 2017-18.

Ratios where there has been significant change (i.e. change of 25% or more as compared to the immediately previous financial year) from FY 2017-18 to FY 2018-19:

Current Ratio:

On standalone basis, the current ratio as on March 31, 2019 stood at 5.41 as against 9.21 as on March 31, 2018. The reduction is primarily on account of investments in subsidiary companies during the year which are non-current in nature. The investments were made from the temporary funds kept in liquid mutual funds from the proceeds of issue of equity shares by the Company in the previous year.

Net Debt Equity Ratio:

On consolidated basis, the net debt equity ratio as on March 31, 2019 stood at 1.70 as against 2.29 as on March 31, 2018. The reduction is primarily on account of reduction in outstanding borrowings and increase in total equity and liquid funds. (Refer Note 47 of the Notes to the Consolidated Financial Statements)

Return on Equity (Net worth):

On consolidated basis, Return on Equity as on March 31, 2019 stood at 11.88% as against 16.53% as on March 31, 2018. The reduction is primarily on account of reduction in profits during the current year (explained in the relevant section above) and increase in equity on account of infusion through Qualified Institutional Placement (QIP) in the previous year. On standalone basis, Return on Equity as on March 31, 2019 stood at 4.48% as against 10.38% as on March 31, 2018. The reduction is primarily on account of reduction in profits to ₹ 111.30 Crore in the current year from ₹ 191.69 Crore in the previous year (explained in the relevant section above).

Return on Assets:

On consolidated basis, Return on Assets as on March 31, 2019 stood at 3.42% as against 4.06% as on March 31, 2018. The reduction is on account of increase in average assets for the current year. On standalone basis, Return on Assets

as on March 31, 2019 stood at 4.18% as against 9.03% as on March 31, 2018. The reduction is primarily on account of reduction in profits to ₹ 111.30 Crore in the current year from ₹ 191.69 Crore in the previous year (explained in the relevant section above).

Resource Mobilisation

The Consolidated debt outstanding at the financial year ended March 31, 2019 stood at ₹ 13,991 Crore versus ₹ 14,988 Crore a year earlier (a decrease of approximately ₹ 997 Crore).

During the year, the Company continued the efforts of diversifying the sources and maturities for the borrowing profile at the group level. The long-term borrowing* stood at ₹ 9,884 Crore versus ₹ 9,706 Crore a year earlier. This was achieved by availing long-term secured loans from banks and Non-Convertible Debentures from debt capital markets. The Company improved the long-term: short-term ratio to 73:27 versus 66:34 of last year.

The group's short-term borrowing* as on March 31, 2019 stood at ₹ 3,679 Crore compared to ₹ 4,968 Crore as at the previous year end.

The group continues to explore variety of new avenues of financing to further diversify its borrowing profile.

The group successfully launched the public issue of Non-Convertible Debentures for JM Financial Credit Solutions Limited and raised a cumulative amount of ₹ 1,014 Crore in two tranches.

During the year, we also filed a draft shelf prospectus for JM Financial Products Limited. for an amount of upto ₹ 2,000 Crore. The debt public issue was launched in the month of April 2019.

*at gross value without effective interest rate adjustment and excluding interest accrued thereon.

Management Discussion and Analysis Report (Contd.)

Credit Rating

- The credit rating agencies have continued their long-term rating and outlook on all companies within our group as below -

Company	ICRA	CARE	CRISIL	India Ratings
JM Financial Limited	AA/Stable	-	-	-
JM Financial Services Limited	AA/Stable	-	AA/Stable	-
JM Financial Capital Limited	AA/Stable	-	AA/Stable	-
JM Financial Products Limited	AA/Stable	AA/Stable	AA/Stable	-
JM Financial Credit Solutions Limited	AA/Stable	-	AA/Stable	AA/Stable
JM Financial Asset Reconstruction Company Limited	AA-/Stable	AA-/Stable	AA-/Stable	-
JM Financial Properties and Holdings Limited	AA/Stable	-	-	-
JM Financial Home Loans Limited	AA/Stable	AA/Stable	-	-

- The credit rating agencies have continued with their highest short-term rating of A1+ on all companies within the group.

Risk Management

The financial services industry is subject to continuously evolving stringent legislative and regulatory environment, due to increasing globalisation, integration of world markets, newer and more complex products and transactions. 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.

We provide a wide range of services and products to participants in the Indian capital markets and also offer capital markets financing, broking services, distribution of initial public offerings, mutual funds, distribution of other financial products, and investment banking services. 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, the risk is managed through risk management architecture as well as through policies and processes approved by the Board of Directors and the Firm Management, encompassing independent identification, measurement and management of risk across various businesses of the Group. We have 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.

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 mechanism. Detailed regulatory as well as regular inspections also help test our processes and compliances.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, market risk, credit risk, operational risk, regulatory and compliance risk, business and continuity risk and legal risk. We have established a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures that we consider to be appropriate for our business operations, and we have continued to enhance these systems.

A risk event update report is periodically placed before the Board of Directors of the Company. Report includes, inter alia, the risk identification, risk classification, assessment of impact, risk mitigation/remedial action and risk status. The Directors review 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 of the Group. The report of internal auditors on set processes and risk events, if any, 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	<p>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.</p>	<p>A comprehensive review exercise is conducted for credit approvals, ensuring proper documentation, carrying out extensive credit appraisal, conducting periodic reviews etc., is done as a part of credit risk mitigation. Various norms for customer identification and evaluation procedure for prospective credit proposals have been stipulated as a part of risk mitigation.</p> <p>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.</p>
Market Risk	<p>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 our investments in quoted securities may affect our financial performance and position.</p>	<p>Our portfolios and collaterals/ securities are continuously monitored and also the usage of derivative instruments as a hedging mechanism minimises the impact of market risk.</p>
Liquidity Risk	<p>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.</p> <p>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.</p>	<p>We have a strong financial position and all our businesses are adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks. We also maintain a part of our capital in liquid assets to manage any sudden liquidity needs. During the year, we also focused on reducing our borrowing on the short-term basis.</p>
Operational Risk	<p>Operational risks can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors.</p> <p>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.</p>	<p>Well defined policies, operational processes and systems have been devised for our operations. Regular audit are done by internal auditors to monitor the adherence of policies and processes. We also get systems audit carried out periodically by competent external audit firms.</p> <p>Maker/Checker mechanism has been put in place to ensure compliance with laid down systems and procedures in all areas of functioning of the Company.</p> <p>Also the Company's key management team consists of professionals of 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.</p>

Management Discussion and Analysis Report (Contd.)

Key Risk	Description/Impact of Risk	Risk Mitigation
Reputation Risk	<p>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.</p> <p>Reputation risk is a very high risk and can cause long-term and sometime irreparable loss of business/ revenue.</p>	<p>We conduct our business with diligence keeping in mind the stakeholders and their needs.</p> <p>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.</p>
Regulatory and Compliance Risk	<p>Most of our businesses as well as the Company itself operate in strongly regulated business segments.</p> <p>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.</p> <p>In recent times, these risks have spread to tax laws and unexpected demands being raised by various tax authorities.</p> <p>New laws or regulations or changes in the enforcement of existing laws and regulations may adversely affect the business/revenue/ profits.</p> <p>Non-compliance with regulations may invite strictures, penalties and even punitive action from the Regulators.</p>	<p>We have a team of experienced professionals reporting to Group Head – Compliance, Legal & Company Secretary which takes care of compliance with applicable laws, rules, regulations and guidelines affecting our businesses.</p> <p>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.</p> <p>Formulation of the policies as well as its implementation is taken due care of.</p> <p>Internal audit is carried out by external professional firms to monitor compliance with best practices, approved policies and applicable regulations.</p> <p>Our business team is strongly supported by our Corporate Functions team to quickly calibrate our actions in event of change in regulatory environment.</p>
Competition Risk	<p>The industry in which the Company operates is growing at a rapid pace and is exposed to tremendous competition at the national as well as international level. Strong growth prospects combined with liberalization of financial services sector have prompted the entry of newer foreign and domestic financial services companies.</p> <p>We operate in a highly competitive market and face significant competition from other players in the financial services industry and from companies seeking to attract our customers' financial assets. Entry of new players has increased the competition faced by us. It may also lead to attrition of our key personnel.</p>	<p>Diversified and innovative product and services are offered to keep the customers and other stakeholders intact as well as continuous research and development helps in mitigating the competition risk.</p> <p>Fair and transparent practices help the entity gain competitive advantage over other entities.</p> <p>Our human resource policies and a healthy positive work environment help us attract and retain best talent on a continuous basis.</p>
Business Continuity Risk	<p>In the event of disruption in the conduct of business due to incidents like fire, natural calamity, breakdown of infrastructure, acts of terrorism etc., we are exposed to the risk of loss of data, clients and/or business that can adversely affect our financial results.</p>	<p>We have in place Business Continuity Plan (BCP) to mitigate the impact of any such exigencies. We continuously test check the processes laid out under the BCP and review the same. The records with respect to confidential data are preserved and are secured.</p>

Internal Control Systems and its 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 company'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 regular internal audit. 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 and operations and processes. To ensure independence, the internal audit function has a reporting line to the Audit Committee of the Board.

Internal audit team is empowered to examine the adequacy of and compliance with policies, plans and statutory requirements.

The senior management regularly review 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 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 Board of the respective companies and corrective measures are recommended for implementation. The Audit Committee of Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken. This system enables us to achieve efficiency and effectiveness of operations, reliability and completeness of financial and management information and compliance with applicable laws and regulations.

Management Discussion and Analysis Report (Contd.)

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND OTHER GIVING ACTIVITIES

JM Financial fulfils its social responsibility, espousing an approach of being an enabler, facilitating the hidden potential and aspirations of under-resourced and vulnerable communities. With this approach, we continue to implement our Corporate Social Responsibility (CSR) projects and giving interventions, in some of the largely unreached regions. These interventions are executed through our Group’s philanthropic arm – JM Financial Foundation, established in 2001, to contribute meaningfully towards society. All such initiatives and their concomitant budget and expenditures are planned, implemented and overseen by JM Financial Foundation, as outlined in the Group CSR Policy, adopted by JM Financial Limited and all JM Financial Group entities.

In conformity with our CSR Policy and in light of the provisions of the Companies Act, 2013, the CSR Committees of the JM Financial Group entities have approved and contributed a total budget of ₹ 20.02 Crore in the Financial Year 2018-19 (₹15.65 Crore in FY 2017-18) to JM Financial Foundation for expenditure towards long-term CSR projects, as approved by the respective CSR Committees.

JM Financial Limited is an operating cum holding company, operating in the financial services industry, through several subsidiary and associate companies, managing their operations and presence through 70 branches across 34 locations in the country.

JM Financial CSR – Philosophy and action

Through the year, JM Financial remained focused on Integrated Rural Transformation, through its ongoing, long-term CSR projects, implemented in the four states of Maharashtra, Bihar, Jharkhand and Madhya Pradesh. With the help of our projects, we have been able to touch the lives of tribal and rural communities across six blocks in four districts of the aforementioned states. Our interventions are community-led and driven with an ultimate aim of change in quality of lives, in and around our areas of intervention. Our methodology of project implementation is rooted in grassroots assessment that determine the activities undertaken under specific thematic areas, thereby taking us closer to the output envisioned in the long run.

Long-Term CSR Projects

- **MAHARASHTRA**

In Maharashtra, JM Financial aims at comprehensive rural development through its Integrated Village Development Project across seven remote villages in Mokhada block of **Palghar district**. The project is implemented under Public Private Partnership (PPP Model) by and between the Office of the Collector and District Magistrate, Palghar, JM Financial



MAHARASHTRA

Foundation and Deepak Foundation. An Agreement to this effect, was inked on July 26, 2018, in the presence of Shri Devendra Fadnavis, Chief Minister of Maharashtra, Dr. Prashant Narnaware (I.A.S), Collector and District Magistrate - Palghar and Ms. Dipti Neelakantan, Trustee, JM Financial Foundation.



Agreement inked with Office of the Collector and District Magistrate, Palghar, Maharashtra

This project began with in an in-depth, structured community needs assessment conducted across the said villages, namely - Aasegaon, Brahmangaon, Beriste, Dhamani, Karoli, Kalamgaon and Biwalpada. This assessment led JM Financial to understand the qualitative as well as factual status of the socio-economic indicators of the families residing in those households. Therefore, with a robust roadmap derived from the assessment and a target of uplifting 1,108 households in these villages, the project has undertaken initiatives in the areas of livelihood enhancement through agriculture and allied activities, enhancing irrigation practices, improving village infrastructure and increased access to public entitlements. The project works with the vision of bringing about not just visible, but long-lasting, change in target seven villages.

- *Our agriculture and allied activities have trained over 800 farmers through 49 sessions to increase their knowledge in scientific methods of improving yield of sustenance*

crops (such as finger millets, barnyard millets), diversifying from sustenance crops and expanding into cultivation of vegetables (such as fenugreek, chilli, tomatoes, etc.), understanding soil health and its relevance to their farming outputs and horticulture through cashew saplings and their cultivation.



Collection of soil samples for soil health testing in village Dhamani

Alongside, in order to convert extended knowledge into practice, JM Financial, in partnership with the Agriculture Department (Palghar District), has distributed agriculture inputs vis-à-vis drumstick saplings to 315 farmers, kitchen garden kits to 235 farmers and sickles for paddy cultivation to 240 farmers. The inputs have started to show initial results in vegetable plots cultivated by farmers, moving beyond millets, and selling the yield at the local, markets.

We have attempted enhancing irrigation practices through convergence with existing welfare programmes at the Zilla Parishad and state levels, whereby 10 individual wells and one community well has been approved under the Birsa Munda Krishi Kranti Yojana (Zilla Parishad scheme) in synergy with the Agriculture Department (District government of Palghar), through project initiative and support. It is expected that these water-assets will bring 35.35 hectares land under irrigation cover, and ensure water provision to one village and one hamlet, housing 537 individuals.

- Under *improving village infrastructure*, the project has facilitated the construction of two roads:
 - One road connecting one of the most inaccessible villages, namely – Biwalpada, to the rest of the area. About 650 meters of the road has been constructed under Zilla Parishad funds.
 - The other road in Aasegaon has provided easy approach to a community well, under the Gram Panchayat Jansuvidha fund, through project convergence.



Road connecting Village Biwalpada to Village Dhamani

- Two gram panchayat level helpdesks have been set up, initiated and made operational to *increase access to public entitlements* across villages. Following a model of mobilizing, counselling and facilitating timely awareness and submission of requisite documents by the applicants, these two helpdesks have tied together all of the aforesaid initiatives, thereby helping to bring more village folk into the safety net of welfare plans and programmes.



Ensuring Government entitlements through Helpdesk services



Farmers Training at Mokhada

Management Discussion and Analysis Report (Contd.)

The focus in the first year of implementation has largely been in the areas of farmers' extension, education, increasing access to public entitlements, SHG capacity building and water conservation. Given the underlying water crisis in the region, the project will primarily focus and plan water conservation initiatives for years to come. The idea is to optimise the existing local natural resources and complement and supplement government's efforts in reaching out to the last mile.



Water crisis in the region

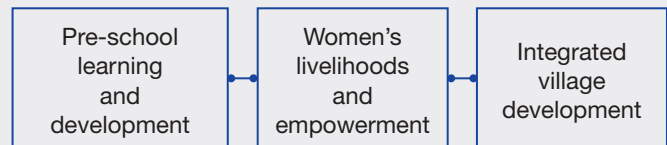


• **BIHAR**

In the state of Bihar, over last two years, JM Financial has gradually moved towards building a strong farmer community, aiming to increase their produce and thereby income for better quality of lives. JM Financial has consistently been working in Jamui district, ranked as one among the 117 aspirational districts identified by the Niti Aayog (National Institution for Transforming India, Government of India) for want of better education, health and livelihoods indicators. **Jamui district** has proven to be an area of immense untapped potential and community energy. With a two-pronged approach of intensive and extensive development, JM Financial has implemented several projects in Sikandra, Chakai and Jhajha blocks of the

said district, with a vision to create long-term, sustainable impact in a phase wise manner in the following focus areas:

- Intensive development efforts have been undertaken in Sikandra block of the said district, in a phase-wise manner in the following focus areas:



Project Bachpan

Over the past year and a half, Project Bachpan has been running four child-centric learning centers across five villages, namely - Dhawatand, Korasi, Lachhuar and Sabal Bigha. The fifth Bachpan learning centre was set up and operationalized in Dhanimatari village in July 2018. The project works with the objective of extending pre-school literacy, numeracy, facilities to develop fine and gross motor skills and one-time nutritious meals, in order to contribute to a strong physical and learning foundation for 135 children (age 3 to 6 years) in their formative days of development. In its first year of operation a total of 19 children have graduated and have been successfully enrolled in Grade – 1 local government primary schools.



Preeti Kumari, age 5.5 years reading from a story card at Bachpan Center, Sabal Bigha

The project so far has definitely been able to extend an environment, most conducive to the holistic growth of children from deprived background. The children who otherwise would not been part of any pre-primary learning centre owing to the most difficult conditions and background they come from. Majority of the Bachpan centres children belong to landless families and migrant fathers with mothers working three – four months in a year as labourer on agriculture land.

Operating six days a week four hours a day, with locally-available Teaching Learning Material (TLM), consistently stable student and teacher attendance and nutritious daily meals cooked by volunteer mothers at the centres have in a short span of time, become a place of affection, laughter, learning and community ownership.



Heartily enjoying daily, nutritious meals

Shri Vardhmaan Mahila Griha Udyog

Recognizing the need of a dignified source of *women's livelihood and empowerment*, Shri Vardhmaan Mahila Griha Udyog was initiated in December 2017, as a small-scale, centralized production unit, for production of a popular Indian whole-wheat flatbread snack, i.e. Khakhra. The Project/Udyog had its seeds in the mobilization of women otherwise engaged in non-formal labour of cutting firewood, which not only entailed little income, but also higher risk, both to a woman's health and safety. The community women from the villages of Sikandra block were introduced to Khakhra – a product that was unheard of in the region, but which held great potential



Working and training other *didis* in khakhra-making with wheat-flour and skill

in terms of demand by residents and visitors alike. This led to the identification of 16 women, being taken by JM Financial to Palitana district, Gujarat, to be trained in the technical skills of making and vending hand-made khakhra.

The Udyog continues to be operational with 16 rural, trained women, working together as a Self Help Group (SHG), producing this healthy snack on a daily basis. So far, the Udyog has sold 4,430.40 kg of khakhra (up till March 2019), and provided output-based earning to the women every month. JM Financial, through its Foundation, will continue to fulfil its responsibility towards making the women self-sufficient and the Udyog sustainable, through regular capacity building, forging forward linkages, and periodic mentoring.



Our *didis* at the Udyog participating in monthly mentoring meetings with JM Financial

Adarsh Gram (Model Village) Development Project

During the year, the Adarsh Gram (Model Village) Development Project initiated last year, took shape as an *integrated village development intervention*. This project found its genesis in the needs assessed, observed and experienced by JM Financial in the villages of Sikandra block. These experiences pointed to the need to bring about holistic development to over 3,000 households across 15 villages, through focus on strengthening the backbone of a rural community, i.e. agriculture and allied activities. Herein, we have followed an approach of educating, encouraging and facilitating the adoption of improved agriculture practices, which involve most importantly, movement from single-cropping to multi-cropping. Over the year, we have seen a cumulative attendance by 1,892 farmers at our farmer extension education sessions, which imparted knowledge on multi-cropping practices, soil health, testing and treatment, the science behind agriculture, benefits of organic fertilizers such as Blue Green Algae (BGA), introduction to foundation seeds for mustard and wheat, paddy nursery and weed management, and so on.

Management Discussion and Analysis Report (Contd.)



Mr. Nimesh Kampani visiting the Kisaan Paathshala in December 2018

To create an opportunity to observe the said topics being practised on the same land as theirs, the farmers have been exposed to a Kisaan Paathshala (Model demonstration farm) – created and curated to be used as a demonstration laboratory and farmers’ school of sorts.



Kisaan Pathshala at village Lachhuar

This farm is a 2.5 acre piece of land, nurtured with 13 fruit, 15 flower, 22 vegetables (as undertaken during the winter crop cycle, i.e. Rabi season), one oilseed and one food crop varieties, along with a farm pond and drip irrigation system (the first ever in the block). The Kisaan Paathshala has introduced the farmers to a low-cost and labour non-intensive Nutrition Garden that can be created on a 710 sq. ft. piece of land to provide year-round supply of vegetables and/or fruits to meet wholesome dietary requirements at the household level.



Demonstration of mulching in Kisaan Paathshala

All the learning through extension education sessions and Kisaan Paathshala observations are harnessed to encourage farmers to invest in subsidized agriculture inputs vis-à-vis foundation seeds for mustard, foundation seeds for wheat, soil testing, papaya saplings, vegetable (brinjal, cauliflower and chilli) saplings, paddy and gram. These inputs have been facilitated with the objective of helping farmers diversify from pure sustenance farming, thereby increasing/enhancing their farm outputs and the resultant incomes.

Simultaneously, under the aforementioned Adarsh Gram Project, JM Financial has taken its first steps to aid in the learning process and outcomes of 142 students attending primary grade (1 to 4) and 32 students attending secondary grade (8 to 10) public schools. Learning aid and handholding is provided in the subjects of English, Math, Physics, Chemistry, Biology and Sanskrit, through pre and post school sessions in learning centers set up and operational in five villages under the banner of Vardhmaan Gyaan Kendras.



One of our Vardhmaan Gyaan Kendras (Junior Grades)

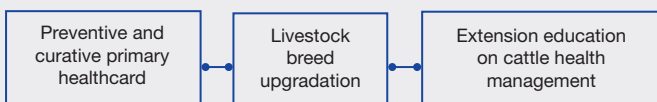
Integrated Livelihoods Development Centers

Extensive development efforts have been undertaken through our flagship intervention, namely Integrated Livelihoods Development Centers (ILDC) Project, in Sikandra, Chakai and Jhajha blocks of Jamui district. With a history and rich tradition of cattle rearing, Bihar and therefore, these regions require scientific/technical handholding in cattle breeding and upkeep, so as to facilitate the farmers to obtain optimal yield and the associated livelihoods enhancement.

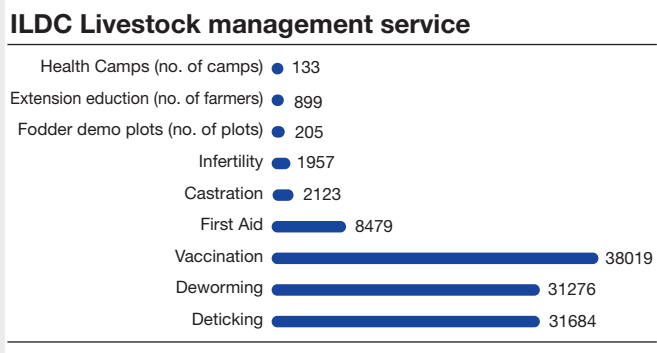


Farmer extension education on livestock management at Village Sijhori, served by Sijhori ILDC at Sikandra block

This project, run through 21 ILDCs set up and functional in the three blocks, reaches out to cattle owners in over 240 villages through the provision of round-the-clock livestock development and management services. These services include –



Since the inception of the ILDC project in September 2017, JM Financial has been able to reach out to cattle through the following livestock management (healthcare) services:



Livestock development services (i.e. cattle breed improvement services) by way of 7,082 Artificial Inseminations (AIs) has

led to the birth of 474 calves (220 females and 254 males). The new calves are of Sahiwal, Jersey, Holstein Friesian, Gir, Murrah and Red Sindhi breeds.



Proud cattle owner with his new calf, birthed with the help of the ILDC

JM Financial CSR interventions in Bihar have so far extensively reached out to the poorest of poor families by way of building their capacities through a structure approach in agriculture and allied activities, pre-school development, educational aid and women’s entrepreneurship with utilization of local resources. The interventions are at their nascent stages, with immediate outputs visible and a higher potential to be developed further. The geography is highly challenging and therefore, the previous year has proven to be extremely critical for establishing community belief in the possibilities that lie ahead and their role in furthering their own lives. Going forward, the focus for the region would be consistently pivoted on agriculture, livestock and education, leading to enhanced livelihood and better quality of lives led.



JHARKHAND

In the neighbouring state of Jharkhand, JM Financial has forayed into strengthening public access to quality healthcare, with an

Management Discussion and Analysis Report (Contd.)

emphasis on maternal and child healthcare facilities and services. Our interventions, in the said focus area, have been implemented in Giridih district, an area identified officially for being backward; one among the 117 aspirational districts highlighted by the Niti Aayog and an immediate neighbour to Jamui district in Bihar. These interventions have been directed through two initiatives in Dumri and Pirtand blocks, characterized by dry hilly terrain, scattered villages and hamlets, affected by a considerable level of insurrectionary movement which in turn pose a threat to the socio-economic and health conditions to those residing in them.

First Referral Unit (FRU)

In partnership with the Jharkhand Rural Health Mission Society (JRHMS) – Government of Jharkhand, JM Financial has implemented a project to complement and strengthen the facilities and service delivery in maternal and child health care at the First Referral Unit (FRU) located in the Community Health Centre (CHC), Dumri block. The project has taken consistent efforts to bridge gaps in human resources, build their capacities through subject matter expertise, improve on the existing facilities at the FRU and work in collaboration with the Government and grassroot health workers since its inception in April 2017. These efforts have paved the way for regular, high OPDs and child-deliveries, amounting to 22,383 out-patient cases being treated and taken care of, and 1,827 deliveries (of which 64 were C-sections).



Refurbished Operation Theatre at the FRU

The project has facilitated a licensed New Born Sterilization Unit (NBSU) that is most critical to the FRU saving lives of new-born babies suffering from life-threatening ailments. The only unit in the district, the NBSU is functional with six baby-warmers and a photo-therapy machine. The FRU now, also has a functional blood storage unit, licensed by the state.



Fully operational, licensed NBSU at the First Referral Unit



New born baby under intensive care at the NBSU

Mobile Health Unit (MHU)

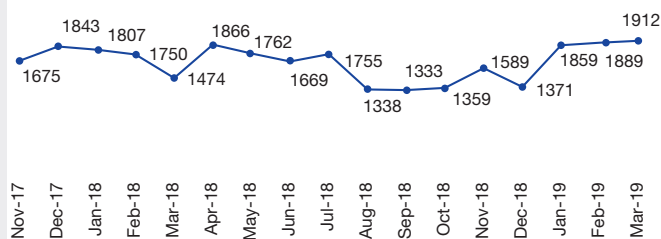
While the FRU is located at a block-place, and our efforts are focused on improving maternal and child healthcare, there is also a significant need to extend our support, and bring accessible healthcare to villages and hamlets located in the difficult, undulating terrains in the aforementioned blocks. These villages suffer from poor connectivity to the block-place, and given the distances, travel for seeking medical care leads to a loss of a day's (or more) income. In order to facilitate quality, primary (preventive and curative) healthcare to the communities in such villages, JM Financial has been running a Mobile Health Unit (MHU) in 24 villages of Dumri and Pirtand blocks. Covering over 4,400 households, the MHU has taken care of a total of 29,468 OPD cases, spanning across gastrointestinal, Ear-Nose-Throat (ENT) and Central Nervous System (CNS) issues.



Daily OPDs in the MHU

Along with treatment, the MHU has also worked on changing health seeking behaviour among the communities, through timely diagnosis of health issues and counselling in individual as well as group settings. Since its inception, the MHU has addressed preventive healthcare through sessions conducted with 8,131, (cumulative) community residents, in the areas of Malaria, Tuberculosis, importance of vegetables in nutrition, effects of alcohol and tobacco consumption, diarrhoea, and sexually transmitted infections (HIV/AIDS). For timely diagnosis of health issues, the MHU conducts diagnostic tests for random blood sugar, haemoglobin levels, Malaria parasite and pregnancy diagnosis.

MHU OPDs Progression



Some of the cases treated by the MHU are presented below:

Patient Name: Sanjay Kumar

Age: 18 years; Sex: Male

Village: Atki, Dumri block

Date: 15 November, 2018

Ailment: **Second degree burn** – Scalding skin and collection of pus around the right lower foot; rupture of skin and tissues. The patient had a history of foot burn due to an accident and complained of recurrent abscesses.

MHU Treatment: MHU Medical Officer prescribed oral antibiotics, acetaminophen and ointment and educated him about its contagious risk factors. He was asked to maintain hygiene to prevent further skin infections and counselled about home-based care, proper washing of affected area and regular dressing.

Patient Name: Anil Kumar

Age: 10 years; Sex: Male

Village: Atki, Dumri block

Date: 03 January, 2019

Ailment: **Impetigo** – Complaints of red sore skin with crust on the face since a few months before the child’s visit to the MHU.

MHU Treatment: MHU Medical Officer prescribed antibiotics and ointments for topical application, along with informing the mother of precautions to be taken since Impetigo is highly contagious.



Group counselling with demonstration at Village Rousanatunda on benefits of Moringa (Sahjan) leaves

Our CSR interventions in Giridih district, Jharkhand have been able to support the Government in providing effective healthcare services to the local communities. The First Referral Unit has been an impactful initiative, over a period of two years, and has become a place for trusted medical care. The communities served by the MHU look forward to the van’s visits to their villages. Over time, JM Financial envisions maternal health indicators improving with better facilities and services to the community, and decreased dependence on the MHU with enhanced health seeking practices and awareness.

Management Discussion and Analysis Report (Contd.)



MADHYA PRADESH

• MADHYA PRADESH

JM Financial has supported the construction of a hostel facility for a local, low-cost, aided school providing education, moral values and accommodation to students from low-income families, in Ujjain district of Madhya Pradesh. The hostel facilities thus constructed have enabled housing for 96 male students (grade 6 to 9) hailing from lesser-privileged families from in and around Gujarat, Rajasthan and Madhya Pradesh.

Philanthropic Causes Supported by JM Financial Foundation and Kampani Charitable Trust

1. Giving

- Supporting quality education
In order to facilitate education for children from lower-income families, we provided material support in the form of school uniforms, shoes and scholarships for school-going students. We also extended our support to entrepreneurship training for youth that are bright and have a great potential, but miss out on opportunities to hone themselves owing to their socio-economic backgrounds.



Employees of JM Financial distributing uniforms for the new academic year at a tribal school in Maharashtra

- Special care for children with special needs
We support equal opportunities for children with special needs (CWSN) through inclusive education, personalized skill-building and learning therapy and counselling/training for their parents. Through this support, we aim at enabling development of cognition and physical abilities in children that otherwise face a difficulties in mainstream schools and classrooms.



Our children enjoying a day of fun and frolic at the Nehru Planetarium as part of their learning and exposure activities

- Healthcare
We recognize that good health is not just the absence of disease, but also a state of overall well-being, and therefore, support causes that treat as well as contribute towards prevention of health issues. We continue to provide for the medical treatment for patients in need through critical surgeries and health camps, and for the rehabilitation of specially-abled individuals through equipment such as callipers, wheelchairs and prosthetic implants. In what was a first, JM Financial Foundation conducted a much needed Eye Camp, addressing the demands of a community located in remote, hilly regions in Jamui district, Bihar.



Screening patients for vision refraction

The camp detected vision refraction and screened patients for possible cataract issues, following it up with expert ophthalmologists conducting free cataract surgeries for 29 patients and providing spectacles to 71 patients with vision refraction. As in the past, this year too, we distributed blankets to those fighting the bitter winters in Delhi, while sleeping out in the open.

Additionally, we also provided support to a planned and upcoming hospital in one of the most remote and tribal regions in Gujarat. The hospital intends to reach out to the most neglected and vulnerable, marginalized tribal communities in and around Valsad.

- Art and culture
In an effort to treasure India's rich and vibrant heritage of music and fine arts, we support several organisations that work towards reviving our traditions.
- Animal welfare and conservation



Construction of corrals for the communities to safeguard their livestock; Photo credit – Dawa Tsering WWF India

We support a venerated organization in their efforts at conserving the endangered snow leopard in its habitat in the challenging terrains of Jammu & Kashmir. This year marked the third year of our ongoing support to this cause, owing to which, local communities have been able to co-exist in harmony with wildlife, thereby maintaining the equilibrium in our ecosystem.

- Encouraging deserving athletes



Our young deserving athletes getting a platform to hone their skills

We have partnered with an organization having expertise in training of athletes and raising their performance levels. Their sound technical knowledge on sports training has helped achieve new records in the global arena.

- Disaster Relief
In an effort to provide relief to the victims of the Kerala floods in early 2018, we organized the customization and provision of 182 heavy duty roll-over commode wheelchairs, to be used by elderly Persons with Disability in 10 most affected districts of Kerala. This was done as part of an initiative towards the 2018 Kerala floods relief and rehabilitation efforts undertaken by Kerala Social Security Mission (KSSM), coordinated by Chief Minister's Office, Government of Maharashtra.



Providing roll-over commode wheelchairs to the flood-affected in Kerala

Management Discussion and Analysis Report (Contd.)

2. Employees Volunteering

Through practice and with pride, our employees continue to volunteer for some of our causes, thereby upholding the core values that our organization stands for.

- *Daan Utsav (a festival of giving)* – JM Financial celebrates Daan Utsav every year to enable its employees to contribute through the simplest act of giving. In doing so, our employee volunteers participate in blood donation drives held at our offices and extend their support by generously donating clothes, stationery and other items of utility. They also show their support to the skills of specially-abled students and youth by purchasing wares made by them, and exhibited at our offices, thereby contributing towards generation of livelihoods for them.
- *Project Drishti* – Through this initiative, JM Financial contributes annually in the creation of learning material for visually impaired students, by way of contributing glossy magazine pages from across our offices.
- *Plant a sapling* – As an initiation of our CSR project in Mokhada block of Palghar district, Maharashtra, 35 of our employee volunteers gifted 4,587 cashew saplings to 805 farmers and helped plant them in Beriste, Mokhada. Through a day of shram-daan, our employees felt joy in giving back to Mother Earth and gratitude for our farmers who ensure that we never go hungry.



Employee Volunteers after planting cashew saplings with farmers at Beriste, Mokhada

3. Walkathon

Every year in February, our annual charity event – the JM Financial Walkathon is held to raise funds to reach out to the lesser privileged sections of the society. The Walkathon aims to create a positive impact by supporting an array of social initiatives through our philanthropic arm JM Financial Foundation. This year, the walkathon was held on February 9, 2019.



Mr. Nimesh Kampani, Group Chairman along with other participants at the JM Financial Walkathon 2019

Human Resources

At JM Financial, talent is our most valuable asset, and we believe that the ultimate identity and success of our Firm lies in the excellent quality of our people and their commitment towards attaining our organizational goal.

Human Resources function is responsible for building the Group Human Resources strategy and is supporting all our businesses by delivering best in-class Human Resources partnership.

Human Resources Business Partners are responsible for individual business units and support talent management, data analysis, employee engagement, employee relations and guidance, performance management, compensation and benefits and learning and development.

Our employees are partners and key stakeholders, who keep us competitive in the market. We believe in investing in our employees, nurturing their personal and professional growth, empowering them to make work better and most importantly, trusting their abilities and valuing their contributions.

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.

Pragmatic

- The approach of HR is to make decisions and take actions based on the best interests of all stakeholders, guided by practical experience and observation.

Professional

- We are committed to a work environment that promotes a professional atmosphere, in which all individuals are treated with respect and dignity.

Progressive

- We keep up-to-date with emerging trends and work practices to ensure our HR practices remain relevant and exclusive and are able to meet the current and future needs of the organization and employees.

Engagement Surveys – Great Place To Work

As part of our endeavour to rank as an employer of choice and also identify our developmental areas, we internally conducted a dipstick study to understand our employees - what motivates them to go the extra mile, what drives loyalty and what genuinely makes and keeps them happy.

The findings of the survey reiterated our belief that our strongest attributes are our value systems, our open door culture, innovative practices, transparency, a sense of belonging, spirit of teamwork and the respect and credibility we hold in the industry.

JM Financial Group has been accredited as Great Place to Work-Certified™ by the Great Place to Work Institute for all participating entities in 2018. JM Financial Services Limited ranked 82nd in 'India's Best Companies To Work For 2018'. JM Financial Limited (representing Institutional Businesses) ranked 43rd in 'India's Great Mid-Sized Work Places 2018'. JM Financial Asset Management Limited ranked 46th in 'India's Great Mid-Sized Work Places 2018'.

Talent Management

Building and developing our talent pool is our continuous and top priority and we have been successful in attracting diverse talent with sound expertise, new perspectives and experience.

JM Financial has a strong brand presence in the market and our empanelled service partners help us study, survey and attract superior talent in the market.

Our initiative to participate in various market studies enable us to stay updated with market trends.

Workforce Diversity

We have employees from extremely diverse backgrounds in terms of experience, culture and heritage. This goes a long way in building our inclusive culture, as people from different backgrounds bring with them fresh ideas and innovations, unique styles and methods.

Through this, we aspire to develop a flexible, agile and high performing workforce and most importantly, a blended one.

We take pride in the workforce diversity that we have and ensure that each individual is treated with equality and respect.

Campus Hiring

We hire Analysts at the entry level and focus on building a strong pool of fresh minds, whose competencies can be further developed.

The batch of 2018-19 comprised of Chartered Accountants, Management Graduates and Law Graduates from schools of Business, Law and Economics. The hiring has been executed for both, Institutional and Retail segments of the JM Financial Group.

JM Financial has also initiated a Management Internship Program which aspires to establish not only its brand at campuses but also build a relationship with potential candidates that it can recruit as full time resources from the

Management Discussion and Analysis Report (Contd.)

campuses. Through this program, we get an opportunity to evaluate interns for a possible Pre-Placement Offer.

Rewards and Recognition

At JM Financial, we pride ourselves in our people and their achievements. It is therefore important to us that we recognize their hard work, dedication and commitment.

Our Rewards and Recognition program provides a framework for encouraging and recognizing long service and exemplary performance of our employees. The organization has an annual Reward and Recognition Program which recognizes and appreciates talent. The reward is non-monetary in nature and is designed for both, Business and Support functions.

Institution

Employee Engagement

New Introductions:

- **Did You Know Series:** This year, we introduced the 'Did You Know' series, which was sent to all employees via mailers, sharing and reiterating details about the existing policies.
- **Fab Friday:** We recently introduced the concept of Friday Business Casuals, where employees could dress in Business appropriate casuals.
- **iCHEER:** We have always encouraged a culture of showing appreciation towards colleagues who have gone above and beyond our expectations and contributed to our success. Keeping in mind the need to recognize talent and give credit when it's due, we re-launched our iCHEER program. The program aimed at thanking co-workers for their efforts, help, contribution or even their ever-cheerful company. This gesture will go a long way in boosting our employees' self-esteem and pride they take in being a part of JM Financial. We have a platform open to all employees on our intranet portal, which helps employees thank, give feedback, cheer and motivate their fellow members via an e-card and email. This year, over 2,221 cheers were sent out through the iCHEER portal.
- **Retail Mortgages Leadership Meet:** This year, this meet was initiated for the Retail segments with the motive of ensuring that employees from the corporate office and branches get to know each other, interact with the Senior Leadership to know more about the Business strategies and the core expectations to attain the Firm's goal.

Celebrations:

- At JM Financial, we firmly believe that celebration is a part of our work culture. Festivals bring employees closer and help improve work relationships. Celebrations provide a well-deserved break and help employees to remain

engaged. Several occasions are celebrated including Women's Day, Holi, Independence Day, Diwali, Christmas, Navratri, Friendship Day or employees' birthdays.

- Health and Awareness sessions were conducted with the intent of sharing the importance of a positive lifestyle and to ensure that our employees take efforts to maintain a work-life healthy balance.
- Off-sites and picnics are scheduled with fun filled team building activities, open house, motivational speakers and a cultural night.

Sports Club:

- We have set up JM Financial Sports Club with the objective of creating a platform for employees to get-together and enjoy various sporting activities, foster a habit of team-work and healthy competition, by using sports as a medium, promote a healthy work-life balance and an opportunity to de-stress.
- We participated in some exciting sports events like inter corporate Cricket and Football. Our Men's Soccer Team participated in 17th Corporate Soccer 5s 2018 and won the 'Super Cup'. JM Financial Football Championship 2018 witnessed participation from 12 teams from within our businesses.
- JM Financial Sports Centre had planned a bowling tournament, which was huge success.

Performance Management

We follow a comprehensive performance evaluation process for annual reviews.

Employees across levels benefit from the development oriented approach of this system. This practice helps us identify the capabilities of employees and leverage the same. It also helps us to suggest and plan development in the identified areas through training. For this, a Training Need Analysis is captured.

This year, the performance management process was digitalized. A structured performance evaluation calendar was launched.

Compensation and Benefits

JM Financial's compensation framework is structured to align the interests of our employees with the long-term interests of the Firm and its other stakeholders.

Our compensation framework is designed to retain and motivate our human capital, reward them for their performance and attract superior talent from the industry.

JM Financial also offers various benefits designed to meet the needs of our employees. These benefits are an integral part of our Company and provide employees and their families' valuable support during employment with JM Financial.

Succession Planning

At JM Financial, we promote an atmosphere of inclusion, by encouraging the next level of employees to take higher responsibilities.

Managers along with Human Resources formulate a customized grooming and orientation of high potentials, by carefully planning their work experiences. Their skills and capabilities are developed through further training and mentoring.

Learning and Development

Training is necessary for the employees' development and progress; this motivates them to work not only at an individual level but also at an organisational level. We have an environment supporting continuous learning which we have enabled through various forums, databases and online resources.

Through internal and external resources, employees are given opportunities to develop their skills and this includes behavioural and technical trainings. A training feature has been initiated on the intranet where all the training programmes are posted, for easy access.

Technical and behavioural training programs are organized for employees on need-basis by internal and external faculties (Classroom Training Sessions and MDPs). Employees are also sent for seminars and job related trainings arranged by specialized centres (Seminars and Workshops).

Also, this year, we have revived open programs conducted by employees of the organization, who share their knowledge and expertise on subject matters (Knowledge Community).

We have successfully achieved a total of 1,746 man days of trainings for all our employees.

The total employee strength of JM Financial Group stood at 1,822 as on March 31, 2019.

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

1. Corporate Governance

Corporate Governance is about promoting the fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting the business. It represents the value framework, principles, rules, practices by which a company conducts its business activities. Corporate Governance essentially involves balancing the interests of many stakeholders in a company which include its shareholders, management, customers, suppliers, financiers, government and the community.

2. Philosophy of JM Financial on Corporate Governance

We, at JM Financial, strongly believe in the practice of conducting the business activities in an ethical manner that ensures high level of accountability and trust for all our stakeholders. For us, Corporate Governance is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value driven growth. We have adopted the best governance practices and disclosure standards leading to enhanced shareholders' value while protecting the interests of all the stakeholders.

Our values reflect our continued commitment to ethical business practices across our operations. The timely disclosures, transparent accountability policies and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long term corporate value. Our actions are governed by our values and principles, viz., integrity, teamwork, client focus, innovation, implementation, performance and partnership, which are reinforced at all levels across the JM Financial group.

We conduct our business in accordance with prevailing statutes and regulations, with due focus on transparent and fair practices, efficiency, customer-orientation and corporate governance principles. We also constantly strive to adopt emerging best practices. It is our constant endeavour to provide the stakeholders' an oversight for strategy implementation, risk management and fulfilment of stated goals and objectives and provide them relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in corporate governance process.

The Company continuously strives at improving and adhering to the good governance practice as stipulated in various legislations viz., Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred

to as "the Listing Regulations"), the Companies Act, 2013 (hereinafter referred to as "the Act") and all other applicable rules and regulations.

A report on Corporate Governance as prescribed under the Listing Regulations is given below:

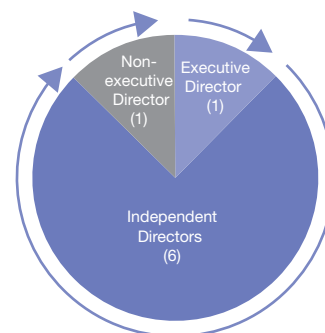
3. Board of Directors

The Directors on the Board of the Company possess varied skills and expertise, have diverse background and possess requisite qualifications and experience which enables them to discharge their responsibilities, provide effective leadership and independent views to the management. The Directors of the Company helps the Company in adhering to high standards of corporate governance practices.

Composition of the Board

The Board of Directors of the Company has optimum combination of executive, non-executive and independent directors and meets the requirements under Regulation 17 of the Listing Regulations. Mr. Nimesh Kampani, is a Non-executive Chairman of the Company and Mr. Vishal Kampani is the Managing Director of the Company. Independent Directors constitute 75% of the Board's strength, which is more than the requirements stipulated under the Act and in the Listing Regulations. The Board periodically evaluates the strength and its composition.

As at March 31, 2019, the overall strength of the Board was eight (8) directors, breakup of which is given below:



All the Independent Directors of the Company have provided declaration to the Board confirming satisfaction of the conditions of their independence as laid down under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Regulation 16(1)(b) of the Listing Regulations. Further, in the opinion of the Board, all the Independent Directors of the Company, fulfil the conditions

specified under the Act and the Listing Regulations, and are independent of the management.

Mr. Vishal Kampani, the Managing Director is a relative (son) of Mr. Nimesh Kampani, who is the Non-executive Chairman of the Company. Save and except this, none of the Directors of the Company is related to each other.

As confirmed by the Independent Directors, they did not have any material pecuniary relationship with the Company during the financial year 2018-19. The sitting fees paid to them for attending the meetings of the Board and its Committees, the commission paid/payable to them and the professional fees, if any, paid during the year are not considered as having any material pecuniary relationship with the Company in accordance with the relevant provisions of the Act and the Listing Regulations.

During the year under review, the shareholders of the Company approved the continuation of the directorships of Mr. E A Kshirsagar, Mr. Darius E Udawadia and Dr. Vijay Kelkar (since they are more than 75 years of age) beyond April 1, 2019 by passing the Special Resolutions with requisite majority through the conduct of postal ballot process. This was required pursuant to the amendments made by the Securities and Exchange Board of India

(“the SEBI”) in the Listing Regulations vide it’s notification dated May 9, 2018.

The shareholders of the Company further passed the Special Resolutions re-appointing Mr. E A Kshirsagar, Mr. Darius E Udawadia, Dr. Vijay Kelkar, Mr. Paul Zuckerman and Mr. Keki Dadiseth, as independent directors of the Company for a further term not exceeding 3 years with effect from July 3, 2019. The said Special Resolutions were also passed through the conduct of the postal ballot process. The first five year term of the above Independent Directors, is expiring on July 2, 2019.

Before considering the appointment/re-appointment of a director, the Board of Directors of the Company and the Nomination and Remuneration Committee takes into consideration the qualifications, skills and attributes as stated in the Company’s policies on directors’ appointment and remuneration.

The Company’s Board comprises qualified members who bring in required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. The Directors are committed to ensure that the Company is in compliance with the highest standards of corporate governance.

Below is the summary of key skills and attributes which are taken into consideration while nominating candidates to serve on the Board of the Company.

Sr. No.	Skills and Attributes
1.	Executive Leadership
2.	Strategic Advisor, Public and Regulatory Policy
3.	Financial Acumen
4.	Legal, Corporate Governance, Risk and Compliance
5.	Global experience

A. Memberships of other Boards

None of the Directors of the Company hold directorships in more than twenty (20) companies including in more than ten (10) public companies. In accordance with the Listing Regulations, none of the Directors of the Company hold directorships in more than eight (8) listed companies and independent directorships in more than seven (7) listed companies. The Managing Director of the Company does not hold directorship as an Independent Director in any other listed company. Also, none of the Directors is serving as a member of more than ten (10) committees or as the

chairman of more than five (5) committees in accordance with the requirements of the Listing Regulations. Necessary disclosures regarding committee positions in other public companies as at the end of financial year have been made by the Directors.

The information relating to the number and category of other directorships and committee chairmanships/memberships held by the directors in other public companies including the names of the listed companies as on March 31, 2019 is given below as required under the Listing Regulations.

Report on Corporate Governance (Contd.)

Name of the Director	Category in the Company	Number of directorships in other public companies*				Number of committee positions held in other public companies**		No. of equity shares held in JM Financial Limited as on March 31, 2019
		Listed	Name of the Listed Company	Category of Directorship	Unlisted	Chairman	Member	
Mr. Nimesh Kampani	Non-Executive Chairman	4	Apollo Tyres Limited Britannia Industries Limited Deepak Nitrite Limited Chambal Fertilisers Chemicals Limited	Non-Executive Independent Director	3	1	5	13,53,57,500#
Mr. E A Kshirsagar	Independent Director	3	Batliboi Limited Hawkins Cookers Limited Manappuram Finance Limited	Non-Executive Independent Director Non-Executive Nominee Director	1	3	4	Nil
Mr. Darius E Udawadia	Independent Director	2	ABB India Limited Bombay Burmah Trading Corporation Limited	Non-Executive Independent Director	2	1	6	Nil
Mr. Paul Zuckerman	Independent Director	-	-	-	-	-	-	Nil
Dr. Vijay Kelkar	Independent Director	-	-	-	3	-	2	Nil
Mr. Keki Dadiseth	Independent Director	4	Britannia Industries Limited Godrej Properties Limited Piramal Enterprises Limited Siemens Limited	Non-Executive Independent Director	1	1	5	Nil
Ms. Jagi Mangat Panda	Independent Director	1	Ortel Communications Limited	Managing Director	4	1	2	Nil
Mr. Vishal Kampani	Managing Director	-	-	-	6	-	2	1,13,50,000

* Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

** The information pertaining to the chairmanships/memberships of committees of the board held by the directors includes only audit committee and stakeholders' relationship committee.

Includes 12,50,000 equity shares held by Nimesh Kampani HUF.

B. Board Meetings and Board Procedure

The Board meetings are held at regular intervals to consider, discuss and approve inter alia, the unaudited and audited standalone and consolidated financial results of the Company, to decide on business policy/strategy of the Company, risk management, competitive scenario, etc. The Board/Committee meetings are pre-scheduled and tentative dates of such meetings are informed well in advance to facilitate the Directors to plan their schedule. The Company also provide an option to its Directors to participate at each of the Board/Committee meetings through video conference.

The Board meetings are generally held at the registered office of the Company. Six (6) Board meetings were held during the financial year 2018-19; on May 2, 2018, July 18, 2018, September 18, 2018, October 25, 2018, December 18, 2018 and January 23, 2019. The meetings were held at least once in a quarter and the time period between the two meetings did not exceed 120 days. The required quorum was present at all the above meetings. The details of attendance of the Directors at the Board meetings held during the financial year 2018-19 and at the last annual general meeting are given below:

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended the Annual General Meeting held on July 18, 2018
Mr. Nimesh Kampani	6	6	Yes
Mr. E A Kshirsagar	6	6	Yes
Mr. Darius E Udwardia	6	6	Yes
Mr. Paul Zuckerman	6	6	Yes
Dr. Vijay Kelkar	6	6	Yes
Mr. Keki Dadiseth	6	4	Yes
Ms. Jagi Mangat Panda	6	4	Yes
Mr. Vishal Kampani	6	6	Yes

The Board is provided with the relevant information including the information as stipulated under Listing Regulations viz., quarterly/half yearly unaudited financial results and the audited annual statement of accounts, corporate strategy, annual budget and capital expenditure details. The members of the Board have access to the management and the information about the Company.

The agenda items for Board/Committee meetings are finalised by the Company Secretary in consultation with the Chairman and the same is circulated well in advance to all the Board Members, along with comprehensive background information on the agenda items to enable the Board to take informed decisions. The agenda and related information are uploaded on electronic portal, which are accessible to the Board Members on their respective portable computer devices. The Directors opting for physical copy of the agenda were provided hard copies.

With reference to the matters requiring the approval of the Board, all the concerned persons communicate with the Company Secretary in advance to enable inclusion of such matters in the agenda for the Board/Committee meetings. Where it is not practicable to circulate any document or if the agenda item is of a confidential nature, the same is sent separately or tabled at the meeting, as the case may be. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the permission of the Chairman and with the consent of majority of the Directors present at the

meeting. The senior officials of the Company/Group are invited to the Board meetings in respect of the items concerning them to provide additional inputs as and when necessary.

At the Board meetings, presentations are made by the Senior Management and CEOs/Business Heads of the Company and its subsidiaries, inter alia, covering the plans, performance, operations, financial performance, risk management, regulatory environment and for other issues and matters which the Board wants to be apprised of on a periodic basis. The Board members interact with the CEOs/Business heads of respective subsidiary companies for clarifications/information, as and when required.

The Board periodically reviews and takes note of, inter alia, the compliance confirmations in respect of laws and regulations applicable to the Company. The compliance confirmations pertaining to respective subsidiary companies including the summary thereof are also placed before the Board for its information and noting. Additionally, the annual operating and capital expenditure plans and budgets, unaudited/audited financial results, minutes of the board meetings of unlisted subsidiaries including the summary of the key decisions taken by their respective boards, significant transactions and arrangements entered into by the unlisted subsidiaries risk management update/report, minutes of meetings of the committees etc. are placed before the Board.

Report on Corporate Governance (Contd.)

The draft minutes of the Board and Committee meetings are circulated amongst the Directors/Members for their perusal and comments in accordance with Secretarial Standard-1 (SS-1) issued by the Institute of Company Secretaries of India. Suggestions, if any, received from the Directors/Members are suitably incorporated in the draft minutes, in consultation with the Chairman of the Board/Committee. Minutes are signed by the Chairman of the Board/Committee at the next meeting.

The Company has an effective post meeting follow-up, review and reporting process for implementation of the decisions taken by the Board and the Committees thereof. Important decisions taken at the Board/Committee meetings are communicated to the concerned departments and persons promptly. Status of the decisions/minutes of the previous meetings are placed at the succeeding meetings of the Board/Committee for noting.

The Board periodically reviews the risk assessment and risk management processes. The framework comprises an in-house exercise on risk management review carried out periodically by the Company to identify and mitigate various risks faced by the Group including the Company on a day to day basis. A detailed note on risk management process is given in the risk management section of Management Discussion and Analysis Report.

C. Separate Meeting of Independent Directors

Separate meeting of the Independent Directors of the Company was held on March 18, 2019 without the presence of the Non-Executive Chairman, the Managing Director and the management team of the Company. The meeting was attended by all the Independent Directors. The matters considered and discussed thereat, inter alia, included those prescribed under Schedule IV to the Act and Regulation 25 of the Listing Regulations.

D. Familiarisation Program for Independent Directors

The Company has in place the familiarisation program for the Independent Directors appointed from time to time. The program aims to familiarise the Independent Directors with various aspects of the Company including the nature of the financial services industry, operations and performance of the Company's subsidiaries; developments within group companies; roles, rights, responsibilities of Independent Directors; and other relevant information required by Independent Directors to discharge their functions.

The CEOs and the business heads of the Company and its subsidiaries make business presentations at the Board meetings to update the Independent Directors with the strategy, functions, operations and performance of the Company and its subsidiaries.

The Company's Policy of conducting the familiarisation program and details of such familiarisation programme imparted to independent directors during the financial year 2018-19, is placed on the website viz., www.jmfl.com.

E. Code of Conduct

The Company has adopted the Code of Conduct ("Code") which applies to all the Board members and the Senior Management Personnel. It is the responsibility of all the Board members and Senior Management Personnel to familiarise themselves with the Code and comply with its provisions. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have confirmed compliance with the Code. The declaration signed by the Managing Director to this effect forms part of this Report.

4. Committees of the Board

The Board has constituted the following Committees to take informed decisions in the best interests of the Company. These Committees monitor the activities falling within their terms of reference. Specific terms of reference have been laid out for each of these Committees and reviewed annually:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Allotment Committee
- Risk Management Committee (constituted on January 23, 2019)

A. Audit Committee

Composition

The Audit Committee has a well-defined composition of Members, all of whom are Non-executive Independent Directors in accordance with Section 177 of the Act read with rules thereto and Regulation 18 of the Listing Regulations. The Committee is chaired by Mr. E A Kshirsagar, who is a qualified Chartered Accountant. All members of the Committee are financially literate and very learned, experienced and well known in their respective fields. The Committee acts as a link between the Statutory Auditors, the Internal Auditors and the Board of Directors of the Company. The Company Secretary acts as the Secretary to the Committee. The Meetings of the Audit Committee are also attended by the Chief Financial Officer, Internal Auditors and the Statutory Auditors as invitees. The minutes of each Audit Committee meeting are circulated amongst the

members for their approval. The minutes as approved by the members are generally signed by the Chairman of the Committee at its next meeting.

The Chairman of the Committee, Mr. E A Kshirsagar, was present at the last Annual General Meeting held on July 18, 2018 to address the queries, if any, of the shareholders.

Scope and Functions

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 rights 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. To 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 as is applicable;
- r. To review the functioning of the Whistle Blower mechanism;
- s. Approval for appointment of the Chief Financial Officer;
- t. Review of utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- u. Review of compliances with SEBI (Prevention of Insider Trading) (Amendment) Regulations, 2018 and to verify that the systems for internal control are adequate and are operating effectively, at least once in a financial year;
- v. 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 of Directors about significant discussions and decisions taken at the Audit Committee meetings.

Meetings and Attendance

The Audit Committee met four (4) times during the financial year 2018-19 on May 2, 2018, July 18, 2018, October 25, 2018 and January 23, 2019. The required quorum was

Report on Corporate Governance (Contd.)

present for all the Audit Committee meetings. The gap between two meetings did not exceed 120 days.

The attendance at the Meetings was as under:

Name of the Member	Position	No. of Meetings held	No. of Meetings attended
Mr. E A Kshirsagar	Chairman	4	4
Dr. Vijay Kelkar	Member	4	4
Mr. Paul Zuckerman	Member	4	4
Mr. Darius E Udwadia	Member	4	4

B. Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee (“the NRC”) is constituted in accordance with Section 178 of the Act and applicable rules thereto and in accordance with Regulation 19 of the Listing Regulations. The members of the NRC consists of four (4) Non-executive Directors of which three (3) are independent directors. The Committee is chaired by Dr. Vijay Kelkar, an Independent Director.

Scope and Functions

The broad terms of reference of the NRC, inter alia, includes the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- Identify and recommend to the Board of Directors, the appointment of persons considered capable and fit for the role of a Director based on the criteria so formulated;
- Evaluation of Directors’ performance;
- Recommend to the Board of Directors a policy relating to the remuneration for the Directors, Key Managerial Personnel and other senior employees of the Company;
- Recommend the appointment of Key Managerial Personnel (KMPs) and approve their remuneration;
- Recommend to the board, all remuneration, in whatever form, payable to senior management; and
- Such other functions as may be entrusted to it by the Board of Directors, from time to time.

The NRC also considers and approves the grant of Stock Options to the employees/directors of the Company and/or its subsidiaries in accordance with the Employee Stock Option Scheme formulated by the Company pursuant to the applicable provisions of the Act and the Regulations issued by Securities and Exchange Board of India (SEBI).

Meetings and Attendance

The NRC met two (2) times during the financial year 2018-19 on April 12, 2018 and January 9, 2019. The required quorum was present at the said NRC Meetings. The matters considered by the Committee during

the year, inter alia, included determination of performance linked discretionary bonus and revision in the fixed salary of the Executive Director, Key Managerial Personnel and the senior employees of the Company, grant of stock options to eligible employees, performance evaluation of individual directors, the Board as a whole, the Board Committees and recommendation of re-appointment of the independent directors. The attendance at the said meetings was as under:

Name of the Member	Position	No. of Meetings held	No. of Meetings attended
Dr. Vijay Kelkar	Chairman	2	2
Mr. E A Kshirsagar	Member	2	1
Mr. Nimesh Kampani	Member	2	2
Mr. Darius E Udwadia	Member	2	2

Criteria for Performance Evaluation of Directors

Policy on Performance Evaluation and Remuneration of the Directors (“the Policy”) has been framed for the Performance of the Board as a whole, its committees, individual directors including the executive director and the Chairman.

An annual performance evaluation for the financial year 2018-19 was carried out in an independent and fair manner in accordance with the Policy, as stated above. The key criteria for evaluating the performance of Directors of the Company are as follows:

- Providing effective leadership and strategic guidance to the management;
- To understand the business, including the risks and regulatory landscape;
- Attendance at, and active engagement in the discussion of business performance, competitive landscape and strategies;
- Development and monitoring of leadership teams, compliance focus and insistence on ethical business practices;
- Nudging for long term focus areas such as Succession Planning, Business Continuity Planning, etc.;
- Management of conflicts in Board discussion; and
- Management of conflict of interests, if any.

C. Corporate Social Responsibility Committee

Composition

The Corporate Social Responsibility (“the CSR”) Committee is constituted in accordance with Section 135 of the Act and consists of three (3) Non-executive Directors of which, two (2) are Independent Directors. The Committee is chaired by Mr. Nimesh Kampani.

Scope and Functions

The broad terms of reference of the CSR Committee are as follows:

- Formulating and recommending 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;
- Making recommendation on the amount of expenditure to be incurred on CSR activities;
- Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company; and
- Such other functions 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 viz., JM Financial Foundation is provided in Annexure C to the Board's Report.

Meetings and Attendance

The CSR Committee met two (2) times during the financial year 2018-19 on October 25, 2018 and March 13, 2019. The Committee, inter alia, reviewed the CSR projects so far undertaken and also considered, approved and recommended to the Board, the amount to be spent on the CSR activities along with the CSR Projects for FY 2018-19. The details of the attendance of the Members at the said meetings are given below:

Name of the Member	Position	No. of Meetings held	No. of Meetings attended
Mr. Nimesh Kampani	Chairman	2	2
Mr. Paul Zuckerman	Member	2	2
Mr. Keki Dadiseth	Member	2	1

D. Stakeholders' Relationship Committee

Composition

The Stakeholders' Relationship Committee (SRC) constituted in accordance with Section 178 of the Act and applicable rules thereto and Regulation 20 of the Listing Regulations, comprises three (3) Directors, of which two (2) are Independent Directors and one (1) is a Non-executive Director. The Committee is chaired by Dr. Vijay Kelkar. The Chairman of the Committee was present at the last Annual General Meeting. Mr. Prashant Choksi, Company Secretary of the Company acts as the Secretary to the Committee.

Scope and Functions

The broad terms of reference of the SRC are as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual

report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agents;
- Review of 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.

Meetings and Attendance

The SRC met four (4) times during the financial year 2018-19 on May 2, 2018, July 18, 2018, October 25, 2018 and January 23, 2019. The details of attendance of the Members at the said meetings are as below:

Name of the Member	Position	No. of Meetings held	No. of Meetings attended
Dr. Vijay Kelkar	Chairman	4	4
Mr. Nimesh Kampani	Member	4	4
Ms. Jagi Mangat Panda	Member*	4	3

* Appointed as a Member of the Committee w.e.f. July 18, 2018

Nature and number of Grievances

During the year, number of grievances received from members/investors by the Company/its Registrar and Transfer Agents, are stated below:

Nature of Grievances	No. of Grievances received	No of Grievances resolved	Pending Grievances
Non-receipt of Dividend	17	17	Nil
Non-receipt of shares post-corporate action	Nil	Nil	Nil
Non-receipt of physical copy of Annual Report	Nil	Nil	Nil
Total	17	17	Nil

The grievances, so received, were general in nature and related to non-receipt of dividends. All the grievances received were duly resolved/redressed in a timely manner.

Mr. Vishal Kampani, the Managing Director and Mr. Prashant Choksi, the Company Secretary, have been severally authorised by the Board to consider and approve the requests for transfer/transmission of shares in physical form for expediting the transfer/ transmission process.

E. Allotment Committee

Composition

The Allotment Committee of the Board comprises Mr. Nimesh Kampani, the Non-executive Director and Mr. Darius E Udawadia, an Independent Director

Report on Corporate Governance (Contd.)

of the Company. The Committee is chaired by Mr. Nimesh Kampani.

Scope and Functions

The Allotment Committee, inter alia, considers and approves the allotment of shares/securities including those arising on account of exercise of stock options by the eligible employees, considers and approves requests for issue of duplicate share certificates, issue of new share certificates upon rematerialisation, etc.

Meetings and Attendance

The Allotment Committee met seven (7) times during the financial year 2018-19 on May 2, 2018, June 18, 2018, July 18, 2018, August 20, 2018, October 25, 2018, December 18, 2018 and January 23, 2019. The details of attendance of the Members at the said meetings are given below:

Name of the Member	Position	No. of Meetings held	No. of Meetings attended
Mr. Nimesh Kampani	Chairman	7	7
Mr. Darius E Udwardia	Member	7	7

F. Risk Management Committee

Composition

The Risk Management Committee (RMC) is constituted in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and consists of five (5) Members, of which two (2) are Independent Directors, viz., Mr. Darius E Udwardia and Mr. Paul Zuckerman. The other Members include Mr. Vishal Kampani, Managing Director, Mr. Adi Patel and Mr. Darius Pandole, Senior Executives of the Company.

Scope and Functions

The broad terms of reference of the RMC are as follows:

- Assessing the risk profile of the Company and key areas of risks in particular;
- Formulate the systems and processes to monitor, control and mitigate the risks;
- Review and evaluate the risk management plan, policy and practices with respect to risk assessment and risk management processes;
- Review and monitor various functions including cyber security;
- To review nature of risk level of insurance coverage and its adequacy;
- Performing such other functions as may be necessary or appropriate for the performance of its oversight function; and
- Any other matters as the Board may entrust from time to time.

The Committee was constituted by the Board of Directors of the Company at its meeting held on January 23, 2019.

5. Disclosure in relation to Remuneration of Directors

a. Remuneration of the Executive Director

The compensation structure of the Executive Director consists of two parts – fixed and variable determined on the basis of:

- Market benchmarking
- Individual performance
- Performance of the Company including its subsidiaries/associate.

The above compensation structure is also reviewed by the NRC and approved by the Board of Directors and Members of the Company.

Remuneration of the Managing Director, Mr. Vishal Kampani

In accordance with the terms of the Agreement entered into by the Company with Mr. Vishal Kampani, the Company has paid the following remuneration to Mr. Kampani during the financial year 2018-19:

	(Amount in ₹)
Salary	1,44,00,000
Perquisites	28,15,661
Total	1,72,15,661

Additionally, Mr. Kampani is entitled to receive the Company's contribution to provident fund as per the rules of the Company.

No sitting fees were paid to Mr. Kampani for attending meetings of the Board during the financial year 2018-19.

Mr. Vishal Kampani is also the Managing Director of JM Financial Products Limited ('JM Financial Products'), a material subsidiary of the Company. Mr. Kampani was re-appointed as the Managing Director of JM Financial Products for a period of five years effective from September 15, 2016. His initial appointment as a Director in JM Financial Products was in the financial year 2008-09. Mr. Kampani also draws remuneration from the said subsidiary. As per the terms of his appointment, so long as Mr. Kampani serves as a Managing Director of the Company and of JM Financial Products, the total amount of remuneration that may be paid to Mr. Kampani by the Company and/or JM Financial Products, shall not exceed the higher maximum limit admissible from the Company or JM Financial Products, as the case may be, in accordance with the applicable provisions of the Act and Schedule V thereto.

The details of remuneration drawn by Mr. Kampani from JM Financial Products are as below:

	(Amount in ₹)
Salary	1,44,00,000
Perquisites	20,86,021
Performance Bonus	11,00,00,000
Total	12,64,86,021

Additionally, Mr. Kampani is entitled to receive contribution to provident fund from JM Financial Products.

The total amount of remuneration paid/payable by both the companies, viz., JM Financial Limited and JM Financial Products Limited are within the limits prescribed under the Act and as approved by the shareholders of the Company and the NRCs of the respective companies.

b. Remuneration Policy for Non-executive Directors

The Company follows transparent process for determining the remuneration of Non-executive

Directors including the independent directors. Their remuneration is governed by the role assumed, number of meetings of the Board and the Committees thereof attended by them, the position held by them as the Chairman and member of the Committees of the Board and their overall contribution as Board members. Besides this, the Board also takes into consideration the external competitive environment, track record, individual performance of such Directors and performance of the Company as well as the industry standards in determining the remuneration of the Non-executive Directors.

Considering the above, an aggregate amount of ₹ 1,24,00,000 is proposed to be paid as commission to the Non-executive Directors of the Company for the financial year 2018-19, except Mr. Nimesh Kampani who has voluntarily decided not to accept any commission for the said year. The details of sitting fees/commission paid/payable to the Directors are given below:

Name of Director	Sitting fees paid during the financial year 2018-19						Commission	
	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Allotment Committee Meeting	Stakeholders' Relationship Committee Meeting	Corporate Social Responsibility Committee Meeting	Paid for FY 2017-18	Proposed to be Paid for FY 2018-19
Mr. Nimesh Kampani	6,00,000	-	40,000	35,000	40,000	40,000	16,00,000	-
Mr. E A Kshirsagar	6,00,000	2,00,000	20,000	-	-	-	22,00,000	22,00,000
Mr. Darius E Udawadia	6,00,000	2,00,000	40,000	35,000	-	-	20,00,000	20,00,000
Mr. Paul Zuckerman	6,00,000	2,00,000	-	-	-	40,000	20,00,000	20,00,000
Dr. Vijay Kelkar	6,00,000	2,00,000	40,000	-	40,000	-	22,00,000	22,00,000
Mr. Keki Dadiseth	4,00,000	-	-	-	-	20,000	20,00,000	20,00,000
Ms. Jagi Mangat Panda	4,00,000	-	-	-	30,000	-	20,00,000	20,00,000

Note: The above does not include the following:

1. Sitting fees of ₹ 100,000/- paid to the Independent Directors for attending the Independent Directors' Meeting held on March 18, 2019.
2. As per the practice followed by the Company, the commission for the financial year 2018-19 will be paid to Non-executive Directors after the financial statements are adopted by the members at the Thirty Fourth Annual General Meeting of the Company.
3. During the financial year 2018-19, the Company has paid ₹ 4,00,000 as professional fees to Mr. Keki Dadiseth for rendering advisory services for the new private equity fund sponsored by the Company.

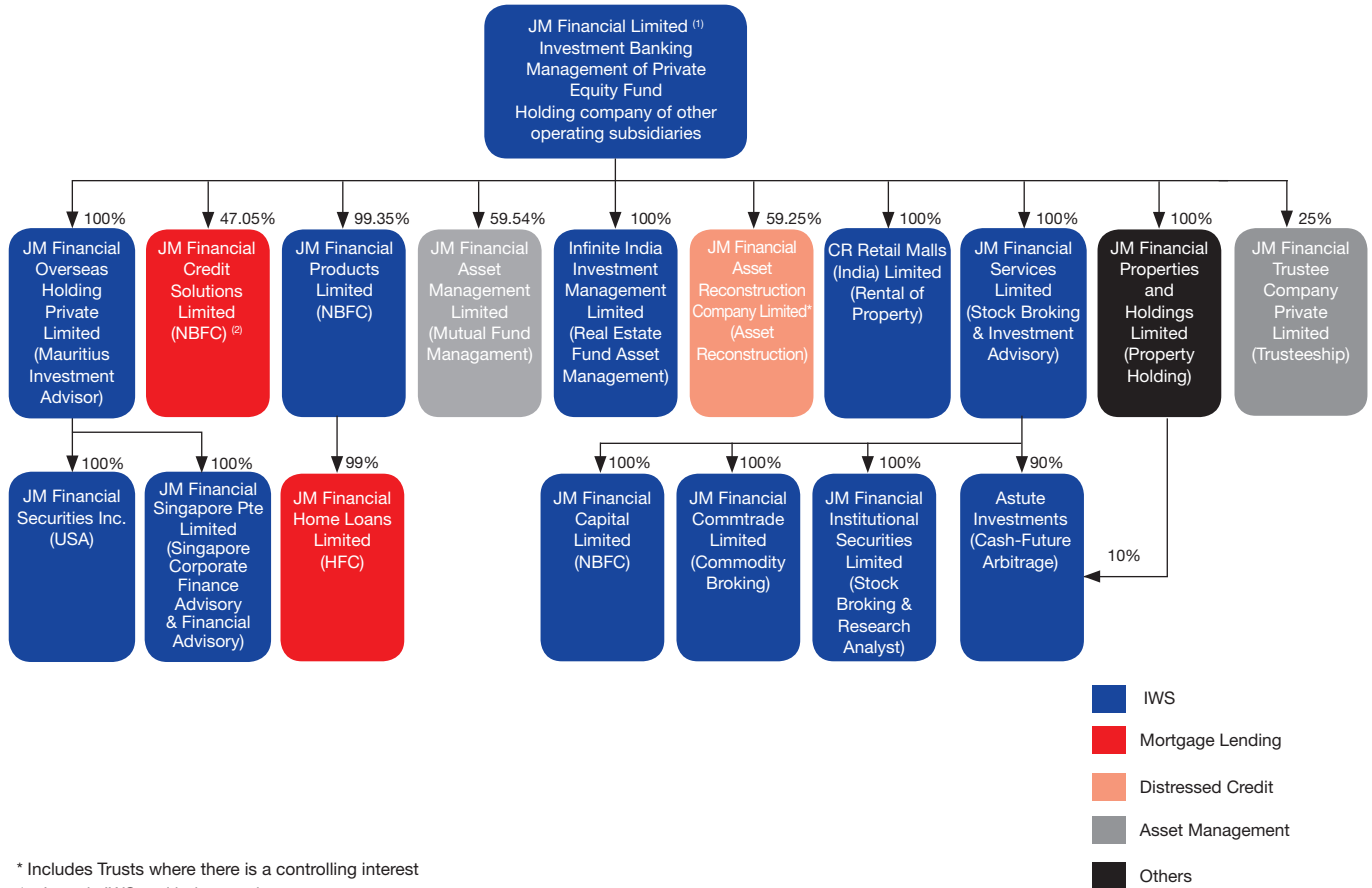
The payment of the said professional fees to the Independent Director as above does not affect his independence of judgement, as the services provided by him in his professional capacity.

Other than the above, no payments have been made to any of the Independent Directors by the Company.

Report on Corporate Governance (Contd.)

6. Subsidiary and Associate Companies:

As on March 31, 2019, the Company had the following subsidiary and associate companies.



* Includes Trusts where there is a controlling interest

1. Largely IWS and balance others
2. JM Financial Limited controlled entity with effective ownership of 47.05%
3. The percentage shareholding as mentioned in the corporate structure is calculated on the basis of the face value of shares.

In terms of Regulation 16(1)(c) of the Listing Regulations, the material subsidiaries of the Company as on March 31, 2019 are given below. In accordance with Regulation 24 of the Listing Regulations, the following Independent Directors of the Company are also Independent Directors on the Boards of the unlisted material subsidiaries as on March 31, 2019:

Name of the material unlisted* subsidiaries	Name of the Independent Director
JM Financial Products Limited	Mr. E A Kshirsagar
JM Financial Credit Solutions Limited	Mr. Darius E Udawadia
JM Financial Asset Reconstruction Company Limited	Dr. Vijay Kelkar

* The above subsidiaries have issued debt securities which are listed on stock exchange but its equity shares are not listed.

The minutes of the Board meetings of the unlisted subsidiary companies are placed at the Board meetings of the Company. The management also periodically brings to the attention of the Board of Directors, a statement of significant transactions and arrangements entered into by all the unlisted subsidiary companies of the Company. The audit committee of the Company also reviews the financial statements, in particular, the investments made by the unlisted subsidiaries.

7. General Body Meetings:

i. The details of Annual General Meeting (“AGM”) held during the last 3 years and the special resolutions passed thereat are as under:

Date of AGM	Venue	Time	Whether Special Resolution passed	Summary of Special Resolutions
August 2, 2016	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020	4.00 p.m.	Yes	<ul style="list-style-type: none"> • Payment of commission to Non-executive Directors including Independent Directors. • Issue of Redeemable Non-Convertible Debentures for an amount aggregating up to ₹ 1,000 Crore.
July 24, 2017	Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, 124, Dinshaw Wachha Road, Churchgate, Mumbai 400 020	4.00 p.m.	Yes	<ul style="list-style-type: none"> • Issue of Redeemable Non-Convertible Debentures for an amount aggregating up to ₹ 5,000 Crore.
July 18, 2018	J. K. Banquets Hall, Industry Manor, 1/B - 1&2, Ground Floor, Appasaheb Marathe Marg, Near Century Bhavan, Prabhadevi, Mumbai 400 025	3.00 p.m.	Yes	<ul style="list-style-type: none"> • Issue of Redeemable Non-convertible Debentures for an amount aggregating up to ₹ 5,000 Crore. • Reclassification of Mr. Ashith Kampani from Promoters’ Group to Non-Promoters’ Group/Public Category. • Approval for giving of loan(s) and/or guarantee(s) and/or providing security(ies) in connection with loan(s) to any person and/or body corporate and/or acquisition of securities of other body(ies) corporate for an amount of up to ₹ 2,000 Crore over and above the limits available to the Company pursuant to Section 186 of Companies Act, 2013.

Report on Corporate Governance (Contd.)

ii. Special Resolutions Passed through Postal Ballot

During the year, Special Resolutions in respect of the following matters were passed with the requisite majority through Postal Ballot on March 5, 2019 by the Members of the Company in accordance with the applicable provisions of the Act and the Listing Regulations.

Sr. No.	Matters	No. of votes in favour (% of total votes casted)	No. of votes against (% of total votes casted)
1.	Continuation of the directorship of Mr. E A Kshirsagar (DIN 00121824), who has attained the age of seventy five years, as a Non-executive Independent Director of the Company, up to July 2, 2019, being the date of expiry of his current term of office.	71,95,39,075 (99.12%)	63,56,749 (0.88%)
2.	Continuation of the directorship of Mr. Darius E Udhwadia (DIN 00009755), who has attained the age of seventy five years, as a Non-executive Independent Director of the Company, up to July 2, 2019, being the date of expiry of his current term of office.	67,48,45,132 (92.97%)	510,50,482 (7.03%)
3.	Continuation of the directorship of Dr. Vijay Kelkar (DIN 00011991), who has attained the age of seventy five years, as a Non-executive Independent Director of the Company, up to July 2, 2019, being the date of expiry of his current term of office.	72,01,44,210 (99.21%)	57,51,214 (0.79%)
4.	Re-appointment of Mr. E A Kshirsagar (DIN 00121824) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.	71,89,49,477 (99.06%)	68,26,132 (0.94%)
5.	Re-appointment of Mr. Darius E Udhwadia (DIN 00009755) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.	65,90,10,361 (90.79%)	6,68,84,628 (9.21%)
6.	Re-appointment of Dr. Vijay Kelkar (DIN 00011991) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.	71,96,74,548 (99.14%)	62,20,431 (0.86%)
7.	Re-appointment of Mr. Paul Zuckerman (DIN 00112255) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.	72,50,20,577 (99.88%)	8,74,432 (0.12%)
8.	Re-appointment of Mr. Keki Dadiseth (DIN 00052165) as an Independent Director of the Company for a further term not exceeding three consecutive years from July 3, 2019 to July 2, 2022.	72,00,60,381 (99.20%)	58,34,468 (0.80%)

For the above purpose, the Company had provided the facility to its Members to cast their votes electronically through the e-voting platform of Karvy Fintech Private Limited, as an alternate to casting votes by physical ballot. The Company had appointed Ms. Jayshree S Joshi, Company Secretary, Proprietress of M/s. Jayshree Dagli & Associates, Company Secretaries, Mumbai, as Scrutiniser to conduct the Postal Ballot process in a fair and transparent manner.

The Company follows the procedure as prescribed under the Companies Act, 2013, the Rules made thereunder, the Secretarial Standard on General Meetings (SS-2) and other applicable statutes, if any, for conducting the postal ballot.

Resolutions, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

8. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for financial year 2018-19, prepared in accordance with the Listing Regulations, forms part of this Annual Report.

9. Disclosures

A. Policies Determining Material Subsidiaries and Related Party Transactions

Pursuant to requirements of Regulation 16 and Regulation 23 of the Listing Regulations, the Board of Directors of the Company has adopted the policies for determining material subsidiaries and on related party transactions and the said policies are available on the Company's website at www.jmfl.com.

B. Disclosure on Material Related Party Transactions

There were no material significant related party transactions entered by the Company during Financial Year 2018-19.

C. Penalty or Strictures

There have been no instances of material non-compliances by the Company on any matter related to the capital markets, and no penalties and/or strictures have been imposed on it by Stock Exchanges or SEBI or any statutory authority during the last three financial years.

D. Code of Conduct for Prevention of Insider Trading

The Board of Directors of the Company has adopted the code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of the Company's shares by the Directors and employees while in possession of unpublished price sensitive information in relation to the Company or its securities.

The Company has appointed the Company Secretary as the Compliance Officer to ensure compliance of the said Code by all the Directors and employees likely to have access to unpublished price sensitive information.

E. Vigil Mechanism/Whistle Blower Policy

The Company has established Vigil Mechanism/Whistle Blower Policy for the directors and employees to report their genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud. The vigil mechanism provides adequate safeguards against victimisation of employees and directors who avail the vigil mechanism. The Company affirms that no personnel have been denied access to the Audit Committee.

The Policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical 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.

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, 2019, the Company has foreign exchange receivable of ₹ 43,47,059 and the foreign exchange payable as on March 31, 2019 is ₹ 3,50,239.

G. Company Secretary in Practice Certification

In accordance with the Listing Regulations, the Company has obtained the certificate from a practising company secretary confirming that as on March 31, 2019, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority and the same is appended to this Report.

H. Total Fees Paid to Statutory Auditors

The total amount of fees paid to the Statutory Auditors of the Company and its subsidiaries during the financial year 2018-19 is stated in Notes to financial statements, which forms part of this Annual Report.

I. Managing Director (MD) and Chief Financial Officer (CFO) Certification

As required under the Listing Regulations, the MD and the CFO of the Company have certified the accuracy of financial statements for FY 2018-19 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 had raised the funds by way of Qualified Institutions Placement (QIP) aggregating ₹ 650 Crore through the issue of 4,01,22,706 equity shares of face value ₹ 1/- each at an issue price of ₹ 162 per equity share during the financial year 2017-18. Out of the funds raised as above, the Company has utilised a sum of ₹ 266 Crore during the financial year 2018-19. With this, the total amount of funds utilised by the Company till March 31, 2019 is ₹ 566 Crore which is in accordance with the utilisation of the proceeds of the QIP as mentioned in the placement document dated February 2, 2018.

K. Disclosures related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has not received any complaints relating to sexual harassment of women during the financial year 2018-19. No complaints were pending as at end of the financial year.

10. Means of Communication

Effective communication of information is an essential component of Corporate Governance. It is the process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes relations between the management and shareholders. The Company regularly interacts with its shareholders through multiple channels of communication.

a. Quarterly Results

The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and published in English newspaper (generally Business Standard) and a Marathi daily (generally Sakal/Navshakti). The quarterly/annual results, press releases and the presentation made to the Institutional Investors/Analysts are also uploaded on the website

Report on Corporate Governance (Contd.)

of the Company at www.jmfl.com. The Company also emails the quarterly results to those shareholders who have registered their email-ids with their Depository Participant(s) or the Company.

b. Dividend Intimation

The Company sends intimation to all its shareholders about the dividend credited to their bank accounts or pay orders issued to them, wherever bank details are not available in records or the dividend credit has been rejected by bank. Shareholders are requested to check whether the dividend amount has been credited in their bank account or not and revert to the Company or its Registrar and Transfer Agents, if the same has not been credited.

c. Website

The Company's website viz., www.jmfl.com provides information about the businesses carried on by the Company, its subsidiaries and associate. It is the primary source of information to all the stakeholders of the Company and to general public at large. It also contains a separate dedicated section on Investor Relations. Financial Results, Annual Reports, Shareholding Pattern, Official News Releases, Quarterly Corporate Governance Report, details of unclaimed dividend, various policies adopted by the Board and other general information about the Company and such other disclosures as required under the Listing Regulations, are made available on the Company's website.

d. Annual Report

Annual Report containing, inter alia, the Standalone and Consolidated Financial Statements, Board's Report, Auditors' Report and other important information is circulated to the shareholders of the Company prior to the AGM. The Report on Management Discussion and Analysis forms part of this Annual Report. The Annual Report of the Company is also available on its website and also on the website of BSE and NSE.

e. Reminder to Shareholders

Individual reminders are sent each year to those shareholders whose dividend amounts have remained unclaimed from the date they become due for payment, before transferring the monies thereof to the Investor Education & Protection Fund (IEPF). The information on unclaimed dividend is also uploaded on the website of the Company.

A separate reminder, in accordance with IEPF Rules, is also sent to those shareholders who have not claimed/encashed their dividends for more than seven consecutive years and whose shares are liable to be transferred to IEPF Authority.

In accordance with the SEBI Circular dated April 20, 2018, the Company had sent initial letter and two reminders to those shareholders whose bank account details and PAN were not found in the records of its Registrar and Transfer Agents. Reminders, in accordance with SEBI Circular dated June 8, 2018 were also sent to the shareholders who held the shares in the physical form, requesting them to convert their shares in demat form. The notice along with the procedure for conversion from physical to demat was displayed on the website of the Company, for reference of the Shareholders.

f. NSE Electronic application processing system (NEAPS) and BSE Portal for Electronic Filing

The financial results, shareholding pattern and quarterly reports on Corporate Governance and other filings required to be made to the Stock Exchanges are electronically filed through NSE Electronic Application Processing System (NEAPS) portal i.e., www.connect2nse.com/listing.com and BSE Listing portal i.e., <http://listing.bseindia.com>.

g. Designated Exclusive Email-Id

The Company has designated an email id exclusively for its shareholders viz., shareholdergrievance@jmfl.com for the purpose of registering complaints by investors and the same is displayed on the Company's website.

h. Price Sensitive Information

All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders/investors are promptly intimated to the Stock Exchanges in terms of the Company's Policy for Determination of Materiality of Events/Information and the Listing Regulations.

11. Compliance With Mandatory/Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of corporate governance specified in Listing Regulations. The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations and are being reviewed from time to time.

Declaration

I 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 2018-19.

Place: Mumbai
Date: May 2, 2019

Vishal Kampani
Managing Director

General Shareholders' Information

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as "the Listing Regulations"), the general shareholders' information pertaining to the Company, its shareholding pattern, share price movements, top 10 shareholders and such other information as prescribed under the said Regulations is provided herein below:

A. Thirty Fourth (34th) Annual General Meeting (AGM)

Date: Friday, July 19, 2019

Time: 3.30 p.m.

Venue: J.K. Banquets Hall, Industry Manor, 1/B- 1&2, Ground Floor,
Appasaheb Marathe Marg,
Near Century Bhavan,
Prabhadevi, Mumbai 400 025

B. Financial Year of the Company

The Company's financial year begins from April 1 and ends on March 31 each year.

Tentative Calendar for the Financial Year 2019-20

Particulars	Period
For consideration of Unaudited/Audited Financial Results	
First quarter ending June 30, 2019 (Unaudited)	On or before August 14, 2019
Second quarter and half year ending September 30, 2019 (Unaudited)	On or before November 14, 2019
Third quarter and nine months ending December 31, 2019 (Unaudited)	On or before February 14, 2020
Fourth quarter and financial year ending March 31, 2020 (Audited)	On or before May 30, 2020

C. Closure of Register of Members

The Register of Members of the Company shall remain closed from Tuesday, May 14, 2019 to Friday, May 17, 2019 (both the days inclusive) for the purpose of dividend and AGM.

D. Dividend Payment Date

The final dividend, if declared by the shareholders at the Thirty Fourth (34th) AGM scheduled on Friday, July 19, 2019, will be paid on and from Monday, July 22, 2019.

E. Dividend

The Listing Regulations mandates the listed companies to use the facility of electronic clearing services (local, regional or national) or real time gross settlement or national electronic funds transfer for making payment of dividend.

In case the dividend remitted in electronic mode is returned/rejected due to any reason, then the dividend pay order will be issued with bank account details printed thereon. In case bank account details of Shareholders are not available, address thereof will be printed on such payment instruction.

General Shareholders' Information (Contd.)

Details 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)	
2014-15 (Interim Dividend)	January 28, 2015	February 11, 2015	78,33,81,440	0.55		43.09	
2014-15 (Final Dividend)	July 30, 2015	August 3, 2015	78,82,64,374	0.80	1.35	63.06	106.15
2015-16 (Interim Dividend)	February 3, 2016	February 16, 2016	78,88,19,970	0.60		47.33	
2015-16 (Final Dividend)	August 2, 2016	August 4, 2016	78,95,89,017	0.85	1.45	67.12	114.45
2016-17 (Interim Dividend)	January 23, 2017	February 6, 2017	79,37,49,788	0.65		51.59	
2016-17 (Final Dividend)	July 24, 2017	July 27, 2017	79,63,67,733	0.85	1.50	67.69	119.28
2017-18 (Interim Dividend)	January 19, 2018	February 5, 2018	79,76,74,467	0.70		55.84	
2017-18 (Final Dividend)	July 18, 2018	July 20, 2018	83,87,05,025	1.10	1.80	92.26	148.10
2018-19 (Interim Dividend)	January 23, 2019	February 6, 2019	83,99,31,463	0.50	0.50	42.00	42.00

Unclaimed/unpaid dividend

Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "the IEPF Rules"), mandates the transfer of dividend amount that remains unclaimed or unpaid for a period of seven years, from the date of transfer of such amount to the Unpaid Dividend Account, to the Investor Education and Protection Fund (hereinafter referred to as "IEPF").

Shareholders, who have not yet claimed their dividend for the financial year 2011-12 and/or for any subsequent financial years, are requested to immediately claim the same from the Company or its Registrar and Transfer Agents, as the unclaimed dividend for the financial year 2011-12 is due for transfer to the IEPF in September 2019.

Details of the shareholders whose dividend has remained unclaimed up to interim dividend for the financial year 2017-18 as on the date of the Thirty Third Annual General Meeting (AGM) held on July 18, 2018, has been uploaded on the website of the IEPF viz., www.iepf.gov.in and also under "Investor Relations" section on the website of the Company viz., www.jmfl.com.

Details of unclaimed dividend that would be transferred to IEPF are given below:

Sr. No.	Financial year	Type of Dividend	Dividend per share (Re.)	Date of declaration	Due date for transfer of unclaimed dividend to IEPF	Amount (in Rs.) (#)
1.	2011-12	Final	0.60	August 13, 2012	September 12, 2019	22,62,094.80
2.	2012-13	Interim	0.40	February 7, 2013	March 13, 2020	15,03,167.60
3.	2012-13	Final	0.50	July 31, 2013	September 3, 2020	17,87,690.00
4.	2013-14	Interim	0.45	January 29, 2014	March 4, 2021	16,29,152.90
5.	2013-14	Final	0.55	July 3, 2014	August 6, 2021	17,76,863.55
6.	2014-15	Interim	0.55	January 28, 2015	March 4, 2022	16,23,080.80
7.	2014-15	Final	0.80	July 30, 2015	August 31, 2022	19,45,468.00
8.	2015-16	Interim	0.60	February 3, 2016	March 10, 2023	19,69,237.20
9.	2015-16	Final	0.85	August 2, 2016	September 6, 2023	25,88,688.60
10.	2016-17	Interim	0.65	January 23, 2017	February 27, 2024	18,64,499.00
11.	2016-17	Final	0.85	July 24, 2017	August 27, 2024	24,14,448.80
12.	2017-18	Interim	0.70	January 19, 2018	February 22, 2025	12,47,872.50
13.	2017-18	Final	1.10	July 18, 2018	August 23, 2025	18,38,838.10
14.	2018-19	Interim	0.50	January 23, 2019	February 28, 2026	15,54,767.50

Amount unclaimed as on March 31, 2019.

Shares in respect of which dividend remains unclaimed

Section 124(6) of the Act read with the IEPF Rules, mandates the companies to transfer all the shares, in respect of which the dividend has not been claimed for seven consecutive years or more, in the name of IEPF Authority. The shares are transferred by way of credit to the Demat Account established by the IEPF Authority for the said purpose.

The equity shares in respect of which the dividend has not been claimed for seven consecutive years from the financial year 2011-12 (barring the equity shares that have already been transferred by the Company to IEPF earlier) are due to be transferred by the Company in the name of IEPF Authority in September 2019.

Transfer of dividend/shares to IEPF/IEPF Authority during the year

During the financial year 2018-19, the Company transferred 1,53,526 equity shares to the IEPF Authority on September 24, 2018. With this transfer, the aggregate equity shares transferred to IEPF Authority are 13,18,809. The Company has also transferred an amount of ₹ 15,78,072, being the unclaimed dividend for the financial year 2010-11 to IEPF/IEPF Authority on September 24, 2018.

Periodic reminders to shareholders & claiming the dividend/shares from IEPF/IEPF Authority

The Company has been sending periodic reminders to the shareholders to claim their dividends remaining by unclaimed contacting the Company or its Registrar and Transfer Agents. In accordance with the IEPF Rules, the Company has sent notices to all the concerned shareholders whose shares were due for transfer to IEPF Authority and simultaneously published an advertisement in newspapers.

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

In case of any queries/clarification required for claiming the dividend/shares from IEPF/ IEPF Authority, shareholders may contact Nodal officer, appointed as per IEPF, details of which are available on the website of the Company at www.jmfl.com.

F. Details of Securities Listed on Stock Exchanges

The Company's equity shares are listed on the following Stock Exchanges:

Name and address of the Stock Exchanges	Security Code/ Symbol	Payment of annual listing fee (FY 2019-20)
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Tel : 91 22 2272 1233/4 Fax: 91 22 2272 1919 www.bseindia.com	523405	Paid
National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai 400 051 Tel : 91 22 26598100 /14 Fax: 91 22 26598120 www.nseindia.com	JMFINANCIL	Paid

General Shareholders' Information (Contd.)

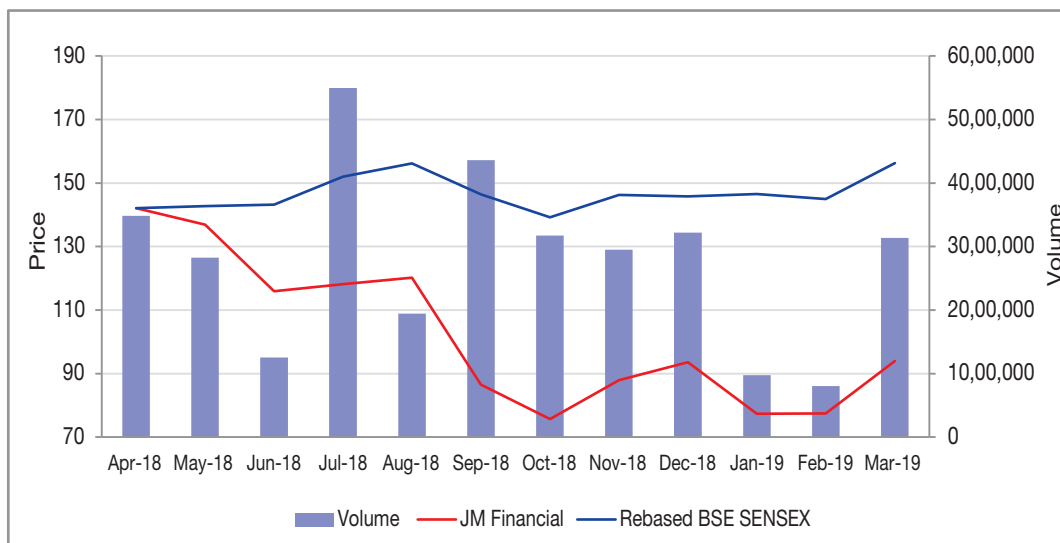
G. Market Price Data

Details of monthly open, high, low and close prices and volume of equity shares of the Company traded on BSE are given below:

Month	Open (₹)	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month
Apr-18	131.00	150.00	124.20	142.10	34,82,528
May-18	141.00	143.80	127.00	136.90	28,23,541
Jun-18	136.95	138.15	104.30	115.90	12,55,024
Jul-18	116.20	129.50	112.55	118.15	54,97,496
Aug-18	117.95	135.15	117.30	120.15	19,43,114
Sep-18	124.00	125.00	83.75	86.55	43,60,908
Oct-18	86.55	90.70	64.25	75.70	31,73,369
Nov-18	76.00	89.80	73.35	87.95	29,48,786
Dec-18	86.50	94.35	81.05	93.55	32,18,237
Jan-19	92.50	93.20	75.00	77.35	9,73,259
Feb-19	78.20	81.80	73.40	77.40	8,03,202
Mar-19	77.80	98.70	77.55	93.95	31,34,611

Source: www.bseindia.com

The performance of the equity share price of the Company in comparison with S & P BSE Sensex is given below:

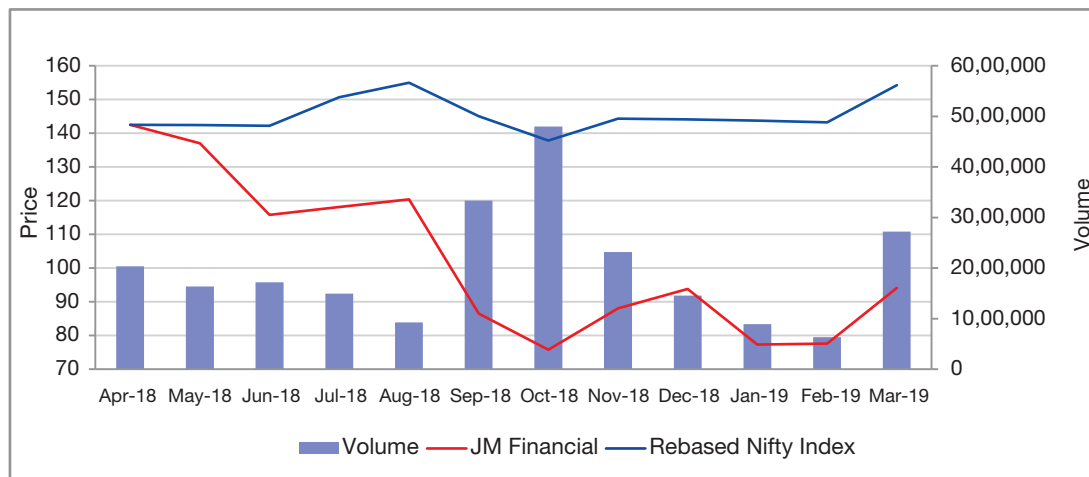


Details of monthly open, high, low and close prices and volume of equity shares of the Company traded on NSE are given below:

Month	Open (₹)	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month
Apr-18	130.10	150.30	123.80	142.50	2,03,41,235
May-18	140.85	143.80	126.75	137.05	1,63,64,416
Jun-18	137.25	138.30	105.50	115.75	1,72,08,224
Jul-18	116.95	129.90	112.20	118.10	1,49,73,131
Aug-18	119.10	135.85	117.45	120.40	92,77,770
Sep-18	123.40	124.35	83.85	86.50	3,33,58,358
Oct-18	87.00	91.00	64.05	75.80	4,79,89,436
Nov-18	75.95	89.85	73.30	88.05	2,31,65,732
Dec-18	86.00	94.50	80.90	93.85	1,45,71,332
Jan-19	93.85	93.85	75.10	77.35	89,11,031
Feb-19	77.50	82.60	73.05	77.60	63,52,728
Mar-19	78.00	98.70	75.25	94.10	2,72,21,892

Source: www.nseindia.com

The performance of the equity share price of the Company in comparison with Nifty is given below:



General Shareholders' Information (Contd.)

H. Registrar and Transfer Agents

Karvy Fintech Private Limited (Karvy) (formerly known as Karvy Computershare Private Limited) is the Company's Registrar and Transfer Agents. Karvy is a SEBI registered Category I – Registrar to an Issue and Share Transfer Agents. For any queries relating to the equity shares of the Company, the shareholders /investors may contact them at the following address:

Hyderabad Office

Registered Office
Karvy Fintech Private Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad 500 032
Phone: 040- 67162222
Fax: 040- 23420814

Mumbai Office

Investor Relations Office
Karvy Fintech Private Limited
24-B, Raja Bahadur Mansion,
Ground Floor,
Ambalal Doshi Marg,
Behind BSE, Fort,
Mumbai 400 023
Phone: 022 - 6623 5454/412/427

Email ID: einward.ris@karvy.com ● Toll Free no.: 1800-3454-001 ● Website: www.karvyfintech.com

I. Share Transfer Process

Transfer of shares in physical form is processed by the Company's Registrar and Transfer Agents (RTA) within fifteen days from the date of lodgement, provided the documents therefor are complete in all respects. All requests for transfer/transmission in physical form after they are processed by the RTA are submitted to the Company for approval. The Managing Director and the Company Secretary are severally authorised by the Board to consider and approve such transfer/transmission requests. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Members may write to the Company Secretary at the Registered office of the Company in case they wish to get their securities dematerialised.

Shareholders have been intimated that effective April 01, 2019, transfer of shares shall not be processed unless the shares are held in the dematerialized form with the depository. Periodic reminders were sent to the Shareholders, who held the shares in the physical form, to convert them in dematerialised mode to avoid any inconvenience in future regarding the transferability of the shares. Shareholders who wish to understand the procedure for dematerialisation of shares may contact the Company or its RTA or visit the following link:

NSDL website: <https://nsdl.co.in/faqs/faq.php>

CDSL website: <https://www.cdslindia.com/investors/open-demat.aspx>

J. Share Transfer Audit

Various requests regarding share transfers/transmission, issue of duplicate share certificate/s etc. related to shares of the Company are received by the Company or its RTA. Half yearly audit is conducted by independent Practicing Company Secretary to ensure that all such requests pertaining to the shares of the Company are processed within the stipulated time period subject to lodgement of all the necessary documents by the shareholder/investor.

K. Share Capital Audit

The issued and paid up share capital is reconciled on a quarterly basis with the details of share capital admitted on National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and held in physical form.

The quarterly audit of the Company's share capital is carried out by a Practicing Company Secretary with the objective to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and NSE and is also placed before the Board of Directors on a quarterly basis.

L. Distribution of Shareholding

Distribution of Shareholding as on March 31, 2019 is given below:

Category	Shareholders		Equity Shares	
	Number	Percentage (%)	Number	Percentage (%)
0001 - 5,000	58,403	96.88	2,75,48,004	3.28
5,001 - 10,000	832	1.38	64,62,291	0.77
10,001 - 20,000	447	0.74	66,26,580	0.79
20,001 - 30,000	156	0.26	38,91,912	0.46
30,001 - 40,000	80	0.13	28,66,661	0.34
40,001 - 50,000	49	0.08	22,76,882	0.27
50,001 - 100,000	104	0.17	77,41,182	0.92
100,001 and above	215	0.36	78,25,17,951	93.16
Total	60,286	100.00	83,99,31,463	100.00

M. Categories of Shareholders as on March 31, 2019

Category	No. of equity shares	Percentage of the total paid-up equity share capital (%)
Shareholding of Promoters and Promoters' Group:		
Promoters	33,87,64,100	40.33
Promoters' Group and Persons acting in concert including relatives	18,25,74,158	21.74
Total (A)	52,13,38,258	62.07
Public Shareholding		
Individuals	9,41,68,219	11.21
Banks and Financial Institutions	5,55,311	0.07
Bodies Corporate	1,73,12,848	2.06
Mutual Funds	3,95,99,021	4.71
Alternate Investment Fund	8,06,450	0.10
NBFC	41,239	0.00
Trusts	4,600	0.00
IEPF	13,18,809	0.16
Foreign Shareholding		
Non-resident Indians	1,44,96,074	1.73
Foreign Portfolio Investors	15,02,90,634	17.89
Total (B)	31,85,93,205	37.93
Total (A) + (B)	83,99,31,463	100.00

N. List of Top Ten Public Shareholders as on March 31, 2019

Sr. No.	Name of the Shareholder	No. of Shares	Percentage (%)
1.	Valiant Mauritius Partners Offshore Limited	2,20,17,954	2.62
2.	Baron Emerging Markets Fund	2,06,58,022	2.46
3.	Saif India VI FII Holdings Limited	1,51,21,775	1.80
4.	TIMF Holdings	1,42,88,022	1.70
5.	Valiant Mauritius Partners Limited	1,25,53,218	1.49
6.	Mr. Vikram Shankar Pandit	1,16,46,939	1.39
7.	The Wellington Trust Company National Association	1,03,28,131	1.23
8.	Reliance Capital Trustee Company Limited	1,02,54,670	1.22
9.	IDFC Premier Equity Fund	69,13,494	0.82
10.	BNP Paribas Arbitrage	62,46,209	0.74

General Shareholders' Information (Contd.)

O. Dematerialisation of Shares and Liquidity

Out of the total of 83,99,31,463 equity shares outstanding as on March 31, 2019, 83,71,43,821 equity shares representing 99.67% are dematerialised and are held by shareholders in electronic mode. The remaining 27,87,642 equity shares representing 0.33% are held by the shareholders in physical form.

Equity shares of the Company are available for trading in the dematerialised form under both the Depositories i.e., NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the Depository System is INE780C01023.

Number of Shares held in dematerialised and physical form as on March 31, 2019 is as under:

Particulars	No. of Shareholders	No. of Shares	Percentage of the total paid up equity share capital (%)
Held in dematerialised form with NSDL	29,923	80,79,05,789	96.19
Held in dematerialised form with CDSL	29,764	2,92,38,032	3.48
Held in physical form	599	27,87,642	0.33
Total	60,286	83,99,31,463	100.00

The Company's equity shares are regularly 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 Depositories under advice to the shareholders/investors.

P. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion and Likely Impact on Equity Capital

The Company has not issued any of the convertible instruments, hence there is no likelihood of any impact on the Equity Capital of the Company.

Q. Credit Rating

The Company enjoys ICRA A1+; CARE A1+ and CRISIL A1+ from ICRA Limited; CARE Ratings Limited and CRISIL Limited respectively for its Commercial Paper program and ICRA AA from ICRA for Non- Convertible Debenture program. The Company does not have any fixed deposit scheme or proposal involving mobilisation of funds in India or abroad.

R. Registered Office of the Company

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

S. Corporate Identification Number (CIN)

L67120MH1986PLC038784

T. Website

www.jmfl.com

U. Plant Location

The Company is engaged in financial services business, hence it does not have any plant.

Certificate of Non-disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
JM Financial Limited

This certificate is issued pursuant to Clause 10(i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

On the basis of documents and explanations given to us by the Company/ Director, we hereby certify that **none** of the following directors on the Board of **JM Financial Limited** ("the Company") have been debarred or disqualified from being appointed or continuing as directors of Company by the SEBI, Ministry of Corporate Affairs and Reserve Bank of India or any other Statutory Authority as on March 31, 2019:

- Mr. Nimesh Kampani
- Mr. E A Kshirsagar
- Mr. Darius E Udwadia
- Mr. Paul Zuckerman
- Dr. Vijay Kelkar
- Mr. Keki Dadiseth
- Ms. Jagi Mangat Panda
- Mr. Vishal Kampani

Place : Mumbai
Date: May 2, 2019

For **N. L. Bhatia & Associates**
Practicing Company Secretaries
UIN: P1996MH055800

N L Bhatia
(Managing Partner)
FCS: 1176
CP. No. 422

Independent Auditors' Certificate on Corporate Governance

TO THE MEMBERS OF JM FINANCIAL LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. AAD/VLP/3464/20180714 dated July 27, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of JM Financial Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued

by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the financial year ended March 31, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Abhijit A. Damle
Partner
(Membership No. 102912)

Mumbai, dated: May 2, 2019

Certificate

TO THE BOARD OF DIRECTORS OF JM FINANCIAL LIMITED

Certified that for the financial year 2018-19;

- A. We have reviewed financial statements and the cash flow statement for the financial year 2018-19 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact 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 violative 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 and that the same have been disclosed in the notes to the financial statements, except for changes as required under Ministry of Corporate Affairs notification dated March 30, 2016 and carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. We have adopted Ind AS from April 1, 2018, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP; and
 3. There have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Vishal Kampani
Managing Director

Manish Sheth
Chief Financial Officer

Place :Mumbai
Date :May 2, 2019

Business Responsibility Report

In accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report of JM Financial Limited (“the Company”) for the financial year 2018-19 is presented below.

The Company’s Business Responsibility Report (BRR) is in line with principles of National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs.

The Company’s policy framework includes various codes and policies such as Employees’ Code of Conduct, Corporate Social Responsibility Policy, Whistle Blower Policy, Code for Fair Practices and Procedures for disclosure of unpublished price sensitive information etc., which are framed to enable the Company to comply with the statutory and regulatory requirements and ensure that its operations are conducted in an ethical, transparent and accountable manner. The disclosures presented in this Report cover the operations of the Company and the companies belonging to the JM Financial Group. The Business Responsibility Report of the Company is available on its website at www.jmfl.com.

Nine Principles of the NVGs:

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	Businesses should promote the well-being of all employees.
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect, protect and make efforts to restore the environment.
Principle 7	Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner.
Principle 8	Businesses should support inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Section A: General Information about the Company

1	Corporate Identity Number of the Company	L67120MH1986PLC038784
2	Name of the Company	JM Financial Limited
3	Registered Office address	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025
4	Website	www.jmfl.com
5	E-mail id	shareholdergrievance@jmfl.com
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Investment Banking Services – 66190 Management of other investment funds – 66309 Activities of holding companies – 64200
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	<p>JM Financial Limited is a SEBI Registered Category I Merchant Banker and Manager of the Private Equity Funds. The Company is engaged in assisting the corporates in funds raising as an investment bank, providing advisory services in equity and debt capital markets, mergers and acquisitions advisory, private equity syndication, corporate finance advisory business and private equity fund management.</p> <p>The Company continues to own substantial/controlling equity interest in various subsidiary companies, which are engaged in diverse businesses, such as;</p> <ul style="list-style-type: none"> (a) Wealth Management and Securities (WS) which includes fee and fund based activities for our clients; (b) Mortgage Lending which includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP); (c) Distressed credit which includes the Asset Reconstruction business; (d) Asset Management which includes the mutual fund business.

9 Total number of locations where business activity is undertaken by the Company	<p>Number of National Locations: As on March 31, 2019, the Company and its subsidiaries viz., JM Financial Institutional Securities Limited (formerly known as JM Financial Securities Limited), JM Financial Services Limited, JM Financial Capital Limited, JM Financial Products Limited, JM Financial Credit Solutions Limited, JM Financial Home Loans Limited, JM Financial Asset Reconstruction Company Limited, JM Financial Asset Management Limited and has a network of 70 branches and a presence in 34 locations across the country.</p> <p>International Locations: The overseas subsidiaries of the Company have presence in Mauritius, Singapore and United States of America.</p>
10 Markets served by the Company (Local/ State/National/International)	The Company and its subsidiaries serve the customers in India and in the international market.

Section B: Financial Details of the Company

1 Paid up Capital (INR)	₹ 83.99 Crore (As on March 31, 2019)
2 Total Turnover (INR)	Standalone: ₹ 271.88 Crore
3 Total profit after taxes (INR)	Standalone: ₹ 111.30 Crore
4 Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	<p>On the basis of Standalone financial performance, the Company has spent ₹ 0.22 Crore towards CSR activities, being 2% of its average net profits for the preceding three financial years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.</p> <p>During the year, the Company gave corpus donation of ₹ 0.22 Crore to JM Financial Foundation as CSR expenditure for the financial year 2018-19 with instructions to disburse the amount on the CSR projects covered under Schedule VII to the Companies Act, 2013 as approved by the CSR Committee of the Company after receipt of suitable intimation from the Company.</p>
5 List of activities in which expenditure in 4 above has been incurred	Activities includes health, education, and other sectors covered by Schedule VII of the Companies Act, 2013.

Section C: Other Details

1 Does the Company have any Subsidiary Company/Companies?	Yes; the Company has 15 subsidiaries.
2 Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	<p>Yes; the subsidiary companies do participate in the Business Responsibility initiatives undertaken by the Company.</p> <p>No. of subsidiaries: 15</p>
3 Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No.

Section D: Business Responsibility Information

1. Details of Director / Directors responsible for Business Responsibility

a. Details of the Director responsible for implementation of the business responsibility policy	<p>DIN: 00009079 Name: Mr. Vishal Kampani Designation: Managing Director</p>
b. Details of the Business Responsibility head	<p>Name: Ms. Dipti Neelakantan DIN: Not Applicable since she is not a Director of the Company. Designation: Member – Firm Management Telephone Number: 022 6630 3030 e-mail id: dipti.neelakantan@jmfl.com</p>

Business Responsibility Report (Contd.)

2. Principle-wise (as per NVGs) BR policy/policies

The principle wise responses are given below:

Sr. No.	Questions	Business Ethics and Transparency	Product/ Service Responsibility	Well-being of Employees	Responsibility towards Stakeholders	Human Rights	Environmental Responsibility	Policy Advocacy	Inclusive Growth	Engagement with Customer
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for:	Yes	No (Refer Note 1)	Yes	Yes	Yes	No (Refer Note 2)	No (Refer Note 3)	Yes	Yes
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
3.	Does the policy conform to any national/ international standards? If yes, specify?	Yes*	-	Yes*	Yes*	Yes*	-	-	Yes*	Yes*
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
5.	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	(Refer table 1 below)	-	#	(Refer table 1 below)	#	-	-	(Refer table 1 below)	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes#	-	Yes#	Yes#	Yes#	-	-	Yes#	Yes#
8.	Does the company have in-house structure to implement the policy/policies	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
9.	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? (Refer Note 4)	Yes	-	Yes	Yes	Yes	-	-	Yes	Yes

* All policies have been formulated in accordance with the applicable laws and regulations and after considering the best practices adopted by the industry.

These 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 to all the employees of the Company and its Subsidiaries.

Notes:

- The core business area of JM Financial Group is to provide financial services and hence this principle has limited applicability. JM Financial Group, however, complies with all applicable regulations in respect of its operations.
- The questions relating to Principle 6 are not substantially relevant to JM Financial Group given that the Group operates in financial services sector. JM Financial Group complies with applicable environmental regulations in respect of its premises. JM Financial Group along with its employees makes continuous efforts to ensure that there is an optimum utilisation of the available resources (like paper, water, energy, etc.), with minimum or no wastage at all.
- JM Financial Group entities are the members of various industry associations, through which they provide various suggestions with respect to the development of financial market.
- All policies and processes are subject to internal audit and internal reviews from time to time.

Table 1

Name of the Policy	Web link
Code of Conduct for Board Members & Senior Management	https://www.nseprimeir.com/z_JMFINANCIL/files/Code of Conduct Directors Senior Management Personnel.pdf
Whistle Blower Policy	https://www.nseprimeir.com/z_JMFINANCIL/files/Whistle Blower Policy.pdf
Corporate Social Responsibility Policy	https://www.nseprimeir.com/z_JMFINANCIL/files/CSR Policy.pdf
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://www.nseprimeir.com/z_JMFINANCIL/files/Code of Practices and Procedures for Fair Disclosure of Upsi.pdf

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Annually.

- (b) Does the Company publish a BR or sustainability Report? What is hyperlink for viewing this Report? How frequently it is published?

Yes, the Company publishes its BR Report annually. The Report forms part of the Annual Report and is available on the website of the Company viz., www.jmfl.com.

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

JM Financial Group considers ethical practices as an integral part of good management and is committed to act professionally, fairly and with integrity in all its dealings. The Company has a Code of Conduct for Directors as well as Senior Management that covers issues, inter alia, related to ethics and bribery. The said policy is available on the website of the Company at www.jmfl.com.

Additionally, the Company has formulated the Code of Conduct, applicable to all the employees within the Group, which governs the conduct of the employees, inter-alia, the following:

- (i) Ethics at work place; and
- (ii) Rules about giving and receiving of gifts and other benefits in the course of business relationship to/from clients, suppliers and others.

Though JM Financial Group's policies currently do not apply to external stakeholders such as suppliers, contractors, NGOs, etc., the Group emphasises on adherence to ethical business practices while dealing with such stakeholders.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Following are the details of the complaints received from various stakeholders during the financial year 2018-19:

Shareholders of the Company	
Number of complaints received	17
Number of complaints resolved	17
% of the complaints resolved	100%
Employees of JM Financial Group	
Number of complaints received	Nil
Number of complaints resolved	Nil
% of the complaints resolved	Not applicable

Customers/Other stakeholders of various businesses of JM Financial Group

The complaints, if any, received by various businesses of the Group from their customers or other external stakeholders, were satisfactorily dealt by the respective business teams of various group companies.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

Considering the nature of business of the Company and JM Financial Group, the said principle may not be strictly applicable to the Company/the Group. However, the Group through its products such as affordable housing loans, small and medium enterprise lending, etc., is contributing positively to the socio-economic development.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Since, JM Financial is an integrated financial services group, the questions mentioned below in relation to the above principle are not applicable to it.

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Not Applicable

Business Responsibility Report (Contd.)

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Not Applicable

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not Applicable

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not Applicable

Principle 3: Businesses should promote the wellbeing of all employees

At JM Financial, we believe that a motivated work force defines the growth potential of an organisation. Building and enhancing the talent pool has always been a top priority initiative. The Group has been successful in attracting varied talent that brings sound expertise, new perspectives and infectious enthusiasm to the job. We have adopted various policies, procedures, manuals and conducted various training programs, throughout the year, for the protection and welfare of the employees.

JM Financial promotes work-life balance. If an employee is working over the weekend it is the manager's responsibility to justify the requirement of the same. We also have a facility of employees working out of other locations closer to their homes in case they have any pressing family commitment to attend to.

Our leave cycle is from 1st April to 31st March. In case an employee has not availed of annual leave during a particular year; the leave can be carried forward to December of the succeeding year,

Sick Leave: Sick Leave is need based (7 days).

Marriage Leave: Employees can avail 5 days of marriage leave within 3 months of the date of marriage.

Maternity Leave: A paid maternity leave of 6 calendar months.

Paternity Leave: 5 days can be availed as paternity leave.

Compassionate Leave: 3 days of paid compassionate leave is extended to all employees.

Medical Care Leave: Sick leaves exceeding 7 days in a year are approved under exceptional circumstances such as hospitalization of employees and considered as Medical Care Leave.

Sports Club: The main objective for 'Sports' to be incorporated in the work-life culture at JM Financial is to create a platform for employees to get-together and enjoy various sporting activities, foster a habit of team-work and healthy competition by using sports as a medium, promote a healthy work-life balance and an opportunity to de-stress by engaging in sports. Employees' families are also invited to join and be a part of these events.

Culture Club: The objective of a culture club is to foster and develop JM Financial Culture. It also assists in the process of making the workplace more vibrant and spirited. It ensures fun at work. Inculcate a feeling of belonging & togetherness. It encourages extra-curricular, social /cultural activities.

Off-sites: Off-sites are organized for teams. Off-sites focuses on many team building exercises encouraging inter team bonding, camaraderie enhancing inter team collaboration.

Insurance Coverage: JM Financial offers competitive benefits package designed to meet the varying needs of its employees. These benefits are an integral part of the Company and provide employees and their families' valuable protection during employment with JM Financial.

Annual Health Check-ups: JM Financial employees are eligible for an Annual Health Check-up depending on the age group.

Health Awareness and Fitness sessions: Sessions are organised to make employees aware of the health issues and how to avert the same through professionals.

1. Please indicate the total number of employees.

As on March 31, 2019, the Group has 1,822 employees on payroll.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

Apart from the total number of employees as stated above in point no.1, the Group has 618 employees on temporary/contractual/casual basis as on March 31, 2019.

3. Please indicate the number of permanent women employees.

The Group has 410 permanent women employees as on March 31, 2019.

4. Please indicate the number of permanent employees with disabilities.

As on March 31, 2019, the Group has one employee having disability.

5. Do you have an employee association that is recognized by management?

The Group does not have any employee association.

6. What percentage of your permanent employees is member of this recognized employee association?

Not Applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

JM Financial Group does not engage child labour/forced labour/involuntary labour and does not adopt or allow discriminatory employment practices.

Sr. no.	Category	No. of complaints filed during the financial year 2018-19	No. of complaints pending as on March 31, 2019
1	Child labour / forced labour / involuntary labour		
2	Sexual harassment		None
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**Safety Training:**

(a) Permanent Employees	Each and every employee was given safety training
(b) Permanent Women Employees	
(c) Casual/Temporary/Contractual Employees	
(d) Employees with Disabilities	

Skill Upgradation:

(a) Permanent Employees	26%
(b) Permanent Women Employees	22%
(c) Casual/Temporary/Contractual Employees	100%
(d) Employees with Disabilities	100%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the company mapped its internal and external stakeholders?

Yes.

The Group engages with various stakeholders viz., employees, customers, clients, investors, shareholders, government and regulatory bodies, business associates, media, social organisations, etc., on a regular basis. The process of mapping of stakeholders is an ongoing exercise and is conducted on regular basis.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes.

The Group has identified the disadvantaged, vulnerable and marginalised stakeholders through community visits, household visits and socio-scientific needs assessments in under-resourced areas. The Group engages with these stakeholders through structured development initiatives, undertaken as long-term Corporate Social Responsibility (CSR) projects and philanthropic support.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, marginalised stakeholders?

The Company, being part of the JM Financial Group fulfils its Corporate Social Responsibility (CSR) and Philanthropy, to handhold and engage with the disadvantaged, marginalised stakeholders through its two philanthropic arms – JM Financial Foundation and Kampani Charitable Trust. Efforts through these two Trusts are undertaken in the form of both – long-term CSR projects and cause-based giving, which are self-implemented as well as in partnership with external grassroots organizations and government bodies.

The aforementioned initiatives and projects for the disadvantaged, vulnerable and marginalised stakeholders are described in Principle 8. Details of the initiatives undertaken are elaborated under the Corporate Social Responsibility section of the Management Discussion and Analysis Report.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Respecting and understanding the Human Rights and addressing the potential human rights violation is important responsibility of any organisation. The Group has adopted several policies viz., Code of Conduct, Equal Opportunities Policy, Policy against Sexual Harassment, Whistle Blower Policy, Disciplinary Policy, etc., which ensures that there are no violation of human rights in its conduct – externally or internally.

The Group adheres to all statutes which embody the principles of human rights such as non-discrimination, prevention of child labour, prevention of sexual harassment, equal employment opportunities, etc. The Group is committed to a work environment in which all individuals are treated with fairness, respect and dignity. Persons not directly connected to the Company

Business Responsibility Report (Contd.)

viz., an outside vendor, consultant, supplier or client are also expected to comply with principles of human rights in all respects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

During the financial year 2018-19, no complaints regarding human rights violations were received.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.

The Company does not have a Policy relating to Principle 6. However, the activities mentioned in Principle 6 are laid down in the Corporate Social Responsibility Policy of the JM Financial Group.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes.

The Company strives towards imbibing green sustainable products, processes, policies and practices. We promote cost efficient environment-friendly measures and build awareness and consciousness of our environment among employees. Our offices have been designed such that they are equipped with energy efficient air conditioners, LED lights and other energy conservation measures. The Company tries to integrate sustainable measures in the day-to-day operations by reduction of paper usage, maintenance of data and records electronically, etc. Various measures are taken to reduce the consumption of electricity by installing energy efficient equipment in our office premises.

3. Does the company identify and assess potential environmental risks? Y/N

Not Applicable.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Since JM Financial Group is engaged in offering financial services, the above mentioned question is not applicable to it.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc., Y/N. If yes, please give hyperlink for web page etc.

JM Financial Group promotes ecological sustainability and green initiatives by use of energy efficient resources. The Group also promotes reducing the use of paper communication and encourages use of electronic means of communication which serves towards environmental protection and sustainable growth. The Company has adopted various measures as below:

- Sends its various notices and documents, including Annual Report, to its shareholders through electronic mode to their registered e-mail addresses. The Company's Annual Report for FY 2017-18 was sent via email to more than 45,000 shareholders.
- Has requested shareholders to register their e-mail IDs to get Annual Reports and other communications through e-mail instead of opting in paper mode.
- Conducts the Board meetings and other Committee meetings through e-Board meeting solution, wherein the agenda papers are circulated through electronic means instead of physical files to majority of the directors/members.
- Has provided video conference facilities at most of its offices, thereby facilitating participation in meetings via video conference and avoid commuting and travel. This helps save the fuel on transport as well as time on travel.
- Installation of AC controllers in air-conditioning machines in order to save energy and support the go-green initiative.
- Continue installing energy efficient servers, thereby causing reduction in carbon footprint.
- Plastic bottles have been replaced with glass jars and glasses during the meetings. Plastic envelopes used at the time of rainy season have been replaced with better quality paper envelopes, in order to reduce the plastic usage.
- E-waste is disposed off in proper way.

The above actions of the Group will contribute towards saving environment by reduction in usage of resources.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

JM Financial Group complies with applicable environmental regulations in respect of its office premises.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

No show cause or legal notices from CPCB/SPCB were received by the Company during the financial year 2018-19.

Principle 7: Businesses, when engaged in influencing people and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:

JM Financial Group is a member of various industry bodies and trade associations such as:

- Association of National Exchanges Members of India;
- BSE Brokers' Forum;
- Confederation of Indian Industry;
- Federation of Indian Chambers of Commerce and Industry;
- Indian Merchants Chamber;
- Bombay Chambers of Commerce and Industry;
- Association of Investment Bankers of India;
- Association of Mutual Funds of India;
- Association of ARCs in India;
- Indian Banks' Association;

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

The participation of the Group with various associations helps to understand the industry wide issues and thus help to contribute in development of policies that are beneficial to the stakeholders. Various employees including senior management of the Group are members of various committees constituted by regulators and industry bodies.

The Group supports and participates in various discussions and initiatives taken by the government, regulators and the above associations in the light of changing business environment for economic development and advancement of financial services industry.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company, along with its relevant subsidiaries has formulated and implemented a CSR Policy in conformity with Section 135 of the Companies Act, 2013. This Policy provides a framework for the Group's approach to CSR, outlines the activities that can be undertaken and describes the objectives thereof. These activities are undertaken by the Group under the aegis of Integrated Rural Transformation Programme and implemented through long-term projects, rooted in the needs and aspirations of the communities it works with. The said projects have been implemented in rural, tribal and largely underserved areas in the states of Maharashtra, Bihar, Jharkhand and Madhya Pradesh, as described below:

In Maharashtra, the Group has implemented an Integrated Village Development Project for focussed, holistic development of seven villages (across two Gram Panchayats) in Mokhada block of Palghar district. Located in a difficult, hilly terrain, these seven villages comprise 1,108 households that have been assessed through a socio-scientific doorstep survey and form part of the project's target group. In partnership with the Office of the Collector and District Magistrate, Palghar, the project has concentrated its efforts into livelihoods enhancement through agriculture and allied activities, enhancing irrigation practices, farmers' capacity building and increased access to government entitlements.

In the state of Bihar, the Group has adopted an intensive and extensive development approach. Under intensive development, the Group has focussed its efforts in Sikandra block of Jamui district, through three initiatives across 14 villages comprising over 3,000 households, as enlisted below:

- Five learning centers have been set up and running across five villages under Project Bachpan, reaching out to 135 children (age 3 to 6 years) through child-centric pre-school learning, daily nutrition and holistic development, with community ownership.
- A small-scale, food-production unit, named Shri Vardhmaan Mahila Griha Udyog has been set up and functional with 16 women from adjacent villages, trained in making and vending khakhra (whole-wheat flatbread snack), thereby bringing home income, earned with dignity.
- An initiative to bring about comprehensive development in the said 14 villages has been implemented under the Adarsh Gram (Model Village) Development Project. Through this initiative, the Group's activities have intervened in the areas of livelihoods enhancement through agriculture inputs and extension education to farmers, along with strengthening learning levels for primary and secondary students.

Business Responsibility Report (Contd.)

Under extensive development, the Group has implemented an Integrated Livelihoods Development Centers (ILDC) project across 240 villages in three blocks – Chakai, Jhajha and Sikandra. Through this intervention, 21 ILDCs have been set up, which function to provide round the clock primary preventive and curative healthcare along with livestock breed development and management services to farmers owning cattle in the said villages. The services are provided by local, technically-trained youth para-veterinarians.

In close proximity to the project geographies in Bihar, the Group has implemented CSR projects focusing on public healthcare in two remote blocks of Giridih district in Jharkhand, namely – Dumri and Pirtand. In partnership with the Jharkhand Rural Health Mission Society (JRHMS), we have been working at strengthening maternal and child healthcare services and facilities at the government-run First Referral Unit (FRU) in Dumri block. In order to make primary healthcare accessible to all, the Group has also implemented a Mobile Health Unit (MHU), providing mobile medical services (diagnostic, preventive and curative) to the communities residing in the said two blocks.

Further, in Ujjain district of Madhya Pradesh, the Group has supported the construction of a hostel infrastructure for a low-cost aided school, providing residential education to 96 lesser-privileged students (grades 6 to 9).

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The projects described above are undertaken by the Group's two philanthropic arms – JM Financial Foundation and Kampani Charitable Trust, as described in the CSR policy of the Company. The Group, through the two Trusts partners with grassroots organizations and government bodies at the district and state to implement planned long-term CSR projects. Mirroring the Group's efforts, our employees also participate, by contributing to the CSR initiatives through their time and skills.

3. Have you done any impact assessment of your initiative?

All the projects mentioned above are undertaken after a structured assessment of community needs and resources. During the implementation of each project, regular evaluations and outcome assessments have been undertaken on monthly, quarterly and yearly basis. The projects are managed through monthly field monitoring visits and course corrections, basis output and outcome evaluations. Impact assessments are periodically undertaken, documented and reflected upon to gauge the progress milestones.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The JM Financial Group through its various entities have spent an amount of ₹ 20.02 Crore for the financial year 2018-19, by way of contribution to the corpus of JM Financial Foundation, for expenditure towards all CSR projects undertaken and implemented by the Foundation. The Company on standalone basis has spent ₹ 0.22 Crore for the financial year 2018-19 as part of the aforementioned corpus donations.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Our initiatives have been undertaken after an assessment of community needs. We work with community resources, potential and aspirations, aiming to enhance their quality of lives over time. Our projects have set timelines, whereby we aim to ensure that changes are not just visible, but sustained over time.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company has not received any material consumer cases / customer complaints in financial year 2018-19.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Since the Company is engaged in offering financial services, the above question is not applicable to it. However, all necessary disclosure requirements relating to the services offered by the Group are complied with.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

None

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out any formal consumer survey to map consumer satisfaction. However, the Group always put the interest of clients before its own interest. The Group understands its client needs, seek new opportunities for them, address them and deliver unique solutions as per their expectations. The Group promotes its services in ways that do not mislead the clients.

Independent Auditors' Report

To The Members of JM Financial Limited Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **JM Financial Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "standalone financial statements").

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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit, total comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility 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 (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters, were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Application of new Accounting Standards (refer note 4 to the standalone financial statements)

Key Audit Matter Description

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 in terms of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The transition date balance sheet as on April 1, 2017 and the comparative financial statements for the year ended March 31, 2018 included in these standalone Ind AS financial statements, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS. The application of mandatory and optional transitional adjustment involves significant level of judgment by the management and there is a significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

- Obtained an understanding of the management's process and tested internal controls in respect of identification and application of the differences between the existing accounting policies and the requirements under Ind AS.
- Evaluated the completeness of the adjustments identified by the management in terms of requirements of Ind AS.
- Verified the basis and calculations of the material adjustments viz. fair valuation of certain financial assets and retrospective application of business combination.

B. Revenue recognition (refer note 24 to the standalone financial statements)

Key Audit Matter Description

Revenue from operations comprises of revenue from investment banking services which 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. Revenue 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 significant involvement of management to determine completion of the performance condition associated with the revenue. Due to this complexity and significant level of judgement involved, this has been identified as a potential fraud risk and therefore a Key Audit Matter in respect of standalone financial statements.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed included the following:

- Obtained a detailed understanding and verified the design and tested effectiveness of controls that the Company has established to determine the completion of the performance obligations for the purpose of revenue recognition including maintenance of the Revenue Mandate Register.
- For selected samples, evaluated fulfilment of the performance obligation as per the terms of contract with customers by verifying the supporting documents evidencing the completion of the performance conditions.
- Verified the reconciliation between the revenue mandate register prepared by the management and the financial ledger and journal entries posted to the revenue accounts.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion and Analysis and Corporate Governance Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Responsibility for the Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance (including other comprehensive

income), cash flow and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statement 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility 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 auditors' 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 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.

Independent Auditors' Report (Contd.)

- Obtain an understanding of internal financial 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 system 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 auditors' 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 auditors' 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company for transition date opening balance sheet as at April 1, 2017 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 2, 2017 expressed an unmodified opinion on this standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer note 33 to the standalone financial statements).
 - ii. the Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses.
 - iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm’s Registration No.117366W/W-100018)

Abhijit A. Damle
(Partner)

Mumbai, dated: May 2, 2019 (Membership No. 102912)

Independent Auditors' Report (Contd.)

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of JM Financial Limited (the "Company") as at March 31, 2019 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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"). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgement, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Abhijit A. Damle
(Partner)

Mumbai, dated: May 2, 2019

(Membership No. 102912)

Independent Auditors' Report (Contd.)

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - The fixed assets were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that the title deeds of buildings, which are freehold, are held in the name of the Company. The Company does not have any immovable properties taken on lease and disclosed as fixed assets in the financial statements.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under Section 189 of the Act, in respect of which:
- The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits, and hence reporting under clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) To the best our knowledge and 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, in respect of the services rendered by the Company.

- (vii) According to the information and explanations given to us and the books and records examined by us, in respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.
 - There are no cases of non-deposit with the appropriate authorities of disputed dues of Customs Duty, Cess and other material statutory dues. Details of dues of Income Tax and Goods and Service Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (₹ in lakh)
The Income Tax Act, 1961	Income Tax/ Penalty	Commissioner of Income Tax (Appeal)	F.Y. 2009-10 to 2015-16	284.35
Finance Act, 1994	Service Tax	Commissioner (Appeals-I)	F.Y. 2013-14	16.46
		Customs Excise and Service Tax Appellate Tribunal	F.Y. 2008-09 to 2014-15	978.44

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions. Further, the Company has not taken loan from banks and Governments or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Abhijit A. Damle

(Partner)

Mumbai, dated: May 2, 2019 (Membership No. 102912)

Standalone Balance Sheet

as at March 31, 2019

₹ in Lakh

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	5	719.05	3,127.85	1,592.88
Bank balances other than cash and cash equivalents	6	809.86	1,145.75	827.91
Trade receivables	7	1,003.62	2,402.55	4,332.75
Loans	8	3,600.00	-	12,530.00
Investments	9	2,38,879.24	2,42,417.38	1,73,618.70
Other financial assets	10	1,353.82	1,035.11	2,409.09
Total financial assets		2,46,365.59	2,50,128.64	1,95,311.33
Non-financial assets				
Current tax assets (net)	11	17,521.52	16,997.03	16,121.53
Property, plant and equipment	12	491.28	501.00	432.17
Other Intangible assets	12	36.37	55.65	60.57
Other non-financial assets	13	801.40	238.30	246.23
Total non-financial assets		18,850.57	17,791.98	16,860.50
Total assets		2,65,216.16	2,67,920.62	2,12,171.83
LIABILITIES AND EQUITY				
Liabilities				
Financial liabilities				
Trade payables	14	-	-	-
i. Total outstanding dues of micro enterprises and small enterprises		-	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		303.61	893.63	462.53
Debt securities	15	-	-	20,656.30
Borrowings (other than debt securities)	16	128.78	85.90	39.05
Other financial liabilities	17	3,083.36	3,358.65	3,697.96
Total financial liabilities		3,515.75	4,338.18	24,855.84
Non-financial liabilities				
Provisions	18	1,074.51	1,064.59	962.79
Deferred tax liabilities (net)	19	12,067.84	12,327.88	10,320.10
Other non-financial liabilities	20	362.48	1,087.21	372.02
Total non-financial liabilities		13,504.83	14,479.68	11,654.91
Equity				
Equity share capital	21	8,399.31	8,378.80	7,945.25
Other equity	22	2,39,796.27	2,40,723.96	1,67,715.83
Total equity		2,48,195.58	2,49,102.76	1,75,661.08
Total liabilities and equity		2,65,216.16	2,67,920.62	2,12,171.83
The accompanying notes form an integral part of the financial statements	1 to 50			

In terms of our report of even date attached

For and on behalf of

Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Abhijit A. Damle

Partner

Membership No. 102912

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Managing Director

DIN – 00009079

E A Kshirsagar

Director

DIN – 00121824

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place : Mumbai

Date: May 2, 2019

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

₹ in Lakh

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income:			
Revenue from operations			
Interest income	23	2,267.74	2,996.87
Fees and commission income	24	12,038.94	17,689.75
Net gain on fair value changes	25	0.99	9,184.20
		14,307.67	29,870.82
Other income	26	12,880.78	12,745.87
Total Revenue		27,188.45	42,616.69
Expenses:			
Finance costs	27	1,956.00	3,472.98
Fees, sub brokerage and other direct expenses		2,891.12	3,700.05
Impairment on financial instruments	28	-	595.51
Employee benefits expense	29	7,411.65	7,967.82
Depreciation and amortisation expense	12	186.49	186.74
Other expenses	30	3,173.04	3,428.88
Total expenses		15,618.30	19,351.98
Profit before tax		11,570.15	23,264.71
Tax expense	31		
Current tax		666.00	2,124.42
Deferred tax		(258.69)	2,247.16
Tax adjustment of earlier years (net)		33.08	(275.10)
Total tax expense		440.39	4,096.48
Profit for the year		11,129.76	19,168.23
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(6.07)	(14.95)
(ii) Income tax on above		1.77	4.35
Total Other Comprehensive (loss) (net of tax)		(4.30)	(10.60)
Total Comprehensive Income		11,125.46	19,157.63
Earnings per equity share (EPS)			
(face value of ₹1/- each)			
Basic EPS (in ₹)	36	1.33	2.39
Diluted EPS (in ₹)	36	1.32	2.37
The accompanying notes form an integral part of the financial statements	1 to 50		

In terms of our report of even date attached

For and on behalf of

Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Abhijit A. Damle

Partner

Membership No. 102912

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Managing Director

DIN – 00009079

E A Kshirsagar

Director

DIN – 00121824

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place : Mumbai

Date: May 2, 2019

Cash Flow Statement

for the year ended March 31, 2019

Particulars	₹ in Lakh	
	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Net Profit before tax	11,570.15	23,264.71
Adjustment for :		
Depreciation and amortisation expense	186.49	186.74
Impairment of financial instruments (net)	92.64	595.51
Amortisation of deferred employee compensation (ESOP)	635.18	506.46
Profit on sale of assets	15.30	(8.78)
Net gain on fair value changes	(0.99)	(9,184.20)
Net gain on derecognition of investments carried at fair value (realised)	(659.61)	(1,814.96)
Interest income	(205.54)	(1,575.08)
Dividend income	(11,403.65)	(8,848.62)
Operating profit before working capital changes	229.97	3,121.78
Adjustment for :		
Decrease in loans and advances	(3,600.00)	12,530.00
Decrease in Trade Receivables	2,030.68	1,298.45
Decrease in Other Financial Assets	974.73	2,737.82
(Increase) / Decrease in Other Non-Financial Assets	(563.11)	18.41
(Decrease) / Increase in Trade Payables	(590.02)	431.10
(Decrease) in Provisions	9.92	123.09
(Decrease) in Other Financial Liabilities	(275.29)	(339.32)
(Decrease)/ Increase in Other Non-Financial Liabilities	(724.73)	715.19
Cash (used in)/ generated from operations	(2,507.85)	20,636.52
Direct taxes paid (net)	(1,223.57)	(2,724.82)
Net cash (used in)/ generated from operating activities	(3,731.42)	17,911.70
B Cash flow from investing activities		
Purchase of investments in subsidiaries and associates	(1,02,338.11)	(2,56,547.58)
Purchase of investments in other than subsidiaries and associates	(27,161.99)	(30,347.11)
Sale of investments	1,33,698.61	2,29,791.65
Purchase of fixed assets	(234.06)	(273.90)
Proceeds from sale of fixed assets	3.27	32.04
Interest income	205.54	1,575.08
Movement in bank balances other than cash and cash equivalents	(335.90)	(317.85)
Dividend received from subsidiaries	11,037.30	8,405.65
Dividend received from others	366.35	442.97
Net cash generated / (used in) from investing activities	15,241.01	(47,239.05)

Cash Flow Statement

for the year ended March 31, 2019

C Cash flow from financing activities		
Proceeds from Issue of shares on exercise of options	20.17	460.28
Proceeds from Issue of shares (QIP) – Net of share issue expenses	-	64,167.90
(Repayment of) / Proceeds from Borrowings other than debt securities (net)	42.88	46.85
Repayment of debt securities	-	(20,656.30)
Dividend paid (including tax on dividend)	(13,981.44)	(13,156.41)
Net cash (used in) / generated from financing activities	(13,918.39)	30,862.32
Net (decrease)/ increase in cash and cash equivalents	(2,408.80)	1,534.97
Cash & cash equivalents at the beginning of the year	3,127.85	1,592.88
Cash & cash equivalents at the end of the year	719.05	3,127.85

Note: The cash flow statement has been prepared under the 'Indirect Method' set out in IND AS 7 - "Statement of Cash Flows" notified in Companies (Indian Accounting standards) Rules, 2015 (as amended).

The accompanying notes form an integral part of the financial statements - 1 to 50.

In terms of our report of even date attached

For and on behalf of

For and on behalf of the Board of Directors

Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Abhijit A. Damle

Partner

Membership No. 102912

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Managing Director

DIN – 00009079

E A Kshirsagar

Director

DIN – 00121824

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place : Mumbai

Date: May 2, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity share capital

₹ in Lakh

Particulars	Balance as at April 01, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
Equity share capital	7,945.25	433.55	8,378.80	20.51	8,399.31

B. Other Equity

₹ in Lakh

Particulars	Share application money		Reserves and Surplus							Total
	pending allotment	Statutory reserve	Capital reserve	Securities premium reserve	General reserve	Capital redemption reserve	Stock options outstanding	Retained earnings		
Balance as at April 01, 2017	0.08	5,944.00	415.94	58,023.19	20,182.50	1,288.92	1,500.04	80,361.16	1,67,715.83	
Addition/Reduction during the year										
Profit for the year	-	-	-	-	-	-	-	19,168.23	19,168.23	
Other comprehensive income	-	-	-	-	-	-	-	(10.60)	(10.60)	
	-	-	-	-	-	-	-	19,157.63	19,157.63	
Share application money received during the year	0.34	-	-	-	-	-	-	-	0.34	
Issue of Equity Shares pursuant to qualified institutional placement	-	-	-	64,597.56	-	-	-	-	64,597.56	
Share Issue Expenses	-	-	-	(588.93)	-	-	-	-	(588.93)	
Employee Stock Options (Net)	(0.08)	-	-	1,171.37	-	-	1,126.64	-	2,297.93	
Pursuant to scheme of arrangement (refer note 32)	-	-	-	-	-	-	-	700.00	700.00	
Dividends	-	-	-	-	-	-	-	(12,352.85)	(12,352.85)	
Tax on dividend	-	-	-	-	-	-	-	(803.55)	(803.55)	
Balance as at March 31, 2018	0.34	5,944.00	415.94	1,23,203.19	20,182.50	1,288.92	2,626.68	87,062.39	2,40,723.96	
Addition/Reduction during the year										
Profit for the year	-	-	-	-	-	-	-	11,129.76	11,129.76	
Other comprehensive income	-	-	-	-	-	-	-	(4.30)	(4.30)	
	-	-	-	-	-	-	-	11,125.46	11,125.46	
Employee Stock options (Net)	(0.34)	-	-	1,122.91	-	-	805.72	-	1,928.29	
Dividends	-	-	-	-	-	-	-	(13,425.42)	(13,425.42)	
Tax on Dividend	-	-	-	-	-	-	-	(556.02)	(556.02)	
Balance as at March 31, 2019	-	5,944.00	415.94	1,24,326.10	20,182.50	1,288.92	3,432.40	84,206.41	2,39,796.27	

The accompanying notes form an integral part of the financial statements - 1 to 50.

In terms of our report of even date attached

For and on behalf of

Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Abhijit A. Damle

Partner

Membership No. 102912

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Managing Director

DIN – 00009079

E A Kshirsagar

Director

DIN – 00121824

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Place : Mumbai

Date: May 2, 2019

Significant Accounting Policies

and notes to the Financial Statements

1 Corporate Information

JM Financial Limited (“the Company”) was incorporated as a Private Limited Company under the name of J.M. Share and Stock Brokers Private Limited on January 30, 1986 under the Companies Act, 1956. Subsequently, the Company became a deemed Public Limited Company 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.

Core Investment Company registered under Reserve Bank of India (RBI) ceased with effect from January 18, 2018.

The Company is engaged in the holding company activities, advisors in equity and debt capital markets, management of capital markets transactions, mergers & acquisitions, advisory, private equity syndication, corporate finance advisory business and administration & management of private equity funds.

2. Significant Accounting Policies

2.1 Basis of preparation and presentation of financial statements

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the “Act”) (to the extent notified). 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.

Effective April 01, 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 01, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Historical Cost Convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”.

Amounts in the financial statements are presented in Indian Rupees in lakh 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.

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.

Significant Accounting Policies

and notes to the Financial Statements

2.3 Investments in Subsidiaries and Associates

Subsidiaries:

Subsidiaries are all entities over which the company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in Subsidiaries and Associates are accounted at cost net off impairment loss, if any.

2.4 Property, plant and equipment and Intangible assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as “capital work-in-progress”.

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful Life
Property, Plant & Equipment	
Office premises	60 years
Leasehold improvements	10 years or lease period whichever is lower
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Motor Vehicles	5 years
Intangible Assets	
Computer Software	5 years

Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined

as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of Profit and Loss when the asset is derecognised.

Leased assets

Assets acquired under finance lease are capitalised at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. These assets are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

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

Significant Accounting Policies

and notes to the Financial Statements

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 cash and cash equivalents. Financial liabilities primarily comprise of borrowings, trade payables and other financial liabilities.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial 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

Debt instruments 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.

Significant Accounting Policies

and notes to the Financial Statements

The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at

FVTPL, unless the Company irrevocably elects or initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that the financial assets is deemed to be impaired.

Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment

Significant Accounting Policies

and notes to the Financial Statements

loss. At each reporting date these historical default rates are reviewed.

Derecognition of Financial Assets

A financial assets is derecognised only when:

- The Company has transferred the right to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligations to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been 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 debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are 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.

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.

Significant Accounting Policies

and notes to the Financial Statements

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.6 Revenue recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

Revenue from Investment Banking business, which mainly includes the lead manager's fees, selling commission, underwriting commission, fees for mergers, acquisitions & advisory assignments and arrangers' fees for mobilising funds is recognised based on the milestone achieved as set forth under the terms of engagement.

Dividend income from investments is recognised when the right to receive the dividend is established.

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable.

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

2.7 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance Lease

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.

Operating Lease

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

Significant Accounting Policies

and notes to the Financial Statements

takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.10 Employee benefits

Defined contribution obligation

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined benefit obligation

The liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company recognizes current service cost, past service cost, if any and interest cost in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustment and changes in actuarial assumptions are 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.

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 employee stock option outstanding in other equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in other equity.

2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The current tax is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Significant Accounting Policies

and notes to the Financial Statements

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.

Minimum Alternate Tax (MAT)

MAT credit is recognised as an asset only when and to the extent it is reasonably certain that the company will pay normal income tax during the specified period. Such asset is reviewed at each reporting date and carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the extent that company will pay normal income tax during the specified period.

2.13 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.15 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- i. estimated amount of contracts remaining to be executed on capital account and not provided for;
- ii. uncalled liability on shares and other investments partly paid;
- iii. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.16 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 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.

Significant Accounting Policies

and notes to the Financial Statements

For the purpose of calculating diluted earnings per share, the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.19 Standards Issued but not yet effective

Ind AS 116 “Leases” was notified on March 28, 2019 and it replaces Ind AS 17 “Leases”, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its standalone financial statements.

3 First-time adoption of Ind AS:

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows set out in note 42.

However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below:

Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Exemptions:

- a) **Deemed cost:** The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- b) **Share-based payments:** Ind AS 102 “Share based Payment” requires to measure equity-settled share-based payments to employees that were vested before the date of transition to Ind AS using fair value retrospectively. However, Ind AS 101 gives an option to measure equity-settled share-based payments at fair value prospectively from the transition date. Consequently, the Company has availed the option to fair value share based payments that vest after transition date.
- c) **Business Combinations:** Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.
- d) **Investments in subsidiaries and associate:** Ind AS 101 gives an option to recognize the investment in subsidiaries and associate at cost. Consequently, the Company has availed such option to value its investments in subsidiaries and associate at cost.

Estimates

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

4 Critical accounting judgements and key sources of estimation uncertainties

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

Significant Accounting Policies

and notes to the Financial Statements

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.

- 4.1 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 43.

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 Financial Statements

5. Cash and Cash Equivalents

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash in hand	0.07	0.32	0.35
Balances with banks:			
In current accounts	233.98	677.53	767.53
In deposit accounts (refer note 5.1)	485.00	2,450.00	825.00
Total	719.05	3,127.85	1,592.88

5.1 Balances with banks in deposit accounts earns interest at fixed rates based on daily bank deposit rates for a period ranging from one day to 90 days.

6. Bank balances other than cash and cash equivalents

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Balances with banks:			
In deposit accounts (refer note 6.1)	121.35	239.67	618.51
In earmarked accounts (refer note 6.1 and 6.2)	688.51	906.08	209.40
Total	809.86	1,145.75	827.91

6.1 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.

6.2 Balances with banks in earmarked account pertains to unclaimed dividend and bank fixed deposits.

7. Trade Receivables

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured:			
Considered good	1,003.62	2,402.55	4,332.75
Considered doubtful	494.39	631.75	-
	1,498.01	3,034.30	4,332.75
Less: Impairment loss allowance (refer note 43)	(494.39)	(631.75)	-
Total	1,003.62	2,402.55	4,332.75

7.1 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.

7.2 Trade receivables are generally on credit terms of 30 days and generally no interest is charged on overdue balances.

8. Loans

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
Unsecured:			
Inter Corporate Deposits	500.00	500.00	500.00
Loans to related parties (refer note 40)	3,600.00	-	12,530.00
	4,100.00	500.00	13,030.00
Less: Impairment loss allowance	(500.00)	(500.00)	(500.00)
Total	3,600.00	-	12,530.00

8.1 The loans are given in India and to other than public sectors.

Notes

to the Financial Statements

9 Investments

₹ in Lakh

	As at March 31, 2019			Total
	Quantity (Nos.)	At cost	FVTPL	
I Trade Investments				
Unquoted				
a) Investment in equity shares of ₹ 10/- each (fully paid up unless stated)				
In subsidiaries:				
JM Financial Services Limited	5,00,00,000	10,750.00		10,750.00
JM Financial Properties and Holdings Limited	30,00,000	300.00		300.00
Infinite India Investment Management Limited	16,00,000	238.00		238.00
JM Financial Products Limited	54,09,39,050	55,376.60		55,376.60
JM Financial Credit Solutions Limited	13,19,431	52,940.08		52,940.08
JM Financial Credit Solutions Limited (Partly paid up ₹ 2/- each)	19,837	999.98		999.98
JM Financial Asset Management Limited	3,17,52,500	13,406.74		13,406.74
JM Financial Asset Reconstruction Company Limited	20,41,97,279	37,274.03		37,274.03
CR Retail Malls (India) Limited	2,00,00,000	4,374.36		4,374.36
JM Financial Overseas Holdings Private Limited, Mauritius of US\$ 1 each	1,20,00,000	6,027.29		6,027.29
In associate company:				
JM Financial Trustee Company Private Limited	25,000	2.50		2.50
b) Investment in preference shares of ₹10/- each (fully paid up)				
In subsidiaries:				
JM Financial Properties and Holdings Limited (10% Optionally Convertible Preference Shares)	9,50,50,000	9,505.00		9,505.00
JM Financial Institutional Securities Limited (0.01% Optionally Convertible Preference Shares)	70,00,000	700.00		700.00
JM Financial Services Limited (6% Compulsorily Convertible Preference Shares)	75,00,000	5,025.00		5,025.00
		1,96,919.58		1,96,919.58
II Other Investments				
a) Investment in equity shares (fully paid up)				
Quoted:				
HCL Technologies Limited of ₹ 2/- each	15,000		163.20	163.20
Nitesh Estates Limited of ₹10/- each	47,82,870		284.58	284.58
Tata Motors Limited of ₹ 2/- each	2,17,500		379.10	379.10
			826.88	826.88
Unquoted:				
National Stock Exchange of India Ltd of ₹ 1/- each	21,26,674		17,864.06	17,864.06
Uttranchal Biodiesel Limited of ₹ 10/- each	1,000		-	-
Bran Engineering Private Limited of ₹ 10/- each	1,80,000		-	-
Teracom Limited of ₹ 10/- each	2,60,000		-	-
			17,864.06	17,864.06
b) Investments in preference shares				
Unquoted:				
VCK Forex Services Private Limited of ₹ 100/- each (6% Redeemable Non-Cumulative Preference Shares)	5,00,000		-	-
Uttranchal Biodiesel Limited of ₹ 40/- each	1,99,000		-	-
			-	-

Notes

to the Financial Statements

	As at March 31, 2019			
	Quantity (Nos.)	At cost	FVTPL	Total
c) Investment in venture capital fund/alternative investment fund units				
Unquoted:				
Urban Infrastructure Opportunity Fund of face value of ₹ 27,687/- each	983		31.02	31.02
Paragon Partners Growth Fund I of face value of ₹ 100/- each	2,94,885		429.00	429.00
VEC Strategic Growth Fund of face value of ₹ 1,000/- each	10,000		120.89	120.89
JM Financial India Fund - Scheme A - Class D units of ₹ 100/- each	4,19,470		1,488.65	1,488.65
JM Financial India Fund III - Scheme C - Class D units of ₹ 100/- each	3,52,729		1,202.89	1,202.89
JM Financial India Fund - Scheme A - Class C units of ₹ 1/- each	3,07,434		3.07	3.07
JM Financial India Fund - Scheme B - Class C units of ₹ 1/- each	2,64,806		2.65	2.65
JM Financial India Fund III - Scheme C - Class C units of ₹ 1/- each	41,590		0.42	0.42
JM Financial India Fund III - Scheme D - Class C units of ₹ 1/- each	33,107		0.33	0.33
JM Financial India Fund (Settlor's contribution) of ₹ 1/- each	NA		0.10	0.10
JM Financial India Fund III (Settlor's contribution) of ₹ 1/- each	NA		0.10	0.10
JM Financial Property Fund I - Class C units of ₹ 10,000/- each (Partly paid up of ₹ 3,411.07)	75,000		1,727.25	1,727.25
JM Financial Property Fund I - Class B units of ₹ 10,000/- each (Partly paid up ₹ 9,833.96)	50		4.92	4.92
JM Financial Property Fund II - Class B units of ₹ 10,000/- each	50		4.63	4.63
JM Financial Property Fund (Settlor's contribution) of ₹ 10,000/- each	NA		0.10	0.10
JM Financial India Fund II - Class D units of ₹ 1,00,000/- each	4,000		4,000.00	4,000.00
			9,016.02	9,016.02
d) Investments in Mutual Funds				
Unquoted:				
JM Large Cap Fund - Dividend Option##	16,072		1.49	1.49
JM Liquid Fund - (Direct) Growth Option	2,68,91,936		13,766.01	13,766.01
JM Low Duration Fund - (Direct) Growth Option	18,14,278		485.20	485.20
			14,252.70	14,252.70
TOTAL		1,96,919.58	41,959.66	2,38,879.24
(i) Investments outside India		6,027.29	-	6,027.29
(ii) Investments in India		1,90,892.29	41,959.66	2,32,851.95
TOTAL		1,96,919.58	41,959.66	2,38,879.24

₹ in Lakh

	As at March 31, 2018			
	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	10,750.00		10,750.00
JM Financial Properties and Holdings Limited	30,00,000	300.00		300.00
Infinite India Investment Management Limited	16,00,000	238.00		238.00
JM Financial Products Limited	54,06,64,050	55,302.35		55,302.35
JM Financial Credit Solutions Limited	12,50,000	35,440.00		35,440.00
JM Financial Asset Management Limited	3,17,52,500	13,406.74		13,406.74
JM Financial Asset Reconstruction Company Limited	19,66,97,279	33,711.34		33,711.34
CR Retail Malls (India) Limited	2,00,00,000	4,374.36		4,374.36
JM Financial Overseas Holdings Private Limited, Mauritius of US\$ 1 each	1,20,00,000	6,027.29		6,027.29
In associate company:				
JM Financial Trustee Company Private Limited	25,000	2.50		2.50

Notes

to the Financial Statements

	As at March 31, 2018			
	Quantity (Nos.)	At cost	FVTPL	Total
b) Investment in preference shares of ₹10/- each (fully paid up)				
In subsidiaries:				
JM Financial Properties and Holdings Limited (10% Participating Non-Cumulative Redeemable Preference Shares)	9,50,50,000	9,505.00		9,505.00
JM Financial Institutional Securities Limited (refer note 32[d]) (0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares)	70,00,000	700.00		700.00
		1,69,757.58		1,69,757.58
II Other Investments				
a) Investment in equity shares (fully paid up)				
Quoted:				
HCL Technologies Limited of ₹ 2/- each	1,28,596		1,246.74	1,246.74
Nitesh Estates Limited of ₹10/- each	49,33,600		567.86	567.86
Tata Motors Limited of ₹ 2/- each	2,17,500		712.20	712.20
			2,526.80	2,526.80
Unquoted:				
National Stock Exchange of India Ltd of ₹ 1/- each	21,26,674		19,140.07	19,140.07
Uttranchal Biodiesel Limited of ₹ 10/- each	1,000		-	-
Bran Engineering Private Limited of ₹ 10/- each	1,80,000		-	-
Teracom Limited of ₹ 10/- each	2,60,000		-	-
			19,140.07	19,140.07
b) Investments in preference shares				
Unquoted:				
VCK Forex Services Private Limited of ₹ 100/- each (6% Redeemable Non-Cumulative Preference Shares)	5,00,000		-	-
Uttranchal Biodiesel Limited of ₹ 40/- each	1,99,000		-	-
			-	-
c) Investment in venture capital fund/alternative investment fund units				
Unquoted:				
Urban Infrastructure Opportunity Fund of face value of ₹ 49,430/- each	983		222.71	222.71
Paragon Partners Growth Fund I of face value of ₹ 100/- each	1,58,685		249.58	249.58
VEC Strategic Growth Fund of face value of ₹ 1,000/- each	10,000		155.72	155.72
JM Financial India Fund - Scheme A - Class D units of ₹ 100/- each	5,28,692		1,765.83	1,765.83
JM Financial India Fund III - Scheme C - Class D units of ₹ 100/- each	5,34,979		1,345.20	1,345.20
JM Financial India Fund - Scheme A - Class C units of ₹ 1/- each	3,07,434		3.07	3.07
JM Financial India Fund - Scheme B - Class C units of ₹ 1/- each	2,64,806		2.65	2.65
JM Financial India Fund III - Scheme C - Class C units of ₹ 1/- each	41,590		0.42	0.42
JM Financial India Fund III - Scheme D - Class C units of ₹ 1/- each	33,107		0.33	0.33
JM Financial India Fund (Settlor's contribution) of ₹ 1/- each	NA		0.10	0.10
JM Financial India Fund III (Settlor's contribution) of ₹ 1/- each	NA		0.10	0.10
JM Financial Property Fund I- Class C units of ₹ 10,000/- each (Partly paid up of ₹ 3,549.81)	75,000		1,928.34	1,928.34
JM Financial Property Fund I - Class B units of ₹ 10,000/- each (Partly paid up of ₹ 9,833.96)	50		4.92	4.92
JM Financial Property Fund II - Class B units of ₹ 10,000/- each	50		4.63	4.63
JM Financial Property Fund (Settlor's contribution) of ₹ 10,000/- each	NA		0.10	0.10
JM Financial India Fund II - Class D units of ₹ 1,00,000/- each	1,500		1500.00	1500.00
			7,183.70	7,183.70
d) Investments in Mutual Funds				
Unquoted:				
JM Large Cap Fund - Dividend Option##	16,072		1.49	1.49
JM Liquid Fund - (Direct) Growth Option	8,86,19,649		42,158.58	42,158.58
JM Low Duration Fund - (Direct) Growth Option	66,24,650		1,649.16	1,649.16
			43,809.23	43,809.23
Total		1,69,757.58	72,659.80	2,42,417.38
(i) Investments outside India		6,027.29	-	6,027.29
(ii) Investments in India		1,63,730.29	72,659.80	2,36,390.09
Total		1,69,757.58	72,659.80	2,42,417.38

Notes

to the Financial Statements

₹ in Lakh

	As at April 01, 2017			Total
	Quantity (Nos.)	At cost	FVTPL	
I TRADE INVESTMENTS				
Unquoted				
a) Investment in equity shares of ₹10/- each (fully paid up unless stated)				
In subsidiaries:				
JM Financial Services Limited	5,00,00,000	10,750.00		10,750.00
JM Financial Properties and Holdings Limited	30,00,000	300.00		300.00
Infinite India Investment Management Limited	16,00,000	238.00		238.00
JM Financial Products Limited**	54,05,11,850	55,261.25		55,261.25
JM Financial Credit Solutions Limited	12,50,000	35,440.00		35,440.00
JM Financial Asset Management Limited	3,14,62,500	13,138.49		13,138.49
JM Financial Asset Reconstruction Company Limited	12,06,50,000	13,178.58		13,178.58
CR Retail Malls (India) Limited*	2,00,00,000	4,374.36		4,374.36
JM Financial Overseas Holdings Private Limited, Mauritius of US\$ 1 each*	1,20,00,000	6,027.29		6,027.29
In associate company:				
JM Financial Trustee Company Private Limited	25,000	2.50		2.50
Quoted				
b) Investment in Debentures				
In subsidiary company:				
JM Financial Asset Reconstruction Company Limited (13% Secured, Rated, Redeemable Non-Convertible Debentures of ₹ 10,00,000/- each)	700	7,000.00		7,000.00
		1,45,710.47		1,45,710.47
II OTHER INVESTMENTS				
a) Investment in equity shares* (fully paid up)				
Quoted:				
HCL Technologies Limited of ₹ 2/- each	1,32,000		1,152.43	1,152.43
Nitesh Estates Limited of ₹10/- each	49,33,600		418.37	418.37
Jaicorp Limited of ₹ 1/- each	12,00,000		887.40	887.40
A Ordinary Shares of Tata Motors Limited of ₹ 2/- each	3,50,000		987.35	987.35
			3,445.55	3,445.55
Unquoted:				
National Stock Exchange of India Ltd of ₹ 1/- each	21,26,674		10,208.04	10,208.04
Uttranchal Biodiesel Limited of ₹ 10/- each	1,000		-	-
Bran Engineering Private Limited of ₹ 10/- each	1,80,000		-	-
Teracom Limited of ₹ 10/- each	2,60,000		-	-
			10,208.04	10,208.04
b) Investments in preference shares*				
Unquoted:				
VCK Forex Services Private Limited of ₹ 100/- each (6% Redeemable Non-Cumulative Preference Shares)	5,00,000		-	-
Uttranchal Biodiesel Limited of ₹ 40/- each	1,99,000		-	-
			-	-
c) Investment in venture capital fund/alternative investment fund units*				
Unquoted:				
Urban Infrastructure Opportunity Fund of face value of ₹ 60,430/- each	983		397.84	397.84
Paragon Partners Growth Fund I of face value of ₹ 100/- each	3,60,000		360.00	360.00
VEC Strategic Growth Fund of face value of ₹ 1,000/- each	10,000		130.46	130.46
JM Financial India Fund - Scheme A - Class D units of ₹ 100/- each	7,69,266		2,107.28	2,107.28
JM Financial India Fund III - Scheme C - Class D units of ₹ 100/- each	7,15,270		1,828.59	1,828.59
JM Financial India Fund - Scheme A - Class C units of ₹ 1/- each	3,07,434		3.07	3.07
JM Financial India Fund - Scheme B - Class C units of ₹ 1/- each	2,64,806		2.65	2.65
JM Financial India Fund III - Scheme C - Class C units of ₹ 1/- each	41,590		0.42	0.42
JM Financial India Fund III - Scheme D - Class C units of ₹ 1/- each	33,107		0.33	0.33

Notes

to the Financial Statements

	As at April 01, 2017			
	Quantity (Nos.)	At cost	FVTPL	Total
JM Financial India Fund (Settlor's contribution) of ₹ 1/- each	NA		0.10	0.10
JM Financial India Fund III (Settlor's contribution) of ₹ 1/- each	NA		0.10	0.10
JM Financial Property Fund I- Class C units of ₹ 10,000/- each (Partly paid up of ₹ 4,368.46)	75,000		2,795.30	2,795.30
JM Financial Property Fund I - Class B units of ₹ 10,000/- each (Partly paid up of ₹ 9,833.96)	50		4.92	4.92
JM Financial Property Fund II - Class B units of ₹ 10,000/- each	50		4.63	4.63
JM Financial Property Fund (Settlor's contribution) of ₹ 10,000/- each	NA		0.10	0.10
JM Financial India Fund II - Class D units of ₹ 1,00,000/- each	1,500.00		1,500.00	1,500.00
			9,135.79	9,135.79
d) Investments in Mutual Funds				
Unquoted:				
JM Large Cap Fund - Dividend Option##	16,072		1.49	1.49
JM Liquid Fund - (Direct) Growth Option	1,13,27,625		5,042.36	5,042.36
JM Low Duration Fund - (Direct) Growth Option	3,21,447		75.00	75.00
			5,118.85	5,118.85
TOTAL		1,45,710.47	27,908.23	1,73,618.70
(i) Investments outside India		6,027.29	-	6,027.29
(ii) Investments in India		1,39,683.18	27,908.23	1,67,591.41
TOTAL		1,45,710.47	27,908.23	1,73,618.70

Represents initial contribution as a 'Sponsor' towards setting up of JM Financial Mutual Fund.

* Acquired on amalgamation

** 5,04,61,850 equity shares acquired on amalgamation.

10 Other Financial Assets

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	568.68	250.10	1,045.55
Receivable in respect of Stock option plan	641.60	512.65	164.41
Employees advances	1.24	8.11	5.69
Interest accrued	11.17	12.11	1,053.02
Other Receivables (refer note 10.1)	131.13	252.14	140.42
Total	1,353.82	1,035.11	2,409.09

10.1 Other receivable represents expenses recoverable.

11 Current Tax Assets (Net)

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance tax (net of provisions)	17,521.52	16,997.03	16,121.53
Total	17,521.52	16,997.03	16,121.53

Notes

to the Financial Statements

12 Property, Plant and Equipment and intangible assets

₹ in Lakh

Particulars	Gross Carrying Amount			Accumulated Depreciation / Amortisation			Net Carrying Amount		
	As at April 01, 2018	Additions	Deductions	As at March 31, 2019	As at March 31, 2018	Additions	Deductions	As at March 31, 2019	As at March 31, 2019
A) Property, Plant and Equipment									
Owned assets:									
Office Premises	64.50	-	-	64.50	1.83	1.83	-	3.66	60.84
Furniture and fixtures	8.97	2.19	-	11.16	6.51	0.75	-	7.26	3.90
Office equipments	8.49	8.78	2.97	14.30	2.53	2.47	1.17	3.83	10.47
Computers	175.99	23.61	20.19	179.41	57.50	55.41	-	112.91	66.50
Leasehold Improvements	41.47	55.06	-	96.53	13.47	3.63	3.37	13.73	82.80
Motor Vehicles	248.39	-	-	248.39	46.74	55.52	-	102.26	146.13
Leased assets:									
Motor Vehicles (refer note 12.1)	117.07	83.94	-	201.01	35.30	45.07	-	80.37	120.64
Total (A)	664.88	173.58	23.16	815.30	163.88	164.68	4.54	324.02	491.28
B) Intangible Assets									
Software	75.34	2.53	-	77.87	19.69	21.81	-	41.50	36.37
Total (B)	75.34	2.53	-	77.87	19.69	21.81	-	41.50	36.37
Total (A+B)	740.22	176.11	23.16	893.17	183.57	186.49	4.54	365.52	527.65

Particulars	Gross Carrying Amount			Accumulated Depreciation / Amortisation			Net Carrying Amount		
	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	As at March 31, 2018
A) Property, Plant and Equipment									
Owned assets:									
Office Premises	64.50	-	-	64.50	-	1.83	-	1.83	62.67
Furniture and fixtures	8.97	-	-	8.97	-	6.51	-	6.51	2.46
Office equipments	4.92	3.57	-	8.49	-	2.53	-	2.53	5.96
Computers	160.96	17.08	2.05	175.99	-	57.97	0.47	57.50	118.49
Leasehold Improvements	41.47	-	-	41.47	-	13.47	-	13.47	28.00
Motor Vehicles	115.18	133.21	-	248.39	-	46.74	-	46.74	201.65
Leased assets:									
Motor Vehicles (refer note 12.1)	36.17	105.28	24.38	117.07	-	38.00	2.70	35.30	81.77
Total (A)	432.17	259.14	26.43	664.88	-	167.05	3.17	163.88	501.00
B) Intangible Assets									
Software	60.57	17.97	3.20	75.34	-	19.69	-	19.69	55.65
Total (B)	60.57	17.97	3.20	75.34	-	19.69	-	19.69	55.65
Total (A+B)	492.74	277.11	29.63	740.22	-	186.74	3.17	183.57	556.65

12.1 Vendor has a lien over the assets taken on lease.

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 01, 2017 under the previous GAAP.

Particulars	April 01, 2017				
	Acquired on Amalgamation (refer note 32)				Net Carrying Amount
	Gross Carrying Amount	Accumulated depreciation/ Amortisation	Gross Carrying Amount	Accumulated depreciation/ Amortisation	
Property, Plant and Equipment					
Owned assets:					
Office Premises	108.50	44.00	-	-	64.50
Furniture and fixtures	50.01	41.45	140.02	139.61	8.97
Office equipment	5.85	5.42	126.91	122.42	4.92
Computers	11.65	7.92	555.90	398.67	160.96
Leasehold improvements	89.32	67.76	164.46	144.55	41.47
Motor Vehicles	144.37	29.19	110.15	110.15	115.18
Leased assets:					
Motor Vehicles	29.92	28.51	134.77	100.01	36.17
Total	439.62	224.25	1,232.21	1,015.41	432.17
Intangible Assets:					
Software	17.82	8.16	188.86	137.95	60.57

Notes

to the Financial Statements

13 Other Non Financial Assets

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital advances	36.90	51.27	52.96
Prepaid expenses	510.48	63.36	81.64
Balances with Government authorities	254.02	123.67	111.63
Total	801.40	238.30	246.23

14 Trade Payables

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Total outstanding dues of micro and small enterprises (refer note 14.1)	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	303.61	893.63	462.53
Total	303.61	893.63	462.53

14.1 There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(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	-	-	-

14.2 Due to related parties as at March 31, 2019 is ₹ 165.63 Lakh (as at March 31, 2018 is ₹ 333.03 Lakh and as at April 01, 2017 is ₹ 10.41 Lakh)

15 Debt Securities

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At Amortised cost			
Unsecured			
Commercial paper (refer note 15.1 and 15.2)	-	-	20,890.00
Less: Unamortised interest	-	-	(233.70)
Total	-	-	20,656.30

15.1 The maximum amount of commercial paper outstanding at any time during the year was ₹ 53,000 Lakh (for FY 2017-18, ₹ 98,900 Lakh and for FY 2016-17 ₹ 94,890 Lakh).

15.2 Commercial paper has interest ranging from 7.60% to 9.50% p.a (for FY 2017-18 - 6.65% to 7.50% p.a and for FY 2016-17- 6.55% to 9.35%) and are repayable within a period upto 365 days from the date of disbursement.

15.3 Debt Securities are issued in India.

16 Borrowings (other than debt securities)

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At Amortised cost (Secured)			
Finance lease obligations (refer note 16.2 and 38 [b])	128.78	85.90	39.05
Total	128.78	85.90	39.05

16.1 Borrowings are made within India

16.2 Finance lease obligations are secured by way of hypothecation of vehicles.

Notes

to the Financial Statements

17 Other Financial Liabilities

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Employee benefits payable	2,595.71	2,897.19	3,238.70
Directors' commission payable	124.00	140.00	112.00
Unclaimed dividend	244.51	236.83	209.40
Security Deposits	92.00	84.63	137.86
Others	27.14	-	-
Total	3,083.36	3,358.65	3,697.96

18 Provisions

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For Employee benefits:			
- Gratuity (refer note 39)	441.18	434.94	316.24
- Compensated absence	172.16	168.48	149.14
For Clawback obligation	461.17	461.17	461.17
For standard assets	-	-	36.24
Total	1,074.51	1,064.59	962.79

19 Deferred Tax Liabilities (net)

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investments	11,543.31	11,543.31	11,018.61
Net fair value gain / loss measured at FVTPL, etc.	1,766.73	2,098.48	47.61
Fiscal allowance on fixed assets	(89.80)	(85.96)	(102.43)
Fiscal allowance on expenditure, etc.	(2.36)	(1.19)	(9.95)
Impairment loss allowance on financial assets	(143.97)	(183.97)	(19.89)
Disallowances under section 43B of the Income Tax Act, 1961	(165.61)	(180.07)	(111.67)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(145.18)	(193.57)	-
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	(8.61)	(11.48)	-
Others	-	-	(6.93)
MAT credit entitlements	(686.67)	(657.67)	(495.25)
Total	12,067.84	12,327.88	10,320.10

19.1 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, 2019

₹ in Lakh

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in Other Equity	Closing balance
Investments	11,543.31	-	-	-	11,543.31
Net fair value gain / loss measured at FVTPL, etc.	2,098.48	(331.75)	-	-	1,766.73
Fiscal allowance on fixed assets	(85.96)	(3.84)	-	-	(89.80)
Fiscal allowance on expenditure, etc.	(1.19)	(1.17)	-	-	(2.36)
Impairment loss allowance on financial assets	(183.97)	40.00	-	-	(143.97)
Disallowances under section 43B of the Income Tax Act, 1961	(180.07)	16.23	(1.77)	-	(165.61)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(193.57)	48.39	-	-	(145.18)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	(11.48)	2.87	-	-	(8.61)
MAT credit entitlement	(657.67)	(29.00)	-	-	(686.67)
Total	12,327.88	(258.69)	(1.77)	-	12,067.84

Notes

to the Financial Statements

For the year ended March 31, 2018

₹ in Lakh

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in Other Equity	Closing balance
Investments	11,018.61	524.70	-	-	11,543.31
Net fair value gain / loss measured at FVTPL, etc.	47.61	2,050.87	-	-	2,098.48
Fiscal allowance on fixed assets	(102.43)	16.47	-	-	(85.96)
Fiscal allowance on expenditure, etc.	(9.95)	8.76	-	-	(1.19)
Impairment loss allowance on financial assets	(19.89)	(164.08)	-	-	(183.97)
Disallowances under section 43B of the Income Tax Act, 1961	(111.67)	(64.05)	(4.35)	-	(180.07)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	-	41.46	-	(235.03)	(193.57)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	-	(11.48)	-	-	(11.48)
Others	(6.93)	6.93	-	-	-
MAT credit entitlement	(495.25)	(162.42)	-	-	(657.67)
Total	10,320.10	2,247.16	(4.35)	(235.03)	12,327.88

19.2 Tax Losses for which no deferred tax asset has been recognised:

₹ in Lakh

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	As at March 31, 2019	Expiry Date	As at March 31, 2018	Expiry Date	As at April 01, 2017	Expiry Date
Brought forward losses (allowed to be carried forward for specified period)	-	-	7.31	March 31, 2019	7.31	March 31, 2019
Brought forward losses (allowed to be carried forward for specified period)	-	-	298.35	March 31, 2021	298.35	March 31, 2021
Brought forward losses (allowed to be carried forward for specified period)	2,762.28	March 31, 2022	3,276.96	March 31, 2022	3,276.96	March 31, 2022
Brought forward losses (allowed to be carried forward for specified period)	-	-	-	-	18.27	March 31, 2024
Brought forward losses (allowed to be carried forward for specified period)	-	-	-	-	650.67	March 31, 2025
Brought forward losses (allowed to be carried forward for specified period)	384.80	March 31, 2026	384.80	March 31, 2026	-	-
Unabsorbed depreciation (allowed to be carried forward for infinite period)	-	-	-	-	39.15	-
Total	3,147.08		3,967.42		4,290.71	

20 Other Non Financial Liabilities

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance from customers	-	-	23.20
Statutory dues	355.66	1,073.57	328.36
Others	6.82	13.64	20.46
Total	362.48	1,087.21	372.02

Notes

to the Financial Statements

21 Equity Share Capital

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised			
152,02,00,000 (As at March 31, 2018: 152,02,00,000) (As at April 01, 2017: 100,00,00,000) equity shares of ₹ 1/- each	15,202.00	15,202.00	10,000.00
4,38,00,000 (As at March 31, 2018: 4,38,00,000) (As at April 01, 2017: Nil) preference shares of ₹ 10/- each	4,380.00	4,380.00	-
	19,582.00	19,582.00	10,000.00
Issued, Subscribed and Paid up Capital			
83,99,31,463 (As at March 31, 2018: 83,78,80,258) (As at April 01, 2017: 79,45,25,114) equity shares of ₹1/- each fully paid-up.	8,399.31	8,378.80	7,945.25
TOTAL	8,399.31	8,378.80	7,945.25

21.1 Reconciliation of the number of equity shares outstanding:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Amount (₹ in Lakh)	Number	Amount (₹ in Lakh)
Shares outstanding at the beginning of the year	83,78,80,258	8,378.80	79,45,25,114	7,945.25
Shares allotted upon exercise of stock options	20,51,205	20.51	32,32,438	32.32
Shares issued and allotted pursuant to the qualified institutional placement (refer note 21.4)	-	-	4,01,22,706	401.23
Shares outstanding at the end of the year	83,99,31,463	8,399.31	83,78,80,258	8,378.80

21.2 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.

21.3 Details of shareholders holding more than 5 percent shares:

Name of Shareholders	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding	No. of Shares held	% of total holding
J. M. Financial & Investment Consultancy Services Private Limited	20,34,06,600	24.22%	20,34,06,600	24.28%	20,34,06,600	25.60%
Nimesh Kampani*	13,53,57,500	16.12%	13,53,57,500	16.15%	13,53,57,500	17.04%
J. M. Assets Management Private Limited	10,30,42,908	12.27%	10,30,42,908	12.30%	10,30,42,908	12.97%

* includes 12,50,000 equity shares held by Nimesh Kampani HUF.

21.4 Issue of equity shares to Qualified Institutional Buyers:

During the previous year 2017-18, the Company issued and allotted 4,01,22,706 equity shares of the face value of ₹1/- each to the eligible qualified institutional buyers at the issue price of ₹ 162/- per equity share aggregating ₹ 64,998.79 Lakh through Qualified Institutional Placement (QIP) in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder from time to time.

22 Other Equity

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Share application money pending allotment	-	0.34	0.08
Capital reserve	415.94	415.94	415.94
Securities premium reserve	1,24,326.10	1,23,203.19	58,023.19
General reserve	20,182.50	20,182.50	20,182.50
Statutory reserve	5,944.00	5,944.00	5,944.00
Capital redemption reserve	1,288.92	1,288.92	1,288.92
Stock options outstanding	3,887.01	3,123.05	1,612.43
Deferred employee compensation	(454.61)	(496.37)	(112.39)
Retained earnings	84,206.41	87,062.39	80,361.16
Total	2,39,796.27	2,40,723.96	1,67,715.83

Notes

to the Financial Statements

Movement in Other Equity

₹ in Lakh

	As at March 31, 2019	As at March 31, 2018
Share application money pending allotment		
Opening balance	0.34	0.08
Add: Money received during the year	-	0.34
Less: Shares allotted during the year	(0.34)	(0.08)
Closing balance	-	0.34
Capital reserve	415.94	415.94
Securities premium reserve		
Opening balance	1,23,203.19	58,023.19
Add: On shares allotted pursuant to the qualified institutional placement	-	64,597.56
Add: On shares allotted upon exercise of stock options by the Employees	1,122.91	1,171.37
Less: Share issue expenses (Previous year net of deferred tax)	-	(588.93)
Closing balance	1,24,326.10	1,23,203.19
General reserve	20,182.50	20,182.50
Statutory reserve (under section 45-IC of The Reserve Bank of India Act, 1934)	5,944.00	5,944.00
Capital redemption reserve	1,288.92	1,288.92
Stock options outstanding		
Opening balance	3,123.05	1,612.43
Add: Additions on account of options granted during the year	2,399.84	2,376.99
Less: Transferred to securities premium reserve upon exercise of stock options	(1,122.91)	(743.66)
Less: Reduction on account of options lapsed during the year	(512.97)	(122.71)
	3,887.01	3,123.05
Less: Deferred employee compensation	(454.61)	(496.37)
Closing balance	3,432.40	2,626.68
Retained earnings		
Opening balance	87,062.39	80,361.16
Add: Profit for the year	11,129.76	19,168.23
Add/(less): Other Comprehensive Income	(4.30)	(10.60)
Add: Pursuant to scheme of arrangement (refer note 32)	-	700.00
Less: Dividends paid including tax on dividend		
Interim Dividend	(4,199.66)	(5,583.72)
Final dividend	(9,225.76)	(6,769.13)
Tax on dividend	(556.02)	(803.55)
Closing balance	84,206.41	87,062.39
Total	2,39,796.27	2,40,723.96

- 22.1** Share application money pending allotment represents equity shares to be issued pursuant to Employee Stock Option Scheme.
- 22.2** Capital reserve and capital redemption reserves represents reserves created pursuant to the business combination up to year end.
- 22.3** 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.
- 22.4** 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.
- 22.5** 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.
- 22.6** Stock options outstanding account relates to the stock options granted by the Company to employees under an Employee Stock options Plan (refer note 34).
- 22.7** 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.

Notes

to the Financial Statements

23 Interest Income

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
At Amortised Cost		
Interest on Loans	2,267.74	2,996.87
Total	2,267.74	2,996.87

24 Fees and Commission Income

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
Management and other fees	12,038.94	17,689.75
Total	12,038.94	17,689.75

25 Net Gain on Fair Value Changes

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain on financial instruments designated at FVTPL	0.99	9,184.20
Total	0.99	9,184.20

25.1 Net gain/(loss) on fair value changes:

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
-Realised	1,429.84	349.84
-Unrealised	(1,428.85)	8,834.36
Total	0.99	9,184.20

26 Other Income

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend from investments in subsidiaries	11,037.30	8,405.65
Dividend from other investments	366.35	442.97
Interest income on investments (refer note 26.1)	-	433.81
Interest income – on fixed deposits and others (refer note 26.1)	205.54	1,141.27
Finance income on rent deposit	22.64	16.40
Group Support Service Fees	396.00	396.00
Net gain on derecognition of investments carried at fair value (realised)	659.61	1,814.97
Lease rent	27.26	27.26
Impairment of financial instruments written back - Trade receivables (net)	137.36	-
Miscellaneous income	28.72	67.54
Total	12,880.78	12,745.87

26.1 Interest income is earned on financial assets carried at amortised cost.

27 Finance Costs

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
On Financial liabilities (at Amortised Cost):		
- Debt Securities	1,915.35	3,445.84
- Borrowing (other than debt securities)	40.65	27.14
Total	1,956.00	3,472.98

28 Impairment on Financial Instruments

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
On Financial instruments (at Amortised Cost):		
- Loans	-	(36.24)
- Trade receivables	-	631.75
Total	-	595.51

Notes

to the Financial Statements

29 Employee Benefits Expense

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, bonus and allowances (refer note 34)	7,041.29	7,517.08
Contribution to provident and other funds	232.38	224.19
Staff welfare expenses	76.75	106.12
Gratuity (refer note 39)	61.23	120.43
Total	7,411.65	7,967.82

30 Other Expenses

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
Space and other related costs (refer note 38 [a])	1,173.90	1,112.14
Rates and taxes	259.63	239.96
Support service fees	250.00	446.02
Travelling and conveyance expenses	187.79	249.49
Subscription and membership	135.72	157.50
Legal and professional fees	195.72	320.73
Insurance expenses	60.05	54.56
Repairs and maintenance	63.49	38.73
Information technology expenses	38.05	55.10
Communication expenses	40.64	54.18
Auditors' remuneration (refer note 37)	25.63	27.64
Advertisement and other related expenses	59.98	83.41
Printing and stationery expenses	40.46	52.86
Electricity expenses	56.76	76.61
Donation	122.00	251.41
Motor car expenses	60.58	69.76
Directors' sitting fees	56.20	67.75
Directors' commission	124.00	140.00
Miscellaneous expenses	230.66	308.03
	3,181.26	3,805.88
Less: Recoveries of expenses	(8.22)	(377.00)
Total	3,173.04	3,428.88

31 Tax expense

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	666.00	2,124.42
Deferred tax	(258.69)	2,247.16
Tax adjustment of earlier years (net)	33.08	(275.10)
Total income tax expenses recognised in Statement of Profit and Loss	440.39	4,096.48
Income tax expense recognised in OCI	1.77	4.35

Reconciliation of total tax charge

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	11,570.15	23,264.71
Income tax rate	29.120%	34.608%
Income tax expense	3,369.23	8,051.45
Tax Effect of:		
Effect of income that is exempt from tax	(3,320.74)	(3,062.33)
Effect of expenses that are not deductible in determining taxable profits	248.01	261.02
Loss/ (Income) taxable at differential rate (net)	113.02	(450.65)
Adjustment in respect of earlier years (net)	33.08	(275.10)
Utilisation of prior year's brought forward tax losses	-	(427.91)
Others	(2.21)	-
Total	(2,928.84)	(3,954.97)
Income tax expense recognised in Statement of Profit and Loss	440.39	4,096.48

Notes

to the Financial Statements

32 Note on Amalgamation of JM Financial Institutional Securities Limited (Investment Banking Division) and JM Financial Investment Managers Limited (Alternative Asset Management)

- (a) During the previous year, pursuant to the scheme of Amalgamation which became effective from January 18, 2018, the entire business and whole of the undertaking (Investment Banking Division) of erstwhile JM Financial Institutional Securities Limited, post demerger of Institutional Equity Division, and JM Financial Investment Managers Limited were amalgamated with JM Financial Limited. The amalgamation is in the nature of common control business combination as per Ind AS -103 - Business Combination and accordingly, the assets, liabilities and reserves of the both transferor companies as at April 01, 2017 have been taken at the book value, as per list enumerated below:

Statement of assets, liabilities and reserves as at April 01, 2017 transferred pursuant to the business combination

	Investment Banking Division	Alternative Asset Management	₹ in Lakh Total
A Assets			
Financial Assets			
Cash and cash equivalents	826.72	27.28	854.00
Bank balances other than cash and cash equivalents	-	393.90	393.90
Trade receivables	4,263.38	69.38	4,332.76
Loans	2,175.00	-	2,175.00
Investments	29,931.46	12,696.85	42,628.31
Other financial assets	741.93	128.29	870.22
Non Financial Assets			
Current tax assets (Net)	1,582.85	(56.67)	1,526.18
Property, plant and equipment	196.12	20.68	216.80
Other Intangible assets	47.04	3.87	50.91
Other non-financial assets	119.99	24.25	144.24
Total Assets	39,884.49	13,307.83	53,192.32
B Liabilities			
Financial Liabilities			
Trade Payables	353.57	16.27	369.84
Borrowings (other than debt securities)	22.84	14.50	37.34
Other financial liabilities	2,508.64	282.85	2,791.49
Non-Financial Liabilities			
Provisions	380.86	492.98	873.84
Deferred tax liabilities (net)	(681.75)	8.53	(673.22)
Other non-financial liabilities	315.27	10.48	325.75
Total Liabilities	2,899.43	825.61	3,725.04
C Reserves and Surplus (other than Surplus in statement of profit and loss)			
Capital reserve	415.51	-	415.51
Securities premium reserve	12,727.61	9,066.00	21,793.61
General reserve	1,804.96	127.55	1,932.51
Capital redemption reserve	1,288.90	0.02	1,288.92
Total Reserves Transferred	16,236.98	9,193.57	25,430.55
D Surplus in Statement of Profit and Loss as on April 01, 2017	17,958.60	3,108.65	21,067.25
Less: Cancellation of investment (net of paid up share capital)	33,808.25	9,136.17	42,944.42
Total Surplus transferred	(15,849.65)	(6,027.52)	(21,877.17)

- (b) As per the Scheme of Amalgamation, 2,80,00,000 Equity Shares of ₹ 10/- each of JM Financial Institutional Securities Limited and 18,00,000 Equity Shares of ₹10/- each of JM Financial Investment Managers Limited held by the Company stands cancelled.
- (c) Further, Authorised share capital of the Company has increased from ₹ 10,000.00 lakh comprising 100,00,00,000 equity shares of the face value of ₹1/- each to ₹ 19,582.00 lakh comprising 152,02,00,000 equity shares of the face value of ₹1/- each and 4,38,00,000 preference shares of the face value of ₹10/- each.
- (d) Pursuant to the Scheme of Arrangement under the Provisions of Section 230 read with Section 232 of the Companies Act, 2013, as sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its Order dated December 14, 2017 in connection with the demerger of Institutional Equity Division from the erstwhile JM Financial Institutional Securities Limited into JM Financial Institutional Securities Limited (formerly known as JM Financial Securities Limited), the Company has received 70,00,000 preference shares of JM Financial Institutional Securities Limited (formerly known as JM Financial Securities Limited) of ₹10/- each aggregating to ₹ 700 Lakh.

Notes

to the Financial Statements

33 Contingent Liabilities and Commitments:

₹ in Lakh

33.1 Contingent liabilities*:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(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.	2,937.73	3,156.58	2,900.55
(ii) Service Tax Matters under dispute:			
Primarily relates to demands received from central excise and service tax authorities in respect of various years on account of disallowance of CENVAT credit on various expenses, etc.	997.99	81.60	126.46

*In respect of above disputed demand, the Company is hopeful of succeeding in appeals and as such does not expect any significant liability to materialize.

33.2 Commitments:

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	131.64	94.84	109.01
b) Uncalled liability on account of commitment to subscribe to investment and other partly paid investments	10,161.88	6,285.00	140.00

34 Employee Stock Option Scheme (ESOS)

The Employee Stock Option Scheme ('the Scheme') provides for grant of stock options to the eligible employees and/or directors ("the Employees") of the Company and/or its subsidiaries. The Stock Options are granted at an exercise price, which is either equal to the fair market price or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee of the Board of the Company.

During the financial year 2018-19, the Nomination and Remuneration Committee has granted 18,48,018 options under Series 11 (previous year 23,19,636 options-Series 10) at an exercise price of ₹1/- per option to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Outstanding at the beginning of the year	49,99,654	60,67,294
Add: Granted during the year	18,48,018	23,19,636
Less: Exercised and shares allotted during the year	20,17,448	32,24,438
Less: Exercised but pending allotment	Nil	33,757
Less: Forfeited/cancelled during the year	5,085	Nil
Less: Lapsed during the year	4,69,515	1,29,081
Outstanding at end of year	43,55,624	49,99,654
Exercisable at end of year	10,87,302	15,18,763

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-Scholes-Merton model as valued by an independent valuer.

Notes

to the Financial Statements

Details of options granted during the current and previous financial year based on the graded vesting and fair value of the options are as under:

Tranches	% of Options to be vested	No. of options granted		Vesting date		Fair value per option (₹)	
		Current year	Previous year	Current Year	Previous year	Current year	Previous year
Tranche-1	33.33%	6,16,006	7,73,212	April 12, 2019	April 20, 2018	131.10	103.48
Tranche-2	33.33%	6,16,006	7,73,212	April 12, 2020	April 20, 2019	129.86	102.42
Tranche-3	33.33%	6,16,006	7,73,212	April 12, 2021	April 20, 2020	128.62	101.36
		18,48,018	23,19,636				

The following table summarizes the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)		Risk-free interest rate		Volatility		Dividend Yield	
	Current Year (Series 11)	Previous Year (Series 10)	Current Year (Series 11)	Previous Year (Series 10)	Current Year (Series 11)	Previous Year (Series 10)	Current Year (Series 11)	Previous Year (Series 10)
Tranche-1	3.00	3.00	7.28%	6.76%	0.4474	0.4741	1.31%	1.42%
Tranche-2	3.75	3.75	7.42%	6.91%	0.4462	0.4821	1.31%	1.42%
Tranche-3	4.50	4.50	7.52%	6.97%	0.4630	0.4921	1.31%	1.42%

Details of options granted under various series are as under:

	Series 5	Series 6	Series 7	Series 8	Series 9	Series 10	Series 11
Grant date	16/04/2012	06/05/2013	01/04/2014	16/04/2015	12/05/2016	20/04/2017	12/04/2018
Options granted	73,02,669	36,45,774	44,85,267	14,44,440	12,55,515	23,19,636	18,48,018
Options exercised till March 31, 2019	62,85,630	30,91,695	38,25,872	12,21,726	7,77,239	6,09,955	N.A.
Options forfeited/cancelled till March 31, 2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2019	7,21,857	3,76,054	3,57,193	96,294	40,799	3,25,573	2,15,808
Outstanding at end of year	2,95,182	1,78,025	3,02,202	1,26,420	4,37,477	13,84,108	16,32,210
Exercisable at end of year	2,95,182	1,78,025	3,02,202	1,26,420	59,771	1,25,702	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
Exercise period	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant
Exercise price (refer note [i] below)	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00	₹ 1.00
Pricing formula	As was determined by the Compensation Committee at its meeting held on April 16, 2012	As was determined by the Compensation Committee at its meeting held on May 6, 2013	As was determined by the Compensation Committee at its meeting held on March 25, 2014	As was determined by the Nomination and Remuneration Committee at its meeting held on April 16, 2015	As was determined by the Nomination and Remuneration Committee at its meeting held on May 12, 2016	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

- Notes:
- [i] Additionally, an aggregate amount of ₹ 1,164.50 Lakh 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, 2, 3 and 4 as on March 31, 2019, the details of options granted has not been included above.
 - [iii] Esop cost recognised in Statement of Profit and Loss ₹ 635.18 Lakh (Previous year ₹ 890.19 Lakh)

Notes

to the Financial Statements

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

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
JM Financial Institutional Securities Limited (upto December 31, 2017)	-	81.00
JM Financial Institutional Securities Limited (formerly known as JM Financial Securities Limited)	256.95	30.55
JM Financial Services Limited	362.71	238.69
JM Financial Products Limited	282.72	193.67
JM Financial Credit Solutions Limited	68.15	-
JM Financial Asset Management Limited	92.00	57.89
Infinite India Investment Management Limited	9.27	13.25
JM Financial Asset Reconstruction Company Limited	73.72	16.82
JM Financial Capital Limited	5.35	-
JM Financial Home Loans Limited	13.63	-
TOTAL	1,164.50	631.87

36 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, 2019	For the year ended March 31, 2018
Profit for the year (₹ in Lakh)	A	11,129.76	19,168.23
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	83,94,64,985	80,28,94,653
Basic earnings per share (in ₹)	A/B	1.33	2.39
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	83,94,64,985	80,28,94,654
Add: Weighted average number of potential equity shares on account of employee stock options	C	38,27,455	50,67,212
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	D=B+C	84,32,92,440	80,79,61,866
Diluted earnings per share (in ₹)	A/D	1.32	2.37

37 Payment to Auditors (Excluding Goods and Service tax)[#]

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fees	18.50	18.51
Certification and other matters	5.80	8.78
Reimbursement of Expenses	1.33	0.35
Total	25.63	27.64
Fees paid to in connection with QIP debited to Securities premium reserve as Share issue expenses	-	21.80
Total	25.63	49.44

[#] Include ₹ Nil (Previous year ₹ 11.21 Lakh) paid to erstwhile auditors M/s Khimji Kunverji & Co. and Arun Arora & Co.

Notes

to the Financial Statements

38 Lease Transactions

a) Operating leases

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of agreements are executed for the period ranging from 36 months to 108 months with a non-cancellable period at the beginning of the agreement range for 36 months to 60 months and having a renewable clause.

The future minimum rental payments in respect of non-cancellable lease for premises are as follows:

₹ in Lakh			
Due	Total minimum lease payments outstanding as at March 31, 2019	Total minimum lease payments outstanding as at March 31, 2018	Total minimum lease payments outstanding as at April 01, 2017
Not later than one year	1,003.56	960.31	430.68
Later than one year and not later than five years	4,181.84	3,550.74	1,160.10
Later than five years	6,405.12	-	-
Total	11,590.52	4,511.05	1,590.78

Lease payments recognised in the Statement of Profit and Loss for the current year are ₹ 1,173.90 Lakh (2017-18 ₹ 1,112.14 Lakh) excluding GST and Service tax.

b) Finance leases

The Company has acquired vehicles under the finance lease agreement. The tenure of the lease agreements ranges between 36 and 60 months with an option for prepayments/foreclosure.

The minimum lease rentals outstanding with respect to these assets are as under:

₹ in Lakh						
Particulars	Minimum Lease Payments			Present Values of Minimum Lease Payments		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Not later than one year	65.48	43.53	32.47	47.47	32.13	28.78
Later than one year and not later than five years	96.19	63.05	11.58	81.31	53.77	10.27
Later than five years	-	-	-	-	-	-
Total	161.67	106.58	44.05	128.78	85.90	39.05
Less: Future finance charges	32.89	20.68	5.00			
Present value of minimum lease payments	128.78	85.90	39.05			

39 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 aggregating ₹ 232.38 Lakh (Previous year ₹ 224.19 Lakh) 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.

Notes

to the Financial Statements

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, 2019	As at March 31, 2018	As at April 1, 2017
Discount rate	7.55%	7.85%	7.20%
Expected rate of salary increase	7% per annum	7% per annum	7% per annum
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

- b) Amount recognised in the Statement of Profit and Loss in respect of these defined benefit obligation

Particulars	₹ in Lakh	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	29.76	1.17
Net interest cost	31.47	2.53
Past service cost	-	116.73
Total amount recognised in the Statement of Profit and Loss	61.23	120.43
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	(0.41)	-
- Actuarial (gain)/loss from change in financial assumptions	10.57	(23.26)
- Actuarial (gain)/loss from change in experience adjustments	(4.09)	38.21
Total amount recognised in other comprehensive income	6.07	14.95

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:

Particulars	₹ in Lakh	
	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	434.94	42.43
Current service cost	29.76	1.17
Past service cost	-	116.73
Interest cost	31.47	2.53
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	(0.41)	-
Actuarial (gain)/loss from change in financial assumptions	10.57	(23.26)
Actuarial (gain)/loss from change in experience adjustments	(4.09)	38.21
Benefits paid	(41.37)	(14.85)
Liabilities assumed/settled	(19.69)	271.98
Closing defined benefit obligation	441.18	434.94

Notes

to the Financial Statements

- 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 Lakh

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Defined benefit obligation (base)	1.00	0.68	0.37

Particulars	As at March 31, 2019		As at March 31, 2018	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	423.82	451.02	418.49	443.07
Impact of increase in 50 bps on DBO	(3.93%)	2.00%	(3.78%)	1.87%
Defined benefit obligation on decrease in 50 bps	459.86	432.23	452.63	427.11
Impact of decrease in 50 bps on DBO	4.23%	(2.03%)	4.07%	(1.80%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

- e) **Projected benefits payable:**

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expected benefits for year 1	57.06	68.00
Expected benefits for year 2	54.99	30.08
Expected benefits for year 3	21.70	53.26
Expected benefits for year 4	23.88	21.85
Expected benefits for year 5	76.77	40.77
Expected benefits for year 6	20.08	71.03
Expected benefits for year 7	48.81	19.48
Expected benefits for year 8	54.77	43.01
Expected benefits for year 9	50.13	51.61
Expected benefits for year 10 and above	577.20	584.61

The weighted average duration of the defined benefit obligation is 8.16 years (Previous year 7.84 years)

Notes

to the Financial Statements

40 Disclosure in respect of related parties pursuant to Ind AS 24 on 'Related Party Disclosures':

List of related parties

I) Parties where control exists:

a) Subsidiaries

JM Financial Institutional Securities Limited (IED)
 (formerly known as JM Financial Securities Limited) (from January 01, 2018)
 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 (ARC)
 JM Financial Overseas Holdings Private Limited (Overseas)
 JM Financial Singapore Pte Ltd (Singapore)
 JM Financial Securities, Inc. (USA)

b) Partnership Firm

Astute Investments (Astute)

II) Parties with whom the transactions were carried out during the current / previous year

a) Associates

JM Financial Trustee Company Private Limited (Trustee)

b) Key management personnel

Mr. Vishal Kampani (VNK)

c) Non-Executive / Independent Directors

Mr. Nimesh Kampani (NNK)

Independent Directors:

Mr. E A Kshirsagar (EAK)	Mr. Darius E Udawadia (DEU)
Mr. Paul Zuckerman (PSZ)	Mr. Vijay Kelkar (VLK)
Mr. Keki Dadiseth (KBD)	Ms. Jagi Mangat Panda (JMP)

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)

e) Individual exercising control or significant influence in reporting enterprise 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)

f) Enterprise over which close members of 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)

Notes

to the Financial Statements

Related Party Disclosures:

	Subsidiaries*		Associates		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting enterprise and close members of the family / of any such person / Close Members of the Family (Relatives) of Key management personnel		Enterprise over which close member of family personnel are able to exercise significant influence		Total (₹ in Lakh)		
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Investments made in															
ARC	-	19,981.52	-	-	-	-	-	-	-	-	-	-	-	-	19,981.52
Financial Services	5,025.00	-	-	-	-	-	-	-	-	-	-	-	-	5,025.00	-
Credit Solutions	18,500.06	-	-	-	-	-	-	-	-	-	-	-	-	18,500.06	-
Overseas	-	6,027.29	-	-	-	-	-	-	-	-	-	-	-	-	6,027.29
Investments Purchased/ Transferred from															
Products	-	9,505.00	-	-	-	-	-	-	-	-	-	-	-	-	9,505.00
Investments redeemed															
ARC	-	7,000.00	-	-	-	-	-	-	-	-	-	-	-	-	7,000.00
Sale of Fixed assets to															
IED	-	1.59	-	-	-	-	-	-	-	-	-	-	-	-	1.59
Financial Services	1.62	-	-	-	-	-	-	-	-	-	-	-	-	1.62	-
Employee related liabilities transfers to															
Properties	-	5.63	-	-	-	-	-	-	-	-	-	-	-	-	5.63
Products	7.15	7.30	-	-	-	-	-	-	-	-	-	-	-	7.15	7.30
Credit Solutions	15.20	-	-	-	-	-	-	-	-	-	-	-	-	15.20	-
JMFICS	-	-	-	-	-	-	-	-	-	-	3.33	-	-	-	3.33
Employee related liabilities transfers from															
IED	5.98	-	-	-	-	-	-	-	-	-	-	-	-	5.98	-
ICDs placed															
ARC	-	27,673.00	-	-	-	-	-	-	-	-	-	-	-	-	27,673.00
Products	-	34,785.00	-	-	-	-	-	-	-	-	-	-	-	-	34,785.00
Properties	-	13,325.00	-	-	-	-	-	-	-	-	-	-	-	-	13,325.00
Infinite	10,000.00	-	-	-	-	-	-	-	-	-	-	-	-	10,000.00	-
CRRM	3,600.00	-	-	-	-	-	-	-	-	-	-	-	-	3,600.00	-
Credit Solutions	10,000.00	-	-	-	-	-	-	-	-	-	-	-	-	10,000.00	-
Financial Services	-	5,000.00	-	-	-	-	-	-	-	-	-	-	-	-	5,000.00
ICDs repaid by															
Credit Solutions	10,000.00	-	-	-	-	-	-	-	-	-	-	-	-	10,000.00	-
ARC	-	37,708.00	-	-	-	-	-	-	-	-	-	-	-	-	37,708.00
Properties	-	15,820.00	-	-	-	-	-	-	-	-	-	-	-	-	15,820.00
Products	-	34,785.00	-	-	-	-	-	-	-	-	-	-	-	-	34,785.00
Infinite	10,000.00	-	-	-	-	-	-	-	-	-	-	-	-	10,000.00	-
Financial Services	-	5,000.00	-	-	-	-	-	-	-	-	-	-	-	-	5,000.00
Loan given															
Astute	56,561.22	54,068.40	-	-	-	-	-	-	-	-	-	-	-	56,561.22	54,068.40
Loan repaid															
Astute	56,561.22	54,068.40	-	-	-	-	-	-	-	-	-	-	-	56,561.22	54,068.40
Dividend received from															
Products	9,195.96	4,900.50	-	-	-	-	-	-	-	-	-	-	-	9,195.96	4,900.50
AMC	1,111.34	1,905.15	-	-	-	-	-	-	-	-	-	-	-	1,111.34	1,905.15

Notes

to the Financial Statements

	Subsidiaries*		Associates		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting enterprise and close members of the family / of any such person / Close Members of the Family (Relatives) of Key management personnel		Enterprise over which close member of family personnel are able to exercise significant influence		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Financial Services	730.00	600.00	-	-	-	-	-	-	-	-	-	-	730.00	600.00
Fees Sharing, Sub brokerage Paid to	-	1,000.00	-	-	-	-	-	-	-	-	-	-	-	1,000.00
Financial Services	918.09	658.83	-	-	-	-	-	-	-	-	-	-	918.09	658.83
IED	1,953.76	-	-	-	-	-	-	-	-	-	-	-	1,953.76	-
Secondary brokerage Paid to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	3.08	-	-	-	-	-	-	-	-	-	-	-	3.08	-
Dividend paid to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JMFCS	-	-	-	-	-	-	-	-	-	3,254.51	3,152.80	-	3,254.51	3,152.80
J.M. Assets	-	-	-	-	-	-	-	-	-	1,648.69	1,597.17	-	1,648.69	1,597.17
JSB	-	-	-	-	-	-	-	-	-	104.08	100.83	-	104.08	100.83
KCL	-	-	-	-	-	-	-	-	-	10.96	10.62	-	10.96	10.62
SNK	-	-	-	-	-	-	-	-	-	188.16	180.73	-	188.16	180.73
NNK	-	-	-	-	-	-	-	-	2,165.72	2,098.04	-	-	2,165.72	2,098.04
ARNK	-	-	-	-	-	-	-	-	615.22	595.99	-	-	615.22	595.99
VNK	-	-	-	-	-	-	171.75	160.64	-	-	-	-	171.75	160.64
AG	-	-	-	-	-	-	-	-	128.00	124.00	-	-	128.00	124.00
PIGPL	-	-	-	-	-	-	-	-	-	-	26.40	25.58	26.40	25.58
Trustee	-	-	-	-	-	-	-	-	-	-	18.08	-	18.08	-
Group support fees received from	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Solutions	198.00	198.00	-	-	-	-	-	-	-	-	-	-	198.00	198.00
ARC	198.00	198.00	-	-	-	-	-	-	-	-	-	-	198.00	198.00
Lead managers fees received from	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Solutions	16.00	-	-	-	-	-	-	-	-	-	-	-	16.00	-
Support Service Charges Paid to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JMFCS	-	-	-	-	-	-	-	-	-	250.00	250.00	-	250.00	250.00
Rating support fees received from	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Solutions	930.00	678.75	-	-	-	-	-	-	-	-	-	-	930.00	678.75
ARC	299.20	147.93	-	-	-	-	-	-	-	-	-	-	299.20	147.93
Rent received from	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	27.26	27.26	-	-	-	-	-	-	-	-	-	-	27.26	27.26
Interest received from	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Solutions	4.93	-	-	-	-	-	-	-	-	-	-	-	4.93	-
ARC	-	755.83	-	-	-	-	-	-	-	-	-	-	-	755.83
Astute	1,844.73	2,572.27	-	-	-	-	-	-	-	-	-	-	1,844.73	2,572.27
Properties	-	153.66	-	-	-	-	-	-	-	-	-	-	-	153.66
Products	-	18.78	-	-	-	-	-	-	-	-	-	-	-	18.78
Infinite	371.53	-	-	-	-	-	-	-	-	-	-	-	371.53	-
CRFM	46.55	-	-	-	-	-	-	-	-	-	-	-	46.55	-
Financial Services	-	0.96	-	-	-	-	-	-	-	-	-	-	-	0.96

Notes

to the Financial Statements

	Subsidiaries*			Associates			Non-Executive / Independent Directors			Key Management Personnel			Individual exercising control or significant influence in reporting enterprise and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel			Enterprise over which close member of family of key management personnel are able to exercise significant influence			Total (₹ in Lakh)						
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19		
Interest paid to																									
Products	-	2.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.18	
Rent paid to																									
Properties	864.97	821.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	864.97	
JMFICS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	821.92	
J.M.Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95.33	
JSB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95.33	
Subscription for online data paid to																									
CMPL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84.00	
Remuneration paid to (refer note iii)																									
VNK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60.00	
Directors Sitting fees																									
NNK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	
EAK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.20	
DEU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	
PSZ	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	
VLK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	
KBD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	
JMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.65	
Directors Commission																									
NNK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	
EAK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	
DEU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	
PSZ	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	
VLK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	
KBD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	
JMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	
Expenses reimbursed to																									
Properties	138.62	171.53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	138.62	
JMFICS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	171.53	
J.M.Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.96	
Infinite	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.86	
IED	15.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.66	
Expenses recovered from																									
IED	24.61	0.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.61	
Infinite	0.29	0.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.29	
Credit Solutions	3.55	1.97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.55	
Home Loans	0.62	0.38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.62	
ARC	11.50	12.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.50	
Properties	0.52	0.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.52	
Products	2.38	12.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.38	
GRRM	-	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.12	
JMFICS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.39	

Notes

to the Financial Statements

	Subsidiaries*		Associates		Non-Executive / Independent Directors		Key Management Personnel		Individual exercising control or significant influence in reporting enterprise and close members of the family / of any such person / Close Members of the Family (Relatives) of Key management personnel		Enterprise over which close member of family personnel are able to exercise significant influence		Total (₹ in Lakh)		
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Security deposits returned from:															
Properties	-	721.14	-	-	-	-	-	-	-	-	-	-	-	-	721.14
JMFCS	-	-	-	-	-	-	-	-	-	-	-	20.58	-	-	20.58
JSB	-	-	-	-	-	-	-	-	-	-	60.00	-	60.00	-	-
Security deposits repaid to															
NNK	-	-	-	-	-	-	-	-	60.00	-	-	-	-	-	60.00
Security deposits paid															
Properties	721.14	-	-	-	-	-	-	-	-	-	-	-	721.14	-	-
J.M.Assets	-	-	-	-	-	-	-	-	-	84.00	-	-	84.00	-	-
Outstanding Balances:															
Investments	1,96,917.08	1,69,755.08	2.50	2.50	-	-	-	-	-	-	-	-	1,96,919.58	1,69,757.58	-
Security deposits received from															
Financial Services	100.00	100.00	-	-	-	-	-	-	-	-	-	-	100.00	100.00	-
Security deposits paid to															
Properties	721.14	-	-	-	-	-	-	-	-	-	-	-	721.14	-	-
JSB	-	-	-	-	-	-	-	-	-	-	60.00	-	60.00	-	-
JMFCS	-	-	-	-	-	-	-	-	-	53.69	53.69	-	53.69	53.69	-
J.M. Assets	-	-	-	-	-	-	-	-	-	84.00	84.00	-	84.00	-	-
ICDs receivable															
CRRM	3,600.00	-	-	-	-	-	-	-	-	-	-	-	3,600.00	-	-
Receivable from															
Credit Solutions	-	232.60	-	-	-	-	-	-	-	-	-	-	-	232.60	-
Home Loans	-	0.41	-	-	-	-	-	-	-	-	-	0.07	-	0.41	-
JMFCS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07	-
ARC	-	34.41	-	-	-	-	-	-	-	-	-	-	-	34.41	-
Products	-	0.64	-	-	-	-	-	-	-	-	-	-	-	0.64	-
Amount payable to															
IED	36.18	-	-	-	-	-	-	-	-	-	-	-	36.18	-	-
Financial Services	129.45	324.18	-	-	-	-	-	-	-	-	-	-	129.45	324.18	-
Properties	-	8.85	-	-	-	-	-	-	16.00	-	-	-	-	8.85	-
NNK	-	-	-	-	-	-	-	-	-	-	-	-	-	16.00	-
EAK	-	-	-	22.00	22.00	-	-	-	-	-	-	-	-	22.00	22.00
DEU	-	-	-	20.00	20.00	-	-	-	-	-	-	-	-	20.00	20.00
PSZ	-	-	-	20.00	20.00	-	-	-	-	-	-	-	-	20.00	20.00
VLK	-	-	-	22.00	22.00	-	-	-	-	-	-	-	-	22.00	22.00
KBD	-	-	-	20.00	20.00	-	-	-	-	-	-	-	-	20.00	20.00
JMP	-	-	-	20.00	20.00	-	-	-	-	-	-	-	-	20.00	20.00

Notes

to the Financial Statements

Balance outstanding at the year end – on transition date (April 01, 2017):

	Subsidiaries*	Associates	Individual exercising control or significant influence in reporting enterprise and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel	Enterprise over which close member of family of key management personnel are able to exercise significant influence	Total ₹ in Lakh
Outstanding Balances:					
Investments	1,45,707.97	2.50	-	-	1,45,710.47
Property deposits received from					
Financial Services	100.00	-	-	-	100.00
NNK	-	-	60.00	-	60.00
Property deposits paid to					
Properties	721.14	-	-	-	721.14
JSB	-	-	-	60.00	60.00
JMFICS	-	-	-	74.27	74.27
ICD receivable					
Properties	2,495.00	-	-	-	2,495.00
ARC	10,035.00	-	-	-	10,035.00
Interest receivable					
ARC	1,049.49	-	-	-	1,049.49
Payable to					
NNK	-	-	175.00	-	175.00
Financial Services	10.41	-	-	-	10.41

Notes:-

- * Subsidiaries include a partnership firm namely Astute Investments.
- 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.
- The remuneration excludes provision for gratuity as the incremental liability has been accounted for the Company as a whole.
- The transactions disclosed above are exclusive of GST and Service tax.

41 Maturity Analysis of Assets and Liabilities

₹ in Lakh

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
1 Financial Assets									
A Cash and cash equivalents	719.05	-	719.05	3,127.85	-	3,127.85	1,592.88	-	1,592.88
B Bank balance other than cash and cash equivalents	809.86	-	809.86	1,145.75	-	1,145.75	827.91	-	827.91
C Trade Receivables	1,003.62	-	1,003.62	2,402.55	-	2,402.55	4,332.75	-	4,332.75
D Loans	3,600.00	-	3,600.00	-	-	-	12,530.00	-	12,530.00
E Investments	14,251.21	2,24,628.03	2,38,879.24	43,807.74	1,98,609.64	2,42,417.38	5,117.36	1,68,501.34	1,73,618.70
F Other Financial assets	1,049.45	304.37	1,353.82	934.68	100.43	1,035.11	2,293.82	115.27	2,409.09
	21,433.19	2,24,932.40	2,46,365.59	51,418.57	1,98,710.07	2,50,128.64	26,694.72	1,68,616.61	1,95,311.33
2 Non-financial Assets									
A Current tax assets (net)	-	17,521.52	17,521.52	-	16,997.03	16,997.03	-	16,121.53	16,121.53
B Property, Plant and Equipment	-	491.28	491.28	-	501.00	501.00	-	432.17	432.17
C Other Intangible assets	-	36.37	36.37	-	55.65	55.65	-	60.57	60.57
D Other non-financial assets	353.17	448.23	801.40	167.65	70.65	238.30	75.49	170.74	246.23
	353.17	18,497.40	18,850.57	167.65	17,624.33	17,791.98	75.49	16,785.01	16,860.50
Total Assets	21,786.36	2,43,429.80	2,65,216.16	51,586.22	2,16,334.40	2,67,920.62	26,770.21	1,85,401.62	2,12,171.83

Notes

to the Financial Statements

₹ in Lakh

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	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	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	303.61	-	303.61	893.63	-	893.63	462.53	-	462.53
B Debt Securities	-	-	-	-	-	-	20,656.30	-	20,656.30
C Borrowings (other than debt securities)	47.47	81.31	128.78	32.13	53.77	85.90	28.78	10.27	39.05
D Other financial liabilities	3,083.36	-	3,083.36	3,358.65	-	3,358.65	3,697.96	-	3,697.96
	3,434.44	81.31	3,515.75	4,284.41	53.77	4,338.18	24,845.57	10.27	24,855.84
2 Non-Financial Liabilities									
A Provisions	229.22	845.29	1,074.51	236.47	828.12	1,064.59	224.22	738.57	962.79
B Deferred tax liabilities (Net)	-	12,067.84	12,067.84	-	12,327.88	12,327.88	-	10,320.10	10,320.10
C Other non-financial liabilities	362.48	-	362.48	1,080.39	6.82	1,087.21	351.56	20.46	372.02
	591.70	12,913.13	13,504.83	1,316.86	13,162.82	14,479.68	575.78	11,079.13	11,654.91
Total Liabilities	4,026.14	12,994.44	17,020.58	5,601.27	13,216.59	18,817.86	25,421.35	11,089.40	36,510.75

Note:

Information on maturity pattern is based on the reasonable assumptions made by the management.

42 First - time Ind AS adoption reconciliations

Reconciliation of net profit and equity as reported under Previous GAAP and Ind AS is as under:

₹ in Lakh

Particulars	Note No.	Total Comprehensive Income Reconciliation		Equity Reconciliation	
		Year ended March 31, 2018	As at March 31, 2018	As at March 31, 2018	As at April 01, 2017
Net profit / equity as per previous Indian GAAP		13,616.40	2,37,803.06	1,72,552.12	
Ind AS Adjustments:					
Measurement of financial assets at fair value	1	8,463.30	13,857.26	-	-
Accounting of common control business combination (net)	2	(464.07)	(464.07)	3,542.89	
Valuation of ESOP using Fair value method	3	(407.09)	-	(434.65)	
Measurement of financial assets at amortised cost	4	(0.33)	0.62	1.08	
Reclassification of net actuarial loss on employee defined benefit obligation to Other Comprehensive Income (OCI)	5	14.95	-	-	
Deferred tax impact on above	6	(2,054.93)	(2,094.11)	(0.36)	
Total effect of transition to Ind AS		5,551.83	11,299.70	3,108.96	
Net profit / equity as per Ind AS		19,168.23	2,49,102.76	1,75,661.08	
Other comprehensive income (net of tax)		(10.60)	-	-	
Total Comprehensive income / Equity as per Ind AS		19,157.63	2,49,102.76	1,75,661.08	

Impact of Ind AS adoption on the statements of Cash flows for the year ended March 31, 2018

₹ in Lakh

Particulars	Previous GAAP	Adjustments	Ind AS
Cash flow from operating activities	18,530.27	(618.57)	17,911.70
Cash flow from investing activities	(44,647.60)	(2,591.45)	(47,239.05)
Cash flow from financing activities	28,125.74	2,736.58	30,862.32
Net increase in Cash and cash equivalents	2,008.41	(473.44)	1,534.97
Cash and Cash Equivalents as at April 01, 2017	1,359.11	233.77	1,592.88
Cash and Cash Equivalents as at March 31, 2018	3,367.52	(239.67)	3,127.85
Net increase in cash and cash equivalents	2,008.41	(473.44)	1,534.97

The adjustments are primarily on account of business combination as explained in note 2 below and Ind AS reclassifications

Notes

to the Financial Statements

Notes:

- Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, non-current investments (other than investments in Subsidiaries and Associates) are measured at fair value through Profit or Loss. Consequently, the differences, as at the transition date and as at the end of 2017-18, respectively between carrying value as per Previous GAAP and fair value, are reflected in total equity and profit or loss.
- Considering the amalgamation of the entire business and whole of the undertaking (Investment Banking) of JM Financial Institutional Securities Limited post demerger of Institutional Equity Division and JM Financial Investment Managers Limited with the Company which was effective from January 18, 2018, the financial results have been reinstated as if the business combination had occurred with effect from April 01, 2017. This being a common control combination under Ind AS 103, the same has been accounted for with effect from April 01, 2017.
- Under previous GAAP, the cost of employee stock options was recognised using the intrinsic value method. However under Ind AS, the cost of employee stock options was recognised based on the fair value of the options as on grant date.
- Under previous GAAP, long term deposits are carried at their face values, under Ind AS, deposits are required to be measured at their fair value at inception using an appropriate discounting rate and subsequently measured at amortised cost using effective rate of interest method.
- Under previous GAAP, actuarial gains/losses on defined benefit plan were recognised in the profit and loss account. Under Ind AS, the actuarial gains and losses will be recognised in other comprehensive income as re-measurements.
- Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to Ind AS.

43 Financial Instruments

a) Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves attributable to the equity shareholders of the Company. The primary objective of the company, when managing capital, is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure, so as to maximize shareholders' value. As at March 31, 2019, 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 Lakh		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Borrowings			
Gross debt	-	-	20,656.30
Less - Cash and cash equivalents	-	-	(1,592.88)
Less - Other bank deposits	-	-	(618.51)
Less: Liquid investments in mutual funds	-	-	(5,117.36)
Adjusted net debt	-	-	13,327.55
Total equity	2,48,195.58	2,49,102.76	1,75,661.08
Adjusted net debt to equity ratio	-	-	0.08

Notes

to the Financial Statements

b) Categories of financial instruments

₹ in Lakh

As at March 31, 2019	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	719.05	719.05
Bank balances other than cash and cash equivalents	-	809.86	809.86
Trade receivables	-	1,003.62	1,003.62
Loans	-	3,600.00	3,600.00
Investments in subsidiaries and associates	-	1,96,919.58	1,96,919.58
Investments other than those in subsidiaries and associates	41,959.66	-	41,959.66
Other Financial assets	-	1,353.82	1,353.82
Total	41,959.66	2,04,405.93	2,46,365.59
Financial liabilities			
Trade payables	-	303.61	303.61
Borrowings (other than debt securities)	-	128.78	128.78
Other Financial Liabilities	-	3,083.36	3,083.36
Total	-	3,515.75	3,515.75

₹ in Lakh

As at March 31, 2018	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	3,127.85	3,127.85
Bank balances other than cash and cash equivalents	-	1,145.75	1,145.75
Trade receivables	-	2,402.55	2,402.55
Investments in subsidiaries and associates	-	1,69,757.58	1,69,757.58
Investments other than those in subsidiaries and associates	72,659.80	-	72,659.80
Other Financial assets	-	1,035.11	1,035.11
Total	72,659.80	1,77,468.84	2,50,128.64
Financial liabilities			
Trade payables	-	893.63	893.63
Borrowings (other than debt securities)	-	85.90	85.90
Other Financial liabilities	-	3,358.65	3,358.65
Total	-	4,338.18	4,338.18

₹ in Lakh

As at April 01, 2017	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	1,592.88	1,592.88
Bank balances other than cash and cash equivalents	-	827.91	827.91
Trade receivables	-	4,332.75	4,332.75
Loans	-	12,530.00	12,530.00
Investments in subsidiaries and associates	-	1,45,710.47	1,45,710.47
Investments other than those in subsidiaries and associates	27,908.23	-	27,908.23
Other Financial assets	-	2,409.09	2,409.09
Total	27,908.23	1,67,403.10	1,95,311.33
Financial liabilities			
Trade payables	-	462.53	462.53
Debt securities	-	20,656.30	20,656.30
Borrowings (other than debt securities)	-	39.05	39.05
Other Financial liabilities	-	3,697.96	3,697.96
Total	-	24,855.84	24,855.84

Notes

to the Financial Statements

c) Fair value measurement:

This note provides information about how the Company determines fair value of various financial assets.

(i) Financial instruments measured at Fair Value:

₹ in Lakh					
As at March 31, 2019	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets					
(Measured at FVTPL)					
Investments in Mutual Fund	14,252.70	14,252.70	-	-	14,252.70
Investments in VCF	9,016.02	-	9,016.02	-	9,016.02
Investments in Equity Instruments	18,690.94	826.88	17,864.06	-	18,690.94
Total	41,959.66	15,079.58	26,880.08	-	41,959.66

₹ in Lakh					
As at March 31, 2018	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets					
(Measured at FVTPL)					
Investments in Mutual Fund	43,809.23	43,809.23	-	-	43,809.23
Investments in VCF	7,183.70	-	7,183.70	-	7,183.70
Investments in Equity Instruments	21,666.87	2,526.80	19,140.07	-	21,666.87
Total	72,659.80	46,336.03	26,323.77	-	72,659.80

₹ in Lakh					
As at April 01, 2017	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets					
(Measured at FVTPL)					
Investments in Mutual Fund	5,118.85	5,118.85	-	-	5,118.85
Investments in VCF	9,135.79	-	9,135.79	-	9,135.79
Investments in Equity Instruments	13,653.59	3,445.55	10,208.04	-	13,653.59
Total	27,908.23	8,564.40	19,343.83	-	27,908.23

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.

(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 lending 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.

Notes

to the Financial Statements

i) Credit risk

Credit Risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, other balances with banks, loans and other receivables.

The Company has adopted a Policy of dealing with counter parties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counter parties are continuously monitored.

Credit risk arising from trade receivables are reviewed periodically and based on past experience and history. Management is confident of recovering all the dues. Credit risk arises from Investments and other balances with banks is limited and there is no collateral held against these because the counter parties are bank and recognised financial institutions with high credit ratings assigned by the credit rating agencies.

The ageing of trade receivables:

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Past due 0–180 days	826.62	2,398.39	4,332.75
More than 180 days	671.39	635.91	-
Total	1,498.01	3,034.30	4,332.75

₹ in Lakh

Movement of Provision for Impairment:

	As at March 31, 2019	As at March 31, 2018
Opening balance	631.75	-
Provisions made	92.64	631.75
Provisions written back	(230.00)	-
Closing Balance	494.39	631.75

₹ in Lakh

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 minimize this risk through a mix of strategies such as short-term funding. The Company also monitors liquidity risk through adequate bank sanction limits at the beginning of each fiscal. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term.

Notes

to the Financial Statements

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 assets based on undiscounted cash flows.

₹ in Lakh

March 31, 2019	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	303.61	303.61	-	-	-
Borrowings (other than debt securities)	128.78	47.47	81.31	-	-
Other financial liabilities	3,083.36	3,083.36	-	-	-
Total	3,515.75	3,434.44	81.31	-	-
Financial Assets					
Cash and Cash Equivalents	719.05	719.05	-	-	-
Bank balances other than cash and cash equivalents	809.86	809.86	-	-	-
Trade Receivables	1,003.62	1,003.62	-	-	-
Loans	3,600.00	3,600.00	-	-	-
Financial Assets at Amortised Cost	1,353.82	1,049.45	-	-	304.37
Investments (other than investment in subsidiaries and associates)	41,959.66	14,251.21	-	-	27,708.45
Total	49,446.01	21,433.19	-	-	28,012.82
March 31, 2018	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	893.63	893.63	-	-	-
Borrowings (other than debt securities)	85.90	32.13	53.77	-	-
Other financial liabilities	3,358.65	3,358.65	-	-	-
Total	4,338.18	4,284.41	53.77	-	-
Financial Assets					
Cash and Cash Equivalents	3,127.85	3,127.85	-	-	-
Bank balances other than cash and cash equivalents	1,145.75	1,145.75	-	-	-
Trade Receivables	2,402.55	2,402.55	-	-	-
Financial Assets at Amortised Cost	1,035.11	934.68	-	100.43	-
Investments (other than investment in subsidiaries and associates)	72,659.80	43,807.74	-	-	28,852.06
Total	80,371.06	51,418.57	-	100.43	28,852.06
April 01, 2017	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	462.53	462.53	-	-	-
Debt Securities	20,656.30	20,656.30	-	-	-
Borrowings (other than debt securities)	39.05	28.78	10.27	-	-
Other financial liabilities	3,697.96	3,697.96	-	-	-
Total	24,855.84	24,845.57	10.27	-	-
Financial Assets					
Cash and Cash Equivalents	1,592.88	1,592.88	-	-	-
Bank balances other than cash and cash equivalents	827.91	827.91	-	-	-
Trade Receivables	4,332.75	4,332.75	-	-	-
Loans	12,530.00	12,530.00	-	-	-
Financial Assets at amortised cost	2,409.09	2,293.82	57.76	57.51	-
Investments (other than investment in subsidiaries and associates)	27,908.23	5,117.36	-	-	22,790.87
Total	49,600.86	26,694.72	57.76	57.51	22,790.87

Notes

to the Financial Statements

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 currently hedges its foreign currency risk by using Derivative Instruments (Forward Contracts).

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

i) Derivatives outstanding as at the reporting date:

Particulars	Currency type	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
		Amount in Foreign Currency	₹ in Lakh	Amount in Foreign Currency	₹ in Lakh	Amount in Foreign Currency	₹ in Lakh
Trade Receivable	USD	-	-	-	-	30,46,634	1,975.44

ii) Foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

Particulars	Currency type	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
		Amount in Foreign Currency	₹ in Lakh	Amount in Foreign Currency	₹ in Lakh	Amount in Foreign Currency	₹ in Lakh
Trade Payable	GBP	3,861.56	3.50	-	-	33,553.00	27.14
	USD	-	-	1,27,911	83.20	-	-
Trade Receivable	GBP	-	-	2,15,317	198.70	-	-
	USD	62,881.00	43.47	-	-	4,63,221.00	300.35

Foreign currency sensitivity analysis:

The Group is mainly exposed to USD and GBP. The following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against Indian Rupees.

Effect in INR	% Change	Profit or Loss	
		March 31, 2019	March 31, 2018
GBP	5% Increase	(0.18)	(9.94)
	5% Decrease	0.18	9.94
USD	5% Increase	(2.17)	(4.16)
	5% Decrease	2.17	4.16

Derivatives instruments:

Particulars	Currency type	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
		Amount in Foreign Currency	₹ in Lakh	Amount in Foreign Currency	₹ in Lakh	Amount in Foreign Currency	₹ in Lakh
Trade Receivable	GBP	-	-	2,15,317	198.70	-	-

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.

Notes

to the Financial Statements

Equity Price Sensitivity analysis:

The fair value of equity instruments other than investment in subsidiaries and associates as at March 31, 2019, March 31, 2018 and April 01, 2017 was ₹18,690.94 Lakh, ₹ 21,666.87 Lakh and ₹13,653.59 Lakh respectively. A 5% change in price of equity instruments held as at March 31, 2019, March 31, 2018 and April 01, 2017 would result in:

₹ in Lakh

% Change	Profit or Loss		
	March 31, 2019	March 31, 2018	April 01, 2017
5% Increase	934.55	1,083.34	682.68
5% Decrease	(934.55)	(1,083.34)	(682.68)

44 Earnings In Foreign Currency

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income from investment banking services	285.33	1,134.91

45 Expenditure in Foreign Currency

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Directors commission and fees	20.23	18.93
Travelling expenses	41.56	55.73
Legal and professional fees	31.50	72.61
Others	95.51	56.97
Total	188.80	204.24

46 Details of expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereto.

₹ in Lakh

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year.	21.18	11.08
b) Amount spent during the year:		
In cash	22.00	12.00
Yet to be paid in cash	-	-
Total	22.00	12.00
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	22.00	12.00

47 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:

Particulars	2018-19 (Interim Dividend)	2018-19 (Final Dividend)	2017-18 (Interim Dividend)	2017-18 (Final Dividend)
a) Number of non-resident shareholders	1,291	1,266	1,024	562
b) Number of equity shares held by them	16,35,87,345	15,13,91,567	11,67,60,510	12,48,91,449
c) (i) Amount of dividend paid (Gross) (₹ in Lakh)	817.94	1,665.31	817.32	1,061.58
(ii) Tax deducted at source (₹ in Lakh)	-	-	-	-
(iii) year to which dividend relates	2018-19	2017-18	2017-18	2016-17

Notes

to the Financial Statements

48 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 Lakh)			
Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Asset Reconstruction Company Limited	Subsidiary	- (10,300.00)	- (-)
JM Financial Services Limited	Subsidiary	- (5,000.00)	- (-)
JM Financial Products Limited	Subsidiary	- (20,000.00)	- (-)
JM Financial Properties and Holdings Limited	Subsidiary	- (10,125.00)	- (-)
JM Financial Credit Solutions Limited	Subsidiary	10,000.00 (-)	- (-)
Infinite India Investment Management Limited	Subsidiary	10,000.00 (-)	- (-)
CR Retail Malls (India) Limited	Subsidiary	3,600.00 (-)	3,600.00 (-)
Astute Investments	Partnership Firm	49,061.22 (54,068.40)	- (-)

All the above loans and advances have been given for business purposes.

Figures in brackets are for the previous year.

49. The Board of Directors of the Company has recommended a final dividend of ₹ 0.50 per equity share of the face value of ₹1/- each for the year ended March 31, 2019 (Previous Year ₹ 1.10 per equity share). The said dividend will be paid, if approved by the shareholders at the Thirty Fourth Annual General Meeting.

50. The Financial Statements are approved for issue by the Board of Directors at its meeting held on May 02, 2019.

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman
DIN – 00009071

Vishal Kampani

Managing Director
DIN – 00009079

E A Kshirsagar

Director
DIN – 00121824

Place : Mumbai
Date: May 2, 2019

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Form AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies as on March 31, 2019

Part "A": Subsidiaries

₹ / US\$ / SGD in Lakh

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 ^d	% of shareholding
JM Financial Products Limited	₹	54,450.00	1,01,575.39	6,12,069.88	4,56,044.49	42,302.46	94,938.52	31,575.62	11,145.98	20,429.64	1,312.85	99.35%
JM Financial Services Limited	₹	5,000.00	35,855.16	1,37,957.71	97,102.55	3,004.70	34,364.60	2,851.87	556.45	2,295.42	-	100.00%
JM Financial Commtrade Limited	₹	500.00	1,968.12	2,892.10	423.98	1,297.21	416.88	250.37	23.55	226.82	-	100.00%
JM Financial Institutional Securities Limited	₹	630.00	5,325.02	16,174.74	10,219.72	-	9,760.56	815.13	199.98	615.15	0.08	100.00%
JM Financial Capital Limited	₹	22,500.00	3,901.62	53,387.20	26,985.58	31.34	8,804.84	2,997.60	877.18	2,120.42	-	100.00%
Infinite India Investment Management Limited	₹	160.00	1,274.69	1,551.92	117.23	1.72	1,179.14	380.16	106.21	273.95	-	100.00%
CR Retail Malls (India) Limited	₹	2,000.00	923.83	11,168.06	8,244.23	4,218.40	2,393.04	938.85	177.03	761.82	-	100.00%
JM Financial Credit Solutions Limited	₹	283.08	2,90,646.62	8,56,251.98	5,65,322.28	29,529.09	1,27,908.63	62,635.42	21,996.22	40,639.20	34.13	47.05%
JM Financial Home Loans Limited	₹	12,000.00	(818.82)	21,242.97	10,061.79	-	1,182.74	(656.69)	-	(656.69)	-	98.35%
JM Financial Asset Reconstruction Company Limited [Refer Note (e)]	₹	34,464.29	1,40,463.68	4,50,007.36	2,75,079.39	1,42,833.97	56,005.88	20,145.33	6,985.34	13,159.99	-	59.25%
JM Financial Asset Management Limited	₹	5,332.75	15,176.73	21,937.22	1,427.74	17,640.71	9,460.91	5,701.12	1,602.50	4,098.62	-	59.54%
JM Financial Properties and Holdings Limited	₹	300.00	10,883.17	30,039.03	18,855.86	1,346.58	9,185.94	767.87	366.37	401.50	-	100.00%
JM Financial Overseas Holdings Private Limited	₹*	8,300.56	8,209.25	16,540.24	30.43	7,738.19	716.61	51.88	13.83	38.05	2,490.17	100.00%
	US\$	120.00	118.68	239.12	0.44	111.87	10.36	0.75	0.20	0.55	36.00	
JM Financial Singapore Pte. Ltd.	₹*	3,621.71	(2,142.42)	1,569.06	89.77	-	278.51	(288.21)	28.06	(316.25)	-	100.00%
	SGD	71.00	(42.00)	30.76	1.76	-	5.46	(5.65)	0.55	(6.20)	-	
JM Financial Securities, INC	₹*	0.11	863.95	1,041.82	177.76	-	955.26	84.39	69.86	14.53	-	100.00%
	US\$	#	12.49	15.06	2.57	-	13.81	1.22	1.01	0.21	-	

* Exchange rate as on March 31, 2019 (or last working day prior to March 31, 2019): 1 US Dollar US\$ = ₹ 69.17 and 1 SGD = ₹ 51.01

US\$ 165.

Notes

- Other Equity includes Non-controlling interest, wherever applicable.
- Total liabilities exclude share capital and other equity.
- Investments exclude investment in subsidiaries under consolidation.
- Proposed dividend includes dividend distribution tax, wherever applicable.
- The numbers presented are as per consolidated financial statements of JM Financial Asset Reconstruction Company Limited.

Part “B”: Associate

₹ in Lakh

Particulars	JM Financial Trustee Company Private Limited
Latest audited Balance Sheet Date	March 31, 2019
Shares of Associate held by the Company at the year end	
Nos.	25,000
Amount Invested in Associate	2.50
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	948.75
Profit for the year	226.91
(i) Considered in Consolidation	56.73
(ii) Not Considered in Consolidation	170.18

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

 Managing Director
 DIN – 00009079

E A Kshirsagar

 Director
 DIN - 00121824

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Independent Auditors' Report

TO THE MEMBERS OF JM FINANCIAL LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **JM Financial Limited** ("the Parent") and its subsidiaries, (the Parent Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate, comprising of the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Application of new Accounting Standards (refer note 3 to the consolidated financial statements)

Key Audit Matter Description

The Group has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 in terms of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The transition date balance sheet as on April 1, 2017 and the comparative financial statements for the year ended March 31, 2018 included in these consolidated Ind AS financial statements, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS. The application of mandatory and optional transitional adjustment involves significant level of judgment by the management and there is a significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

- Obtained an understanding of the management's process and tested internal controls in respect of identification and application of the differences between the existing accounting policies and the requirements under Ind AS.
- Evaluated the completeness of the adjustments identified by the management in terms of requirements of Ind AS.
- Verified the basis and calculations of the material adjustments viz. application of expected credit loss model, fair valuation of certain financial assets, consolidation of certain entities and retrospective application of business combination.

B. Impairment of loans measured at amortized cost (refer note 8 to the consolidated financial statements)

Key Audit Matter Description

As at the year end, the Group has financial assets in form of loans granted by subsidiaries aggregating ₹ 14,336.93 crore net of provision for expected credit loss of ₹ 133.86 crore. Management estimates impairment provision using collective/individual model based approach for the loan exposure. The auditors of certain subsidiaries 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 and classification of the impaired loans.

Independent Auditors' Report (Contd.)

- Determining the probability of defaults based on comparative external ratings and estimation of loss given defaults based on the value of collaterals and relevant factors.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed by auditors of certain subsidiaries included the following:

- Tested the design and effectiveness of internal controls implemented by the management for following:
 - Identification and classification of loans which have impaired in appropriate buckets.
 - Validation of the Model used for impairment provision.
 - Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision.
 - Completeness and accuracy of the data inputs used.
- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands. The auditors assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by management as potentially impaired, examined on a sample basis, the forecasts of future cash flows prepared by management to support the calculation of impairment, assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and formed their own judgement as to whether that was appropriate through reviewing information such as the counterparty's payment history.
- Involved specialists for evaluation of the methodology and approach applied by the management.

C. Investments and other financial assets carried at fair value (refer note 9 and 10 to the consolidated financial statements)

Key Audit Matter Description

The Group has following financial instruments carried at fair value:

- Investments made by one of the subsidiary company in the security receipts in Trusts formed under distressed credit business aggregating ₹ 1,400.65 crore as at March 31, 2019.
- Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating ₹ 2,241.87 crore as at March 31, 2019.

The valuation of these financial instruments are based on a recovery range provided by the External Rating Agency and other unobservable inputs. These assets classified as level 3

in valuation hierarchy are not actively traded and their values can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flows, collateral values and other assumptions. In view of the complexities and significant judgements involved, the auditors of the subsidiary company have considered the valuation of these investments as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed and reported by the auditors of the subsidiary company in respect these financial instruments included following:

- Tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments 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.
- For selected samples:
 - Analyzed reasonableness of the determination of the appropriate recovery rate and estimated cash flows;
 - Compared the management's assumption of discount rate with the supporting internal/external evidence;
 - Compared the historical estimates of the cash flows with the actual recoveries and obtain explanations for the variations, if any.

Information Other than the Financial Statements and Auditors' Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion and Analysis and Corporate Governance Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statement 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility 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 auditors' 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 financial 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 Parent has adequate internal financial controls system 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

Independent Auditors' Report (Contd.)

We communicate with those charged with governance of the Parent 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 auditors' 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 nine subsidiaries whose financial statements reflect total assets of ₹8,455.00 crore as at March 31, 2019, total revenues of ₹1,555.49 crore and net cash inflows amounting to ₹28.43 crore for the year ended on that date, as considered in the consolidated financial statements. 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 our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b) The comparative financial information of the Group for transition date opening balance sheet as at April 1, 2017 included in these consolidated financial statements, have been prepared after adjusting previously issued the consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 2, 2017 expressed an unmodified opinion on this consolidated financial statements. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of subsidiaries and associate, referred in the Other Matter paragraph above, 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, returns 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 Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiaries companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2019 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on auditors' reports of the Parent, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate (Refer note 35 to the consolidated financial statements);
 - ii. the Group and its associate company did not have any material foreseeable losses on long-term contracts including derivative contracts, as at the year-end;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and associate company incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Abhijit A. Damle
(Partner)
(Membership No. 102912)

Mumbai, dated: May 2, 2019

Independent Auditors' Report (Contd.)

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of JM Financial Limited (hereinafter referred to as "the Parent") and its subsidiary companies, and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India and where such reporting under Section 143(3) of the Act is applicable, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgement, including the assessment of the risks of material misstatement of the 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 subsidiary companies and associate company, which are companies incorporated in India, 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 system over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India and where such reporting under Section 143(3) of the Act is applicable.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India and where such reporting under Section 143(3) is applicable, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven subsidiary companies, which are companies incorporated in India and where such reporting under Section 143(3) of the Act is applicable, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Abhijit A. Damle
(Partner)
(Membership No. 102912)

Mumbai, dated: May 2, 2019

Consolidated Balance Sheet

as at March 31, 2019

₹ in Crore

Particulars	Note No.	As at	As at	As at
		March 31, 2019	March 31, 2018	April 01, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	5	751.77	649.08	401.61
Bank balances other than cash and cash equivalents	6	530.47	877.87	483.81
Trade receivables	7	685.05	854.68	1,271.61
Loans	8	14,336.93	14,931.11	11,211.17
Investments	9	2,933.34	2,388.45	1,782.89
Other financial assets	10	2,686.53	1,813.02	1,458.26
Total Financial Assets		21,924.09	21,514.21	16,609.35
Non-financial Assets				
Current tax assets (Net)	11	250.68	236.39	219.15
Property, plant and equipment	12	359.12	364.26	372.58
Capital work-in-progress	12	1.35	2.90	2.03
Other Intangible assets	12	11.99	10.37	8.86
Goodwill on consolidation		52.44	52.44	52.44
Other non-financial assets	13	35.47	25.72	13.62
Total Non-Financial Assets		711.05	692.08	668.68
Total Assets		22,635.14	22,206.29	17,278.03
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
Trade payables	14			
(i) total outstanding dues of micro enterprises and small enterprises		0.28	0.45	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		416.82	344.83	823.33
Debt securities	15	9,722.83	10,491.07	8,080.53
Borrowings (other than debt securities)	16	4,268.28	4,496.50	2,872.89
Other financial liabilities	17	332.03	197.75	159.04
Total Financial Liabilities		14,740.24	15,530.60	11,935.79
Non-Financial Liabilities				
Provisions	18	42.20	37.14	29.24
Deferred tax liabilities (net)	19	38.81	89.53	137.59
Other non-financial liabilities	20	47.75	76.62	46.30
Total Non-Financial Liabilities		128.76	203.29	213.13
Equity				
Equity share capital	21	83.99	83.79	79.45
Other equity	22	5,047.70	4,470.85	3,345.37
Equity attributable to owners of the Company		5,131.69	4,554.64	3,424.82
Non-controlling interests		2,150.40	1,394.72	1,181.13
Non-controlling interests of Security receipts holders under Distressed Credit Business		484.05	523.04	523.16
Total Equity		7,766.14	6,472.40	5,129.11
Total Liabilities and Equity		22,635.14	22,206.29	17,278.03

The accompanying notes form an integral part of the consolidated financial statements

1 to 52

In terms of our report of even date attached

For and on behalf of

Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Abhijit A. Damle

Partner

Membership No. 102912

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Managing Director

DIN – 00009079

E A Kshirsagar

Director

DIN – 00121824

Place : Mumbai

Date: May 2, 2019

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

₹ in Crore

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income:			
Revenue from Operations			
Interest Income	23	2,364.94	1,898.91
Fees and commission Income	24	576.83	698.58
Brokerage Income	25	190.21	218.83
Net gain on derecognition of financial assets carried at fair value	26	205.09	26.08
Other Operating Income	27	204.81	207.91
		3,541.88	3,050.31
Other Income	28	36.77	46.29
Total Revenue		3,578.65	3,096.60
Expenses:			
Finance costs	29	1,446.21	1,138.99
Net loss on fair value changes	30	79.16	63.66
Impairment on financial instruments	31	35.12	33.59
Employee benefits expense	32	421.61	391.01
Depreciation and amortisation expense	12	27.11	26.17
Other expenses	33	286.65	278.34
Total Expenses		2,295.86	1,931.76
Profit before tax		1,282.79	1,164.84
Tax expense:	34		
Current tax		489.23	454.06
Deferred tax		(42.49)	(69.75)
Tax adjustment of earlier years (net)		(0.43)	(2.54)
Total tax expense		446.31	381.77
Profit for the year		836.48	783.07
Add : Share in profit of associate		0.57	1.79
Profit after tax and share in profit of associate		837.05	784.86
Other Comprehensive Income (OCI)			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		8.37	1.67
(ii) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		(0.79)	0.17
- Share in Other Comprehensive Income of Associate		#	#
- Income tax on above		0.24	(0.05)
Total Other Comprehensive Income (Net of tax)		7.82	1.79
Total Comprehensive Income		844.87	786.65
Net Profit Attributable to:			
Owners of the Company		572.18	600.86
Non-controlling interests		264.87	184.00
Other Comprehensive Income Attributable to:			
Owners of the Company		7.93	1.77
Non-controlling interests		(0.11)	0.02
Total Comprehensive Income Attributable to:			
Owners of the Company		580.11	602.63
Non-Controlling Interest		264.76	184.02
Earnings per equity share (EPS)	36		
(face value of ₹1/- each)			
(Basic EPS (in ₹))		6.82	7.48
(Diluted EPS (in ₹))		6.79	7.44

The accompanying notes form an integral part of the consolidated financial statements 1 to 52

Denotes amount below ₹ 50,000/-

In terms of our report of even date attached

For and on behalf of

Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Abhijit A. Damle

Partner

Membership No. 102912

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman

DIN – 00009071

Vishal Kampani

Managing Director

DIN – 00009079

E A Kshirsagar

Director

DIN – 00121824

Place : Mumbai

Date: May 2, 2019

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2019

₹ in Crore

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Profit before tax	1,282.79	1,164.84
Adjustment for:		
Depreciation and amortisation expense	27.11	26.17
Amortisation of deferred employee compensation (ESOP)	17.99	15.22
Impairment on financial instruments	35.12	33.59
Loss on sale of fixed assets	0.20	0.09
Net gain on derecognition of investments carried at fair value	(97.32)	(85.53)
Net loss on fair value changes	79.16	63.66
Dividend income	(3.67)	(5.22)
Interest income	(84.68)	(96.37)
Operating profit before working capital changes	1,256.70	1,116.45
Adjustment for:		
Decrease in trade receivables	166.68	414.26
Decrease/(increase) in loans	576.81	(3,749.80)
(Increase)/decrease in other financial assets		
- (Increase) in financial assets under distressed credit business	(795.22)	(383.19)
- (Increase)/decrease in securities held as stock in trade	(49.18)	9.86
- (Increase) in assets held for arbitrage business	(64.99)	(77.28)
- Decrease/(increase) in other financial assets	14.06	(39.02)
(Increase) in other non-financial assets	(11.08)	(11.36)
Increase/(decrease) in trade payables	71.82	(478.06)
Increase in other financial liabilities	134.22	38.44
Increase in provisions	4.27	8.07
(Decrease)/increase in other non-financial liabilities	(28.87)	30.32
Cash generated from/ (used in) operations	1,275.22	(3,121.31)
Direct taxes paid (net)	(503.10)	(462.87)
Net cash generated from / (used in) operating activities	772.12	(3,584.18)
B Cash flow from investing activities		
Purchase of investments	(815.51)	(563.09)
Proceeds from sale of investments	249.41	168.59
Purchase of fixed assets	(21.02)	(21.61)
Proceeds from sale of fixed assets	0.10	0.54
Decrease/(Increase) in other bank balances	347.40	(394.06)
Interest received	84.68	96.37
Dividend received	3.67	5.22
Net cash (used in) investing activities	(151.27)	(708.04)

Consolidated Cash Flow Statement

for the year ended March 31, 2019

Particulars	₹ in Crore	
	For the year ended March 31, 2019	For the year ended March 31, 2018
C Cash flow from financing activities		
Proceeds from Issue of shares on exercise of options	0.20	4.60
Proceeds from Issue of shares (QIP) – Net of share issue expenses	-	641.68
Proceeds from Issue of shares to Non-Controlling Interest Shareholders – Net of share issue expenses	650.38	79.39
Payment on Buyback of shares to Non-Controlling Interest Shareholders	-	(55.67)
(Repayment of) / Proceeds from Debt Securities (net)	(768.24)	2,410.54
(Repayment of) / Proceeds from Borrowings other than Debt Securities (net)	(228.23)	1,623.61
Dividend paid on equity shares (including dividend distribution tax)	(172.27)	(164.46)
Net cash (used in) / generated from financing activities	(518.16)	4,539.69
Net increase in cash and cash equivalents	102.69	247.47
Cash and cash equivalents at the beginning of the year	649.08	401.61
Cash and cash equivalents at the end of the year	751.77	649.08

The accompanying notes form an integral part of the consolidated financial statements 1 to 52

In terms of our report of even date attached

For and on behalf of

Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Abhijit A. Damle

Partner

Membership No. 102912

Place : Mumbai

Date: May 2, 2019

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman

DIN – 00009071

Prashant Choksi

Company Secretary

Vishal Kampani

Managing Director

DIN – 00009079

Manish Sheth

Chief Financial Officer

E A Kshirsagar

Director

DIN – 00121824

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A. Equity share capital

	Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
Equity share capital	79.45	4.34	83.79	0.20	83.99

B. Other Equity

Particulars	Share application money pending allotment	Statutory Reserve	Capital Reserve	Reserves and Surplus				Other Comprehensive Income				Non Controlling Interest (NCI)*	Total	
				Reserve on acquisition / dilution in subsidiary companies	Securities Premium Reserve	Capital Redemption Reserve	Stock Option Outstanding Consolidation Reserve	Debt Redemption Reserve	Foreign Currency Translation Reserve	Retained earnings	Share of OCI of Associate			Other equity attributable to the owners of the Company
Balance as at April 1, 2017	# 402.77	4.16	21.97	13.36	161.56	1,956.34	-	-	3,345.37	1,704.29	5,049.66			
Profit for the year	-	-	-	-	-	600.86	-	-	600.86	184.00	784.86			
Other comprehensive income	-	-	-	-	-	0.10	1.67	#	1.77	0.02	1.79			
Total Comprehensive Income for the year	-	-	-	-	-	600.96	1.67	#	602.63	184.02	786.65			
Issue of Equity Shares pursuant to qualified institutional placement	-	-	645.98	-	-	-	-	-	645.98	-	645.98			
Share Issue Expenses	-	-	(5.99)	-	-	-	-	-	(5.99)	(0.08)	(6.07)			
Employee Stock Options (Net)	#	-	11.71	7.78	-	-	-	-	19.49	-	19.49			
Share application pending allotment	#	-	-	-	-	-	-	-	#	-	#			
Transfer to Other Reserves pursuant to Scheme of arrangement [Refer Note 50]	-	112.22	5.80	-	-	(118.02)	-	-	-	-	-			
On acquisition of equity shares from NCI shareholders in subsidiary companies	-	-	-	-	-	(17.69)	-	-	-	-	-			
On account of infusion by NCI shareholders in subsidiary companies	-	-	-	-	-	-	-	-	(0.20)	(8.41)	(8.61)			
On gain of control by the subsidiary company in its subsidiary trusts	-	-	-	-	21.12	-	-	-	21.12	21.12	42.24			
On buyback of shares to NCI by subsidiary company	-	-	-	-	-	-	-	-	(18.16)	(35.53)	(53.69)			
Tax on buyback of shares in a subsidiary company	-	-	-	-	-	(1.18)	-	-	(1.18)	(0.80)	(1.98)			
Dividend	-	-	-	-	-	(123.53)	-	-	(123.53)	(13.34)	(136.87)			
Dividend Distribution tax	-	-	-	-	-	(25.15)	-	-	(25.15)	(2.71)	(27.86)			
Transfer to NCI	-	-	-	-	-	(0.04)	-	-	(0.04)	0.04	-			
Balance as at March 31, 2018	# 514.99	21.85	1,231.66	27.77	182.68	2,271.69	1.67	#	4,470.85	1,917.76	6,388.61			

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 banking, wealth management and securities (IWS) which includes fee and fund based activities for its clients, (b) Mortgage Lending which includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and SME lending), (c) Distressed credit which includes the Asset Reconstruction business and (d) Asset Management includes the 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). 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.

Effective April 01, 2018, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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 17, and measurements that have some similarities to fair value but are not fair value such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the 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.

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.

Significant Accounting Policies

and notes to the Consolidated Financial Statements

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2.2.1 Subsidiaries

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling

interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group loses control of a subsidiary, a gain or loss is recognised in the Consolidated Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified /permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

2.3 Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange

Significant Accounting Policies

and notes to the Consolidated Financial Statements

of control of the acquiree. Acquisition related costs are generally recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that

- Deferred tax assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the

recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in Statement of Profit and Loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed of.

Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- 1) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

Significant Accounting Policies

and notes to the Consolidated Financial Statements

- 3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- 4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- 5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
- 6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost established at the date of acquisition of the business less accumulated impairment loss if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, if the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the units pro-rata based on the carrying amount of each asset in the unit, any impairment loss or goodwill is not reversed in subsequent period.

On disposal of relevant CGU the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.6 Property, plant and equipment and Intangible assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment,

if any. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Depreciation / amortisation is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful life
Property, Plant & Equipment	
Office Premises	60 years
Leasehold building	60 years or lease period whichever is lower
Leasehold improvements	10 years or lease period whichever is lower
Computers	3 years
Servers and Networks	6 years
Office equipment	5 years
Furniture and fixtures	10 years
Motor Vehicles	5 years
Intangible Assets	
Computer Software	5 years

Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or

Significant Accounting Policies

and notes to the Consolidated Financial Statements

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.

Leased assets

Assets acquired under finance lease are capitalised at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. These assets are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

Impairment losses on non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its property plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.7 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the Group becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

Significant Accounting Policies

and notes to the Consolidated Financial Statements

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

Debt instruments 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

Significant Accounting Policies

and notes to the Consolidated Financial Statements

be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of financial assets

Overview of the Expected Credit Loss principles:

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call

and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the 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.

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 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD.

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.

Significant Accounting Policies

and notes to the Consolidated Financial Statements

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets:

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

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 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

Significant Accounting Policies

and notes to the Consolidated Financial Statements

- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

2.8 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with customer and excludes amounts collected on behalf of third parties.

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 on the trade date.

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. 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.

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.

Management fees and incentive income under Distressed Credit business is recognised as per terms of the relevant trust deed/ offer documents.

2.9 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance Lease

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Significant Accounting Policies

and notes to the Consolidated Financial Statements

Operating lease

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.10 Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

2.11 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.12 Employee benefits

Defined contribution obligation

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined benefit obligation

The liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Group recognises current service cost, past service cost, if any and interest cost in the statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the period in which they occur in the OCI.

Short-term benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

2.13 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments to employees is recognized as deferred employee compensation and is expensed in Statement of Profit and Loss over the vesting period with a corresponding increase in employee stock option outstanding in other equity.

Significant Accounting Policies

and notes to the Consolidated Financial Statements

At the end of each year, the Group revisits its estimate of the number of equity instruments expected to vest and recognises any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in other equity.

2.14 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax

The Current tax is based on the taxable profit for the year of the Group. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences 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.

Minimum alternate tax credit

Minimum alternate tax credit is recognized as an asset only when and to the extent there is convincing evidence

that the Group will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

2.15 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.16 Segment Reporting

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.17 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- i. an entity has a present obligation (legal or constructive) as a result of a past event; and
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

Significant Accounting Policies

and notes to the Consolidated Financial Statements

- ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements.

2.18 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- i. estimated amount of contracts remaining to be executed on capital account and not provided for;
- ii. uncalled liability on shares and other investments partly paid;
- iii. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.19 Statement of Cash Flows

Cash Flow Statement is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Cash flow statement exclude items which are not available for general use as on the date of Balance Sheet, if any.

2.20 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash at banks and on hand, Cheques on hand and short term deposits.

2.21 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.22 Standards Issued but not yet effective

Ind AS 116 “Leases” was notified on 28th March, 2019 and it replaces Ind AS 17 “Leases”, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

3 First-time adoption of Ind AS

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows set out in note 49.

However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Group as detailed below:

Exemptions:

- a) **Deemed cost:** The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of transition date measured as per the previous

Significant Accounting Policies

and notes to the Consolidated Financial Statements

GAAP and use that carrying value as its deemed cost as of the transition date.

- b) **Share-based payments:** Ind AS 102 “Share based Payment” requires to measure equity-settled share-based payments to employees that were vested before the date of transition to Ind AS using fair value retrospectively. However, Ind AS 101 gives an option to measure equity-settled share-based payments at fair value prospectively from the transition date. Consequently, the Group has availed the option to fair value share based payments that vest after transition date.
- c) **Classification and measurement of financial assets:** The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist on the date of transition to Ind AS.
- d) **Business Combinations:** Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.
- e) **Prospective application of Ind AS 21 to business combinations:** Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquire. The group has elected to apply this exemption.
- f) **Currency translation differences:** Ind AS 101 permits foreign currency translation reserve to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired. The group elected to reset all foreign currency translation reserve to zero by transferring it to opening retained earnings at its transition date.
- g) **Investments in subsidiaries and associate:** Ind AS 101 gives an option to recognize the investment

in subsidiaries and associate at cost. Consequently, the Group has availed such option to value its investments in subsidiaries and associate at cost.

Estimates:

Impairment of financial assets : The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

4 Critical 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.

4.1 Critical judgements in applying accounting policies:

The following are the critical judgements, apart from those involving estimations (see note 4.2 below), that the directors have made 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.

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.

Significant Accounting Policies

and notes to the Consolidated Financial Statements

4.2 Key source of estimation uncertainty:

The following are the key assumptions concerning the future, 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.

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 46.

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 48.

Taxation:

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profits and all tax bases of assets and liabilities the company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Notes

to the Consolidated Financial Statements

5. Cash and Cash Equivalents

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash	0.05	0.03	0.01
Cheques on hand	14.58	-	-
Balances with banks:			
- In current accounts	389.56	177.80	146.33
- In deposit accounts	347.58	471.25	255.27
Total	751.77	649.08	401.61

6. Bank Balances other than Cash and Cash Equivalents

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
In deposit accounts			
Under lien against which facilities are availed (refer note 6.1)	435.77	596.81	386.87
Under lien against which facilities are not availed (refer note 6.1)	84.95	273.21	87.50
Other bank balances (refer note 6.2)	9.75	7.85	9.44
Total	530.47	877.87	483.81
Notes:			
6.1 Balances with banks in deposit accounts to the extent held as margin money or security against the borrowings, guarantees and other commitments.	520.72	870.02	474.37
6.2 Includes earmarked bank balances	7.59	6.56	6.03

7. Trade Receivables

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured, considered good	375.86	505.02	848.30
Unsecured, considered good	314.79	352.64	429.48
Unsecured, considered doubtful	6.48	7.52	1.67
	697.13	865.18	1,279.45
Less: Impairment loss allowance	(12.08)	(10.50)	(7.84)
Total	685.05	854.68	1,271.61

8. Loans

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
Term Loans:	13,210.90	12,718.58	9,524.19
Demand Loans	1,075.60	2,210.87	1,728.41
Inter Corporate Deposits	-	41.86	3.00
Accrued Interest	184.29	76.46	46.52
	14,470.79	15,047.77	11,302.12
Less: Impairment loss allowance	(133.86)	(116.66)	(90.95)
	14,336.93	14,931.11	11,211.17
Break up of loans into secured and unsecured			
Secured by tangible assets (including real estate mortgages shares, bonds, mutual funds, etc.)	14,462.62	14,893.63	10,719.48
Unsecured	8.17	154.14	582.64
	14,470.79	15,047.77	11,302.12
Less: Impairment loss allowance	(133.86)	(116.66)	(90.95)
Total	14,336.93	14,931.11	11,211.17

Note:

8.1 The loans are given in India to parties other than public sectors.

Notes

to the Consolidated Financial Statements

9. Investments

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(At amortised cost)			
Investment in Associate			
JM Financial Trustee Company Private Limited	0.03	0.03	0.03
Add : Share in post-acquisition profit	9.46	8.89	7.10
	9.49	8.92	7.13
Investments in debt instruments	201.92	108.00	-
Less: Impairment loss allowance	(1.13)	-	-
	200.79	108.00	-
	210.28	116.92	7.13
(At FVTPL)			
Equity instruments	225.80	296.67	193.68
Preference shares	7.28	7.52	0.68
Debt instruments	81.35	91.47	32.72
Fixed coupon notes	9.76	13.01	-
Security receipts	1,438.26	1,230.44	1,174.93
Convertible warrants	0.50	14.18	-
Venture capital fund units	90.18	71.86	91.37
Mutual fund units	869.92	546.37	282.37
Equity oriented mutual fund units (Refer note 9.1)	0.01	0.01	0.01
	2,723.06	2,271.53	1,775.76
Total	2,933.34	2,388.45	1,782.89
Break-up of Investments:			
Investments in India	2,857.08	2,294.19	1,701.85
Investments outside India	77.39	94.26	81.04
	2,934.47	2,388.45	1,782.89
Less: Impairment loss allowance	(1.13)	-	-
Total	2,933.34	2,388.45	1,782.89

Note:

9.1 Includes investment in units of equity oriented mutual fund of ₹ 0.01 Crore which represents initial contribution as a 'Sponsor' towards setting up of JM Financial Mutual Fund.

10. Other Financial Assets

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(At FVTPL)			
Financial Assets of Distressed Credit business	2,241.87	1,454.81	1,205.42
Assets held for Arbitrage activities	262.74	197.75	120.47
Debt securities held as stock in trade	49.18	-	9.86
Redemption proceeds receivable from Mutual fund	29.94	-	-
	2,583.73	1,652.56	1,335.75
Advances recoverable in cash to be received	55.42	99.80	24.24
Other deposits	29.66	35.07	83.83
Security deposits	11.86	11.69	11.27
Accrued interest on fixed deposits	5.36	13.56	2.40
Staff loans	0.32	0.33	0.46
Other receivables	0.18	0.01	0.31
	102.80	160.46	122.51
Total	2,686.53	1,813.02	1,458.26

11. Current Tax Assets (Net)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance tax (net of provisions)	250.68	236.39	219.15
Total	250.68	236.39	219.15

Notes

to the Consolidated Financial Statements

12. Property, Plant and Equipment and Intangible Assets

₹ in Crore

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount		
	As at April 01, 2018	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2019	As at April 01, 2018	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2019	As at March 31, 2019
A) Property, Plant and Equipment											
Owned assets:											
Land	0.36	0.08	-	-	0.44	-	-	-	-	-	0.44
Leasehold Building	54.90	-	-	-	54.90	1.04	1.04	-	-	2.08	52.82
Office premises	261.74	-	-	-	261.74	4.66	4.66	-	-	9.32	252.42
Leasehold improvements	11.96	5.12	0.78	-	16.30	4.38	3.42	0.53	-	7.27	9.03
Computers	14.62	6.26	0.99	#	19.89	4.17	4.90	0.98	#	8.09	11.80
Office equipment	6.23	1.28	0.58	#	6.93	2.17	1.99	0.55	#	3.61	3.32
Furniture and fixtures	29.19	2.38	0.55	#	31.02	4.36	4.40	0.54	#	8.22	22.80
Motor Vehicles	4.26	-	-	-	4.26	0.47	1.12	-	-	1.59	2.67
Leased assets :											
Motor Vehicles (Refer note 12.1)	3.85	2.86	1.44	-	5.27	1.60	1.29	1.44	-	1.45	3.82
TOTAL – A	387.11	17.98	4.34	#	400.75	22.84	22.82	4.04	#	41.63	359.12
B) Intangible Assets											
Software	13.83	5.91	0.16	-	19.58	3.46	4.29	0.16	-	7.59	11.99
Total – B	13.83	5.91	0.16	#	19.58	3.46	4.29	0.16	-	7.59	11.99
C. Capital Work-In-Progress											
Total (A + B + C)	400.94	23.89	4.50	#	420.33	26.30	27.11	4.20	#	49.22	372.46

Denotes amount below ₹ 50,000/-

₹ in Crore

Description	Gross carrying amount				Accumulated Depreciation				Net carrying amount		
	As at April 01, 2017	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2018	As at April 01, 2017	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2018	As at March 31, 2018
A) Property, Plant and Equipment											
Owned assets:											
Land	0.29	0.07	-	-	0.36	-	-	-	-	-	0.36
Leasehold Building	54.90	-	-	-	54.90	-	1.04	-	-	1.04	53.86
Office premises	261.74	-	-	-	261.74	-	4.66	-	-	4.66	257.08
Leasehold improvements	8.35	3.58	0.01	0.05	11.96	-	4.33	-	0.05	4.38	7.58
Computers	9.14	5.56	0.11	0.03	14.62	-	4.14	-	0.03	4.17	10.45
Office equipment	5.29	0.93	0.02	0.02	6.23	-	2.15	-	0.02	2.17	4.06
Furniture and fixtures	27.91	1.44	0.19	0.03	29.19	-	4.33	-	0.03	4.36	24.83
Motor Vehicles	2.93	1.33	-	-	4.26	-	0.47	-	-	0.47	3.79
Leased assets :											
Motor Vehicles (Refer note 12.1)	2.03	2.13	0.31	-	3.85	-	1.60	-	-	1.60	2.25
TOTAL – A	372.58	15.04	0.64	0.13	387.11	-	22.71	-	0.13	22.84	364.26
B) Intangible Assets											
Software	8.86	4.97	-	-	13.83	-	3.46	-	-	3.46	10.37
Total – B	8.86	4.97	-	-	13.83	-	3.46	-	-	3.46	10.37
C. Capital Work-In-Progress											
Total (A + B + C)	381.44	20.01	0.64	0.13	400.94	-	26.17	-	0.13	26.30	377.53

Note :

12.1 Vendor has lien over the assets taken on lease.

Notes

to the Consolidated Financial Statements

The Group has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

₹ in Crore

Particulars	Gross carrying amount	Accumulated Depreciation	Net carrying amount
Property, Plant and Equipment:			
Owned Assets:			
Land	0.29	-	0.29
Leasehold Building	63.57	8.67	54.90
Office premises	276.74	15.00	261.74
Leasehold improvements	28.35	20.01	8.35
Computers	32.01	22.87	9.14
Office equipment	31.08	25.79	5.29
Furniture and fixtures	47.31	19.40	27.91
Motor Vehicles	4.39	1.46	2.93
Leased Assets:			
Motor Vehicles	5.60	3.57	2.03
Total	489.34	116.76	372.58
Intangible Assets:			
Software	30.16	21.30	8.86
Stock exchange memberships	1.43	1.43	-
Stock exchange non-refundable deposits	0.09	0.09	-

13. Other Non-Financial Assets

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital advances	1.20	2.51	1.78
Prepaid expenses	13.06	7.55	7.61
Balances with government authorities	16.21	14.41	3.15
Advances receivable in kind	4.98	1.23	0.70
Others	0.02	0.02	0.38
Total	35.47	25.72	13.62

14. Trade Payables

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01 2017
Total outstanding dues of micro and small enterprises (Refer note 14.1)	0.28	0.45	-
Total outstanding dues of creditors other than micro and small enterprises	480.03	408.46	886.96
Less: Receivable from National Spot Exchange Limited (NSEL) on account of clients [Refer note 14.2]	(63.21)	(63.63)	(63.63)
	416.82	344.83	823.33
Total	417.10	345.28	823.33

Notes

to the Consolidated Financial Statements

Note:

14.1 Total outstanding dues of micro and small enterprises:

The amounts due to Micro and Small Enterprises 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, 2019	As at March 31, 2018	As at April 01, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.28	0.45	-
(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	0.28	0.45	-

14.2 This amount is payable to the clients only if and to the extent the same is received from NSEL.

15. Debt Securities

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(At amortised cost)			
Secured			
Non-convertible debentures (Refer notes 15.1 & 15.3)	6,101.00	5,408.55	2,895.63
	6,101.00	5,408.55	2,895.63
Unsecured			
Non-convertible debentures (Refer notes 15.1 & 15.3)	55.00	317.00	177.00
Commercial papers (Refer note 15.4)	3,221.70	4,543.30	5,002.60
Less: Unamortised discount on commercial papers	(110.37)	(88.64)	(139.75)
	3,166.33	4,771.66	5,039.85
Interest Accrued	455.50	310.86	145.05
Total	9,722.83	10,491.07	8,080.53
Debt securities in India	9,722.83	10,491.07	8,080.53
Debt securities outside India	-	-	-
Total	9,722.83	10,491.07	8,080.53

Notes

to the Consolidated Financial Statements

15.1 Maturity profile and rate of interest/discounted rate of interest of Non-Convertible Debentures (NCD):

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Secured:			
Public issue - Face value of ₹1,000 each			
9.25% Tranche I - Option I redeemable in year 2021-22	116.52	-	-
0% Tranche I - Option II redeemable in year 2021-22*	24.39	-	-
9.50% Tranche I - Option III redeemable in year 2023-24	365.30	-	-
9.11% Tranche I - Option IV redeemable in year 2023-24	17.03	-	-
9.75% Tranche I - Option V redeemable in year 2028-29	214.82	-	-
9.34% Tranche I - Option VI redeemable in year 2028-29	11.94	-	-
10.00% Tranche II - Option I redeemable in year 2022-23	98.72	-	-
0% Tranche II - Option II redeemable in year 2022-23*	31.73	-	-
10.10% Tranche II - Option III redeemable in year 2023-24	49.09	-	-
9.67% Tranche II - Option IV redeemable in year 2023-24	42.87	-	-
10.25% Tranche II - Option V redeemable in year 2028-29	25.04	-	-
9.81% Tranche II - Option VI redeemable in year 2028-29	16.15	-	-
	1,013.60	-	-
Private Placement - Face value of ₹ 10,00,000 each			
9.50% NCD redeemable in the year 2028-29	25.00	-	-
10.10% NCD redeemable in the year 2024-25	6.30	-	-
10.48% Tranche XXIII redeemable in the year 2023-24	50.00	-	-
0% NCD redeemable in year 2022-23*	110.00	-	-
NCD redeemable in year 2022-23**	150.00	-	-
9.35% Tranche XIV Option B redeemable in the year 2022-23	14.00	-	-
9.50% Tranche XVI redeemable in the year 2022-23	21.00	-	-
9.75% Tranche XVII redeemable in the year 2022-23	5.00	-	-
10.20% Tranche XX Option B redeemable in the year 2022-23	10.00	-	-
9.80% NCD redeemable in the year 2022-23	47.00	-	-
10.25% NCD redeemable in the year 2022-23	394.50	-	-
10.38% NCD redeemable in the year 2022-23	30.00	-	-
11.50% NCD redeemable in the year 2022-23	300.00	-	-
0 % NCD redeemable in year 2021-22*	513.80	477.80	-
9.05% NCD redeemable in year 2021-22	175.00	175.00	-
9.00% NCD redeemable in year 2021-22	10.00	10.00	10.00
9.20% NCD redeemable in year 2021-22	70.00	70.00	70.00
9.50% NCD redeemable in year 2021-22	25.00	25.00	25.00
9.70% NCD redeemable in year 2021-22	30.00	30.00	30.00
NCD redeemable in year 2021-22**	349.90	209.40	-
10% NCD redeemable in the F.Y. 2021-22	25.00	-	-
9.15% NCD redeemable in year 2020-21	82.60	82.60	-
9.3606% NCD redeemable in year 2020-21	42.80	42.80	-
9.05 % NCD redeemable in year 2020-21	30.00	30.00	-
0% NCD redeemable in year 2020-21*	333.10	428.10	93.10
NCD redeemable in year 2020-21**	554.90	438.90	-
9.10% Tranche XI NCD redeemable in year 2020-21	-	185.00	-
9.50% Tranche V NCD redeemable in the year 2020-21	150.00	150.00	150.00
9.3085 % Tranche VII Option A NCD redeemable in year 2020-21	50.00	50.00	-
9.30% Tranche IX NCD redeemable in year 2020-21	28.50	28.50	-
8.75% Tranche XV redeemable in the year 2020-21	25.00	-	-
9.25% Tranche XIV Option A redeemable in the year 2020-21	26.70	-	-
9.50% Tranche XXI Option A redeemable in the year 2020-21	25.00	-	-
11.00% Tranche XXV redeemable in the year 2020-21	25.00	-	-
8.85% NCD redeemable in the year 2020-21	-	30.00	-

Notes

to the Consolidated Financial Statements

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
9.3133% NCD redeemable in year 2019-20	50.00	200.00	-
8.75% NCD redeemable in year 2019-20	125.00	125.00	-
9.3037% NCD redeemable in year 2019-20	125.00	125.00	-
10.5% NCD redeemable in year 2019-20	50.00	50.00	50.00
9.7% NCD redeemable in year 2019-20	100.00	100.00	100.00
9.25% NCD redeemable in year 2019-20	50.00	50.00	50.00
9.69% NCD redeemable in year 2019-20	100.00	100.00	100.00
9.7665% NCD redeemable in year 2019-20	10.00	10.00	10.00
9.78% NCD redeemable in year 2019-20	7.50	7.50	7.50
9.42% NCD redeemable in year 2019-20	75.00	-	-
0% NCD redeemable in year 2019-20*	407.80	407.80	207.80
NCD redeemable in year 2019-20**	114.70	114.00	5.00
9.10% Tranche XIII NCD redeemable in year 2019-20	75.00	75.00	-
9.25% Tranche VII Option B NCD redeemable in year 2019-20	50.00	50.00	-
8.60% Tranche X NCD redeemable in year 2019-20	35.00	35.00	-
8.75% Tranche VIII NCD redeemable in year 2019-20	15.00	15.00	-
13.00% NCD redeemable in the year 2019-20	-	-	30.00
11.50% Tranche IV NCD redeemable in the year 2018-19	-	50.00	50.00
10.2609% NCD redeemable in year 2018-19	-	300.00	300.00
10.2946% NCD redeemable in year 2018-19	-	100.00	100.00
9.7307% NCD redeemable in year 2018-19	-	40.00	40.00
0% NCD redeemable in year 2018-19*	-	431.00	281.00
8.40% NCD redeemable in year 2018-19	-	75.00	75.00
8.81% NCD redeemable in year 2018-19	-	100.00	100.00
8.88% NCD redeemable in year 2018-19	-	15.00	15.00
8.89% NCD redeemable in year 2018-19	-	95.00	95.00
NCD redeemable in year 2018-19**	-	237.50	60.00
9.40% Tranche VI NCD redeemable in year 2018-19	-	40.00	40.00
0% NCD redeemable in year 2017-18*	-	-	150.00
10.1674% NCD redeemable in year 2017-18	-	-	75.00
10.1687% NCD redeemable in year 2017-18	-	-	100.00
10.5% NCD redeemable in year 2017-18	-	-	60.00
9.9756% NCD redeemable in year 2017-18	-	-	75.00
NCD redeemable in year 2017-18**	-	-	92.50
12.00% NCD redeemable in the year 2017-18	-	-	200.00
9.55% NCD redeemable in year 2017-18	-	-	50.00
	5,125.10	5,410.90	2,896.90
Unsecured:			
9.55% NCD redeemable in year 2019-20	55.00	-	-
0% NCD redeemable in year 2019-20*	-	317.00	-
8.75% NCD redeemable in year 2017-18	-	-	177.00
	55.00	317.00	177.00
Total	6,193.70	5,727.90	3,073.90

* 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 pledge of certain security receipts of the relevant subsidiary companies.

15.4 Commercial papers raised during the year have interest ranging from 7.50% to 11.00% p.a. (for FY 2017-18 - 6.50% to 11.25% p.a. and for FY 2016-17- 6.40% to 12.00% p.a.) and are repayable within a period upto 365 days from the date of disbursement.

Notes

to the Consolidated Financial Statements

16. Borrowings (Other than debt securities)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
Secured			
Term loans			
(i) from banks (Refer notes 16.1 & 16.8)	3,461.03	3,844.86	2,345.13
(ii) from others (Refer notes 16.2 & 16.9)	225.00	125.00	-
Short term loan from banks (Refer note 16.3)	-	84.00	-
Cash credit facilities (Refer note 16.4)	274.49	77.56	223.70
Overdraft accounts (Refer note 16.5)	2.84	124.17	127.03
Finance lease obligation (Refer note 16.6)	4.17	2.43	2.26
Total	3,967.53	4,258.02	2,698.12
Unsecured			
Borrowings under Securities lending and borrowings (SLB)	265.06	203.07	124.59
Inter corporate deposits	25.00	25.00	40.00
Total	290.06	228.07	164.59
Interest Accrued	10.69	10.41	10.18
Total	4,268.28	4,496.50	2,872.89
Borrowings in India	4,268.28	4,496.50	2,872.89
Borrowings outside India	-	-	-
Total	4,268.28	4,496.50	2,872.89

16.1 Term Loans from banks are secured by way of:

- floating first pari passu 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, and
- mortgage of property and hypothecation of rent receivable, of the relevant subsidiary companies.

16.2 Term loans from others are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances and security receipts of the relevant subsidiary companies.

16.3 Secured by way of hypothecation of certain identified security receipts of the relevant subsidiary company.

16.4 Secured by way of hypothecation on certain identified loan fund balances and security receipts of the relevant subsidiary companies.

16.5 Secured by collaterals/fixed deposits with banks.

16.6 Secured by way of hypothecation of vehicles.

16.7 Term loan includes impact of Effective interest rate (EIR) adjustment.

16.8 Maturity profile and rate of interest of term loans from banks:

₹ in Crore

Residual Maturities	As at March 31, 2019		
	Up to one year (April 2019 to March 2020)	1-3 years (April 2020 to March 2022)	3 years & above (April 2022 onwards)
8.00% to 9.00%	334.44	380.26	-
9.01% to 10.00%	1,023.02	1,284.47	244.07
10.01% to 11.00%	40.00	160.00	-
Total	1,397.46	1,824.73	244.07

Notes

to the Consolidated Financial Statements

₹ in Crore

Residual Maturities	As at March 31, 2018		
	Up to one year (April 2018 to March 2019)	1-3 years (April 2019 to March 2021)	3 years & above (April 2021 onwards)
8.00% to 9.00%	825.87	2,369.60	493.22
9.01% to 10.00%	72.50	87.50	-
10.01% to 11.00%	-	-	-
Total	898.37	2,457.10	493.22

₹ in Crore

Residual Maturities	As at April 01, 2017		
	Up to one year (April 2017 to March 2018)	1-3 years (April 2018 to March 2020)	3 years & above (April 2020 onwards)
8.00% to 9.00%	260.07	1,168.76	442.23
9.01% to 10.00%	54.57	151.13	71.85
10.01% to 11.00%	64.99	135.02	-
Total	379.63	1,454.91	514.08

16.9 Maturity profile and rate of interest of Term loans from others:

₹ in Crore

Residual Maturities	As at March 31, 2019		
	Up to one year (April 2019 to March 2020)	1-3 years (April 2020 to March 2022)	3 years & above (April 2022 onwards)
8.00% to 9.00%	25.00	25.00	-
9.01% to 10.00%	25.00	100.00	-
10.01% to 11.00%	-	50.00	-
Total	50.00	175.00	-

₹ in Crore

Residual Maturities	As at March 31, 2018		
	Up to one year (April 2018 to March 2019)	1-3 years (April 2019 to March 2021)	3 years & above (April 2021 onwards)
8.00% to 9.00%	-	50.00	-
9.01% to 10.00%	-	75.00	-
Total	-	125.00	-

16.10 Maturity profile above is disclosed at face value which excludes impact of EIR adjustment.

Notes

to the Consolidated Financial Statements

17. Other Financial Liabilities

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Employee benefit payable	153.89	156.02	126.05
Payables under repurchase obligation	143.05	-	-
Margin from clients / franchisees	18.21	5.23	12.35
Property deposit	2.52	2.24	2.30
Unclaimed dividend	2.45	2.37	2.09
Overdrawn bank balance	0.75	6.09	0.36
Other liabilities	11.16	25.80	15.89
Total	332.03	197.75	159.04

18. Provisions

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For employee benefits:			
Gratuity	25.48	22.06	16.29
Compensated absences	11.74	10.10	7.97
Others			
Clawback obligation	4.98	4.98	4.98
Total	42.20	37.14	29.24

19. Deferred Tax Liabilities (Net)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fiscal allowance on fixed assets	5.80	4.56	2.40
Disallowances under section 43B of the Income Tax Act, 1961	(21.49)	(17.73)	(12.84)
Net fair value gain / (loss) measured at FVTPL	18.65	57.12	70.09
Measurement of Financial Instruments at amortised cost	(28.87)	(28.48)	(23.89)
MAT credit entitlement	(6.87)	(6.58)	(4.95)
Impairment loss allowance on financial assets	(43.08)	(31.75)	(2.30)
Investments	115.43	115.43	110.18
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	(0.67)	(2.92)	(1.10)
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	(0.09)	(0.12)	-
Total	38.81	89.53	137.59

Notes

to the Consolidated Financial Statements

19.1 Table showing deferred tax recorded in the balance sheet and changes recorded in the tax expense:

For the year ended March 31, 2019

₹ in Crore

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	Utilised	Closing balance
Fiscal allowance on fixed assets	4.56	1.24	-	-	-	5.80
Disallowances under section 43B of the Income Tax Act, 1961	(17.73)	(3.52)	(0.24)	-	-	(21.49)
Net fair value gain / (loss) measured at FVTPL	57.12	(30.78)	-	(7.69)	-	18.65
Measurement of Financial Instruments at amortised cost	(28.48)	(0.39)	-	-	-	(28.87)
MAT credit entitlement	(6.58)	(0.29)	-	-	-	(6.87)
Impairment loss allowance on financial assets	(31.75)	(11.33)	-	-	-	(43.08)
Investments	115.43	-	-	-	-	115.43
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	(2.92)	2.55	-	(0.30)	-	(0.67)
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	(0.12)	0.03	-	-	-	(0.09)
Total	89.53	(42.49)	(0.24)	(7.99)	-	38.81

For the year ended March 31, 2018

₹ in Crore

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	Utilised*	Closing balance
Fiscal allowance on fixed assets	2.40	2.16	-	-	-	4.56
Disallowances under section 43B of the Income Tax Act, 1961	(12.84)	(4.94)	0.05	-	-	(17.73)
Net fair value gain / (loss) measured at FVTPL	70.09	(31.24)	-	18.27	-	57.12
Measurement of Financial Instruments at amortised cost	(23.89)	(4.59)	-	-	-	(28.48)
MAT credit entitlement*	(4.95)	(7.50)	-	-	5.87	(6.58)
Impairment loss allowance on financial assets	(2.30)	(29.45)	-	-	-	(31.75)
Investments	110.18	5.25	-	-	-	115.43
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	(1.10)	0.68	-	(2.50)	-	(2.92)
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	-	(0.12)	-	-	-	(0.12)
Total	137.59	(69.75)	0.05	15.77	5.87	89.53

* During the previous year ended March 31, 2018, MAT Credit entitlement amounting to ₹ 5.87 Crore was created and utilised in one of the subsidiary companies for which no deferred tax asset were created in the previous years.

Notes

to the Consolidated Financial Statements

19.2 Tax losses for which no deferred tax asset has been recognised:

₹ in Crore

Particulars	As at	Expiry Date	As at	Expiry Date	As at	Expiry Date
	March 31, 2019		March 31, 2018		April 01, 2017	
Brought forward losses (allowed to be carried forward for specified period)	-	-	0.07	March 31, 2019	0.07	March 31, 2019
Brought forward losses (allowed to be carried forward for specified period)	-	-	2.98	March 31, 2021	2.98	March 31, 2021
Brought forward losses (allowed to be carried forward for specified period)	32.92	March 31, 2022	38.66	March 31, 2022	39.98	March 31, 2022
Brought forward losses (allowed to be carried forward for specified period)	-	-	-	-	0.18	March 31, 2024
Brought forward losses (allowed to be carried forward for specified period)	-	-	-	-	6.51	March 31, 2025
Brought forward losses (allowed to be carried forward for specified period)	4.94	March 31, 2026	4.94	March 31, 2026	-	-
Brought forward losses (allowed to be carried forward for specified period)	3.25	March 31, 2027	-	-	-	-
Unabsorbed Depreciation (allowed to be carried forward for infinite period)	1.20	-	-	-	0.39	-
Total	42.31		46.65		50.11	

20. Other Non-Financial Liabilities

₹ in Crore

	As at	As at	As at
	March 31, 2019	March 31, 2018	April 01, 2017
Statutory dues	26.22	55.04	19.53
Income received in advance	4.16	3.47	8.20
Other liabilities	17.37	18.11	18.57
Total	47.75	76.62	46.30

21. Equity Share Capital

₹ in Crore

	As at	As at	As at
	March 31, 2019	March 31, 2018	April 01, 2017
Authorised			
152,02,00,000 (as at 31.03.2018 - 152,02,00,000) (as at 01.04.2017 - 100,00,00,000) equity shares of ₹ 1/- each	152.02	152.02	100.00
4,38,00,000 (as at 31.03.2018 - 4,38,00,000) (as at 01.04.2017 - Nil) preference shares of ₹ 10/- each	43.80	43.80	-
	195.82	195.82	100.00
Issued, Subscribed and Paid-up			
83,99,31,463 (as at 31.03.2018 - 83,78,80,258) (as at 01.04.2017 - 79,45,25,114) equity shares of ₹ 1/- each fully paid-up	83.99	83.79	79.45
Total	83.99	83.79	79.45

Notes

to the Consolidated Financial Statements

21.1 Reconciliation of the number of equity shares outstanding:

₹ in Crore

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	83,78,80,258	83.79	79,45,25,114	79.45
Shares issued upon exercise of stock option	2,051,205	0.20	32,32,438	0.33
Shares issued and allotted pursuant to the qualified institutional placement (Refer note 21.4)	-	-	4,01,22,706	4.01
Shares outstanding at the end of the year	83,99,31,463	83.99	83,78,80,258	83.79

21.2 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.

21.3 Details of shareholders holding more than 5 percent shares:

Name of Shareholders	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding	No. of Shares held	% of total holding
J. M. Financial & Investment Consultancy Services Private Limited	20,34,06,600	24.22%	20,34,06,600	24.28%	20,34,06,600	25.60%
Nimesh Kampani*	13,53,57,500	16.12%	13,53,57,500	16.15%	13,53,57,500	17.04%
J. M. Assets Management Private Limited	10,30,42,908	12.27%	10,30,42,908	12.30%	10,30,42,908	12.97%

* includes 12,50,000 equity shares held by Nimesh Kampani HUF.

21.4 Issue of equity shares to Qualified Institutional Buyers:

During the previous year 2017-18, the Company issued and allotted 4,01,22,706 equity shares of the face value of ₹ 1/- each to the eligible qualified institutional buyers at the issue price of ₹ 162/- per equity share aggregating ₹ 649.99 Crore through Qualified Institutional Placement (QIP) in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder from time to time.

22. Other Equity

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Share application money pending allotment	-	#	#
Statutory reserve (under section 45-IC of the RBI Act, 1934)	641.52	514.99	402.77
Capital reserve	21.85	21.85	4.16
Reserve on acquisition / dilution in subsidiary companies	137.45	(7.85)	-
Securities premium reserve	1,242.60	1,231.66	579.96
Capital redemption reserve	27.77	27.77	21.97
Stock option outstanding	38.87	31.23	16.13
Deferred employee compensation expense	(10.96)	(10.09)	(2.77)
Capital reserve on consolidation	174.64	182.68	161.56
Debenture redemption reserve	33.76	-	-
General reserve	205.25	205.25	205.25
Initial corpus	#	#	#
Retained earnings	2,524.91	2,271.69	1,956.34
Foreign currency translation reserve	10.04	1.67	-
Share in OCI of associate	#	#	-
Total	5,047.70	4,470.85	3,345.37

Denotes amount below ₹ 50,000/-

Notes

to the Consolidated Financial Statements

Movement in Other Equity

₹ in Crore

	As at March 31, 2019	As at March 31, 2018
Share application money pending allotment		
Opening balance	#	#
Add: stock options exercised but pending allotment	-	#
Less: allotted during the year	(#)	(#)
Closing balance	-	#
Statutory reserve		
Opening balance	514.99	402.77
Add: transferred from retained earnings	126.53	112.22
Closing balance	641.52	514.99
Capital reserve		
Opening balance	21.85	4.16
Add: pursuant to the scheme of arrangement [Refer note 50]	-	17.69
Closing balance	21.85	21.85
Reserve on acquisition / dilution in subsidiary companies		
Opening balance	(7.85)	-
Less: on acquisition of equity shares from non-controlling interest shareholders in subsidiary companies	(8.10)	(0.20)
Add: on account of infusion by non-controlling interest shareholders in subsidiary companies	153.40	10.51
Less: on buyback of shares to non-controlling interest shareholders by subsidiary company	-	(18.16)
Closing balance	137.45	(7.85)
Securities premium reserve		
Opening balance	1,231.66	579.96
Add: on shares allotted upon exercise of stock options by the employees	11.22	11.71
Add: on shares allotted pursuant to the qualified institutional placement	-	645.98
Less: Share issue expenses (net of deferred tax)	(0.28)	(5.99)
Closing balance	1,242.60	1,231.66
Capital redemption reserve		
Opening balance	27.77	21.97
Add: transferred from retained earnings	-	5.80
Closing balance	27.77	27.77
Stock option outstanding		
Opening balance	31.23	16.13
Add: additions on account of fresh grants during the year	24.00	23.76
Less: transferred to securities premium upon exercise of ESOS	(11.22)	(7.44)
Less: reduction on account of options lapsed during the year	(5.14)	(1.22)
	38.87	31.23
Less : Deferred employee compensation	(10.96)	(10.09)
Closing balance	27.91	21.14
Capital reserve on consolidation		
Opening balance	182.68	161.56
Add: on gain of control by the subsidiary company in its subsidiary trusts	-	21.12
Less: on loss of control by the subsidiary company in its subsidiary trusts	(3.77)	-
Less: on loss of control by the subsidiary company in its subsidiary trusts transferred to retained earnings	(4.27)	-
Closing balance	174.64	182.68
Debenture redemption reserve		
Opening balance	-	-
Add: transferred from retained earnings	33.76	-
Closing balance	33.76	-
General reserve	205.25	205.25
Initial corpus		
Opening balance	#	#
Add: on gain of control by the subsidiary company in its subsidiary trusts	#	#
Closing balance	#	#

Notes

to the Consolidated Financial Statements

Movement in Other Equity

₹ in Crore

	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Opening balance	2,271.69	1,956.34
Add: profit for the year	572.18	600.86
Add: other comprehensive income	(0.44)	0.10
Less: transferred to non-controlling interest	-	(0.04)
Add: on loss of control by the subsidiary company in its subsidiary trusts transferred from Capital reserve on consolidation	4.27	-
Less: pursuant to the scheme of arrangement [Refer note 50]	-	(17.69)
Amount available for appropriations	2,847.70	2,539.57
Less: appropriations		
Interim dividend	41.99	55.84
Final dividend	92.26	67.69
Dividend distribution tax		
Of the company	5.56	0.91
Of the subsidiaries	22.69	24.24
Tax on buyback of shares in a subsidiary company	-	1.18
Transferred to special reserve	126.53	112.22
Transferred to debenture redemption reserve	33.76	-
Transferred to capital redemption reserve	-	5.80
Closing balance	2,524.91	2,271.69
Foreign currency translation reserve		
Opening balance	1.67	-
Add: during the year	8.37	1.67
Closing balance	10.04	1.67
Share of OCI of associate		
Opening balance	#	-
Add: during the year	#	#
Closing balance	#	#
Total	5,047.70	4,470.85

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:

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit every year in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

Capital reserve & Capital redemption reserve:

Capital reserve and capital redemption reserve represents reserves created pursuant to the business combination and buy-back of shares in subsidiary companies up to the year end.

Reserve on acquisition / dilution in subsidiary companies:

Reserve on acquisition / dilution in subsidiary companies represents reserves created pursuant to the acquisition, infusion or dilution of stake in subsidiary companies not resulting in change of control in those subsidiary companies.

Securities premium reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Stock option outstanding:

Stock options outstanding account relates to the stock options granted by the Company to employees under an Employee Stock options Plan (refer note 42)

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.

Notes

to the Consolidated Financial Statements

Debenture redemption reserve:

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. It is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

General reserve:

General reserve is created from time to time by transferring profits from retained earnings and can be utilized for purposes such as dividend payout, bonus issue, etc.

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 recognized directly in the other comprehensive income and accumulated in foreign currency translation reserve.

23. Interest Income

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
(At Amortised Cost)		
Interest on loans	2,284.79	1,869.94
Interest on investments	33.00	0.50
(At Fair value through Profit or Loss)		
Interest on financial assets	47.15	28.47
Total	2,364.94	1,898.91

24. Fees and Commission Income

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Fees and commission income	576.83	698.58
Total	576.83	698.58

25. Brokerage Income

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Brokerage income	190.21	218.83
Total	190.21	218.83

26. Net Gain on Derecognition of Financial assets carried at Fair Value

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain on derecognition of financial assets carried at fair value (Realised)	205.09	26.08
Total	205.09	26.08

Notes

to the Consolidated Financial Statements

27. Other Operating Income

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain on derecognition of investments carried at fair value (Realised)	82.68	57.63
Interest income	70.06	84.94
Income from arbitrage activities	31.88	45.08
Rental income	16.52	15.04
Dividend income	3.67	5.22
Total	204.81	207.91

28. Other Income

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain on derecognition of investments carried at fair value (Realised)	14.64	27.90
Interest income	14.62	11.43
Miscellaneous income	7.51	6.96
Total	36.77	46.29

29. Finance Costs

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
(At Amortised Cost)		
Debt securities	1,037.12	818.03
Borrowings (other than debt securities)	380.75	303.90
Other interest expense	28.34	17.06
Total	1,446.21	1,138.99

30. Net Loss on Fair Value Changes:

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net loss on financial instruments measured at fair value through profit or loss	79.16	63.66
Total	79.16	63.66
-Realised	9.60	(3.70)
-Unrealised	69.56	67.36
Total	79.16	63.66

31. Impairment on Financial Instruments

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
(At Amortised Cost)		
On loans	17.20	29.85
On investments	1.13	-
On trade receivables	2.95	2.66
On financial assets	13.84	1.08
Total	35.12	33.59

Notes

to the Consolidated Financial Statements

32. Employee Benefits Expense

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, bonus, other allowances and benefits (Refer note 42)	398.56	368.28
Contribution to provident and other funds	15.00	12.08
Gratuity (Refer note 38)	4.97	7.69
Staff welfare expenses	3.08	2.96
Total	421.61	391.01

33. Other Expenses

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sub-brokerage, fees and commission	101.09	103.57
Legal and professional fees	23.46	24.21
Donation	23.36	19.45
Rates and taxes	17.96	22.64
Space and other related costs (Refer note 37 [A])	17.27	14.37
Manpower expenses	14.47	12.43
Information technology expenses	13.21	12.53
Advertisement and other related expenses	11.58	3.65
Travelling, hotel and conveyance expenses	8.90	9.45
Membership and subscriptions	8.05	8.02
Repairs and maintenance	7.68	6.18
Insurance expenses	4.32	4.07
Electricity expenses	4.27	4.35
Communication expenses	3.51	3.82
Directors' commission	3.48	5.22
Printing and stationery	2.60	2.73
Support service fees	2.50	2.50
Loans and other assets written off	1.82	4.24
Auditors' remuneration (Refer note 33.1)	1.62	1.49
Fund expenses	1.06	0.91
Loss on sale of assets	0.20	0.09
Business conference and seminar expenses	0.09	0.12
Miscellaneous expenses	14.15	12.30
Total	286.65	278.34

33.1 Payment to Auditors (excluding Goods and services tax)*

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fees	1.23	1.17
Certification and other matters	0.36	0.31
Reimbursement of expenses	0.03	0.01
TOTAL	1.62	1.49
Fees paid to in connection with NCD Issue / QIP debited to Securities premium reserve as Share issue expenses	0.08	0.22
Total	1.70	1.71

* includes payments to other auditors of the relevant subsidiary companies aggregating ₹ 0.81 Crore (Previous year ₹ 0.69 Crore).

Notes

to the Consolidated Financial Statements

34. Tax Expense

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	489.23	454.06
Deferred tax	(42.49)	(69.75)
Tax adjustment in respect of earlier years	(0.43)	(2.54)
Total income tax expenses recognised in Statement of Profit and Loss	446.31	381.77
Income tax expense recognised in OCI	0.24	(0.05)

Reconciliation of total tax charge

₹ in Crore

	For the year ended March 31, 2019	For the year ended March 31, 2018
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	1,282.79	1,164.84
Income tax rate	34.944%	34.608%
Income tax expense	448.26	403.13
Tax Effect of:		
Effect of income that is exempt from tax	(1.34)	(4.46)
Effect of expenses that are not deductible in determining taxable profits	5.63	12.58
Effect of income taxable at differential rate	(15.30)	(20.18)
Effect of change in tax rate	(8.22)	0.35
Set of unabsorbed depreciation and loss	(1.53)	(6.14)
Tax effect on unrecognised deferred tax assets	19.40	6.20
MAT credit utilisation*	-	(5.87)
Adjustment in respect of earlier years (net)	(0.43)	(2.54)
Others	(0.16)	(1.30)
Total	(1.95)	(21.36)
Income tax expense recognised in Statement of profit and loss	446.31	381.77

*During the previous year ended March 31, 2018, MAT Credit entitlement amounting to ₹ 5.87 Crore was created and utilised in one of the subsidiary companies for which no deferred tax asset were created in the previous years.

35. Contingent liabilities and capital commitments

Contingent Liability*

Contingent liability in respect of income tax demands for various years disputed in appeal is ₹ 40.09 Crore, (FY 2017-18 - ₹ 36.62 Crore) (FY 2016-17 - ₹ 34.85 Crore).

Disputed demands of service tax authorities is ₹ 9.98 crore (FY 2017-18 - ₹ 0.82 Crore) (FY 2016-17 - ₹ 1.27 Crore).

* Future cash outflows in respect of above matters is determinable only on receipt of judgments/decisions pending at various authorities.

Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 2.41 Crore (FY 2017-18 - ₹ 3.98 Crore) (FY 2016-17 - ₹ 5.93 Crore).

Uncalled liability on account of commitment to subscribe to investment is ₹ 114.12 Crore (FY 2017-18 - ₹ 212.35 Crore) (FY 2016-17 ₹ 1.40 Crore). Commitment of purchase of security receipts is ₹ 66.29 Crore (FY 2017-18 - Nil) (FY 2016-17 Nil).

Notes

to the Consolidated Financial Statements

36. Earnings Per Share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity shareholders (In ₹ Crore)	572.18	600.86
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	83,94,64,985	80,28,94,653
Basic earnings per share (Rupees)	6.82	7.48
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	83,94,64,985	80,28,94,654
Dilutive potential equity shares (Nos.)	38,27,455	50,67,212
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	84,32,92,440	80,79,61,866
Diluted earnings per share (₹)	6.79	7.44
Nominal value per share (₹)	1	1

37. Lease Transactions

A) Operating Lease

- i) The Group has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges from 12 months to 108 months.

The future minimum rental payments in respect of non-cancellable lease for premises are as follows:

Due	₹ in Crore		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Not later than one year	3.54	3.17	5.05
Later than one year and not later than five years	3.74	4.50	7.69
Later than five years	0.43	0.05	0.12
Total	7.71	7.72	12.86

Lease payments recognised in the Statement of Profit and Loss for the current year are ₹ 5.34 Crore (Previous year ₹ 5.55 Crore).

- ii) The Group has taken certain assets (premises and furniture & fixtures) on cancellable operating lease for a period ranging from 12 months to 108 months. Lease payment recognised in the Statement of Profit and Loss for the year in respect thereof aggregates ₹ 11.93 Crore (previous year ₹ 8.82 Crore).

B) Finance Lease

The Group has taken vehicles on finance lease agreement. The tenure of lease agreements ranges from 36 and 60 months with an option of prepayments / foreclosure. The minimum lease rentals outstanding as at the year-end are as under:

	Minimum lease Payments		
	Total minimum lease payments outstanding as at March 31, 2019	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2019
Not later than one year	2.16	0.83	1.33
Later than one year and not later than five years	3.85	1.01	2.84
Later than five years	-	-	-
Total	6.01	1.84	4.17

Notes

to the Consolidated Financial Statements

₹ in Crore

Minimum lease Payments			
	Total minimum lease payments outstanding as at March 31, 2018	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2018
Not later than one year	1.34	0.44	0.90
Later than one year and not later than five years	2.12	0.59	1.53
Later than five years	-	-	-
Total	3.46	1.03	2.43

₹ in Crore

Minimum lease Payments			
	Total minimum lease payments outstanding as at April 01, 2017	Lease finance charges not due	Present value of the minimum lease payment as at April 01, 2017
Not later than one year	1.50	0.31	1.19
Later than one year and not later than five years	1.29	0.22	1.07
Later than five years	-	-	-
Total	2.79	0.53	2.26

38. Employee Benefit

Defined contribution plans

The Group operates defined contribution plan (Provident fund) for all qualifying employees of the Group. The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

The Group's contribution to Provident Fund aggregating ₹ 15.00 Crore (FY 2017-18: ₹ 12.08 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.

Notes

to the Consolidated Financial Statements

a) The assumptions used for the purposes of the actuarial valuations were as follows:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Significant assumptions			
Discount rate	7.55%	7.85%	7.20%
Expected rate of salary escalation	7.00%	7.00%	7.00%
Other assumption			
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

b) Amount recognised in balance sheet in respect of these defined benefit obligation:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Present value of defined benefit obligation	25.48	22.06	16.29
Net liability	25.48	22.06	16.29

c) Amount recognised in statement of profit and loss in respect of these defined benefit obligation:

₹ in Crore

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	3.32	1.87
Net interest expense	1.57	1.10
Past service cost	0.08	4.72
Total amount recognised in Statement of Profit and Loss	4.97	7.69
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	(0.02)	-
- Actuarial (gain)/loss from change in financial assumptions	0.31	(1.12)
- Actuarial (gain)/loss from change in experience adjustments	0.50	0.95
Total amount recognised in other comprehensive income	0.79	(0.17)
Total	5.76	7.52

The current service cost, past service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

d) Movement in the present value of the defined benefit obligation are as follows:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	22.06	16.29
Current service cost	3.32	1.87
Net Interest cost	1.57	1.10
Past service cost	0.08	4.72
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	(0.02)	-
Actuarial (gain)/loss from change in financial assumptions	0.31	(1.12)
Actuarial (gain)/loss from change in experience adjustments	0.50	0.95
Liabilities assumed / (settled)	(0.46)	0.02
Benefits paid	(1.88)	(1.77)
Closing defined benefit obligation	25.48	22.06

Notes

to the Consolidated Financial Statements

- 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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
DBO on increase in 50bps	24.28	26.36	21.08	22.89
Impact of increase in 50bps on DBO (%)	(4.73%)	3.44%	(4.43%)	3.77%
DBO on decrease in 50bps	26.78	24.62	23.25	21.38
Impact of decrease in 50bps on DBO (%)	5.09%	(3.39%)	5.38%	(3.08%)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Expected benefits for year 1	2.58	2.24
Expected benefits for year 2	1.82	1.46
Expected benefits for year 3	1.58	1.71
Expected benefits for year 4	1.57	1.47
Expected benefits for year 5	2.12	1.44
Expected benefits for year 6	1.83	1.92
Expected benefits for year 7	2.16	1.66
Expected benefits for year 8	2.08	1.94
Expected benefits for year 9	2.56	1.95
Expected benefits for year 10 and above	46.06	42.41

Notes

to the Consolidated Financial Statements

39 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)

C Non-Executive / Independent Directors

Mr. Nimesh Kampani (NNK)

Independent Directors:

Mr. E A Kshirsagar (EAK)

Mr. Darius E Udawadia (DEU)

Mr. Paul Zuckerman (PSZ)

Mr. Vijay Kelkar (VLK)

Mr. Keki Dadiseth (KBD)

Ms. Jagi Mangat Panda (JMP)

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)

E Individual exercising control or significant influence in reporting enterprise 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)

F Enterprise over which close members of 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)

Notes

to the Consolidated Financial Statements

2) Details of transactions with related parties

	Associate		Key Management Personnel		Non-Executive / Independent Directors		Individual exercising control or significant influence in reporting enterprise and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Enterprise over which close member of family of key management personnel are able to exercise significant influence		Total		
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2017-19
ICD repaid to													
Trustee	-	15.00	-	-	-	-	-	-	-	-	-	-	15.00
Interest paid on ICD from													
Trustee	-	0.91	-	-	-	-	-	-	-	-	-	-	0.91
Employee related liability transferred to													
JMFICS	-	-	-	-	-	-	-	-	0.06	-	0.06	-	-
Secondary brokerage received from													
JMFICS	-	-	-	-	-	-	-	-	0.39	0.04	0.39	0.04	0.04
KOL	-	-	-	-	-	-	-	-	0.13	-	0.13	-	-
PICPL	-	-	-	-	-	-	-	-	0.11	-	0.11	-	-
SNK	-	-	-	-	-	-	-	-	0.07	#	0.07	#	#
VNK	-	-	-	-	-	-	-	-	-	-	-	-	#
Trustee	#	0.04	-	-	-	-	-	-	-	-	-	-	0.04
J.M. Asset	-	-	-	-	-	-	-	-	0.02	#	0.02	#	#
Others	-	-	-	-	-	-	#	-	-	-	-	-	-
Recovery of expenses from													
JMFICS	-	-	-	-	-	-	-	-	#	#	#	#	#
Reimbursement of expenses to													
JMFICS	-	-	-	-	-	-	-	-	0.11	0.09	0.11	0.09	0.09
J.M.Assets	-	-	-	-	-	-	-	-	0.01	-	0.01	-	-
CMPL	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03	0.03
Remuneration paid to													
VNK	-	-	14.37	14.43	-	-	-	-	-	-	14.37	14.43	14.43
AG	-	-	-	-	-	-	-	-	0.63	-	-	-	0.63
Director's sittings Fees													
NNK	-	-	-	-	-	-	0.11	0.14	-	-	-	-	0.14
EAK	-	-	-	-	-	-	-	-	-	-	-	-	0.13
DEU	-	-	-	-	-	-	-	-	-	-	-	-	0.10
PSZ	-	-	-	-	-	-	-	-	-	-	-	-	0.09
VLK	-	-	-	-	-	-	-	-	-	-	-	-	0.10
KBD	-	-	-	-	-	-	-	-	-	-	-	-	0.09
JMP	-	-	-	-	-	-	-	-	0.05	0.07	-	-	0.07
Directors commission													
NNK	-	-	-	-	-	-	0.01	0.23	-	-	0.01	0.23	0.23
EAK	-	-	-	-	-	-	-	-	-	-	-	-	0.30
DEU	-	-	-	-	-	-	-	-	-	-	-	-	0.20
PSZ	-	-	-	-	-	-	-	-	-	-	-	-	0.20
VLK	-	-	-	-	-	-	-	-	-	-	-	-	0.22

Notes

to the Consolidated Financial Statements

	₹ in Crore												
	Associate		Key Management Personnel		Non-Executive / Independent Directors		Individual exercising control or significant influence in reporting enterprise and close members of the family of any such person / Close Members of the Family (Relatives) of Key management of Key management personnel		Enterprise over which close member of family of key management personnel are able to exercise significant influence		Total		
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
KBD	-	-	-	-	0.27	0.27	-	-	-	-	-	0.27	0.27
JMP	-	-	-	-	0.20	0.20	-	-	-	-	-	0.20	0.20
Dividend paid to JMFICS	-	-	-	-	-	-	-	-	37.85	40.62	-	37.85	40.62
Trustee	0.18	-	-	-	-	-	-	-	-	-	-	0.18	-
J.M. Assets	-	-	-	-	-	-	-	-	17.54	17.77	-	17.54	17.77
JSB	-	-	-	-	-	-	-	-	1.04	1.01	-	1.04	1.01
PICPL	-	-	-	-	-	-	-	-	0.26	0.26	-	0.26	0.26
KCL	-	-	-	-	-	-	-	-	0.11	0.11	-	0.11	0.11
SNK	-	-	-	-	-	-	-	-	1.88	1.81	-	1.88	1.81
NNK	-	-	-	-	-	-	-	22.75	22.86	-	22.75	22.86	
ARNK	-	-	-	-	-	-	-	6.26	6.14	-	6.26	6.14	
VNK	-	-	1.72	1.61	-	-	-	-	-	-	-	1.72	1.61
AG	-	-	-	-	-	-	-	1.28	1.24	-	-	1.28	1.24
Rent paid to JMFICS	-	-	-	-	-	-	-	-	1.43	1.38	-	1.43	1.38
KCL	-	-	-	-	-	-	-	-	0.05	0.05	-	0.05	0.05
JSB	-	-	-	-	-	-	-	-	0.60	1.20	-	0.60	1.20
J.M.Assets	-	-	-	-	-	-	-	-	0.84	-	-	0.84	-
Subscription charges paid to CMPL	-	-	-	-	-	-	-	-	0.02	0.01	-	0.02	0.01
Support service fees paid to JMFICS	-	-	-	-	-	-	-	-	2.50	2.50	-	2.50	2.50
Demat charges received from JMFICS	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	#	#	-	-	-	#	-	-	-	#	#
Security deposit paid to JMFICS	-	-	-	-	-	-	-	-	0.04	0.22	-	0.04	0.22
J.M.Assets	-	-	-	-	-	-	-	-	0.84	-	-	0.84	-
Security Deposit refund to NNK	-	-	-	-	-	-	-	0.60	-	-	-	-	0.60
Security deposit refund received from JSB	-	-	-	-	-	-	-	-	0.60	-	-	0.60	-
JMFICS	-	-	-	-	-	-	-	-	-	0.21	-	-	0.21
Sale of Debt securities held as Stock in trade	-	-	-	-	-	-	-	-	-	-	-	-	-
VNK	-	-	2.55	-	-	-	-	-	-	-	-	-	2.55

Consolidated

Notes

to the Consolidated Financial Statements

	Associate		Key Management Personnel		Non-Executive / Independent Directors		Individual exercising control or significant influence in reporting enterprise and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel		Enterprise over which close member of family of key management personnel are able to exercise significant influence		Total		
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2017-19
Balance outstanding at the year end													
Security deposit (paid)													
JSB	-	-	-	-	-	-	-	-	-	0.60	-	-	0.60
JMFICS	-	-	-	-	-	-	-	-	0.80	0.76	-	-	0.80
J.M.Assets	-	-	-	-	-	-	-	-	0.84	-	-	-	0.84
Investment in Trustee	0.03	0.03	-	-	-	-	-	-	-	-	-	-	0.03
Receivables from JMFICS	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables to NNK	-	-	-	-	-	-	0.01	0.23	-	-	-	-	0.01
VNK	-	-	-	11.50	-	-	-	-	-	-	-	-	11.00
AG	-	-	-	-	-	-	0.16	0.66	-	-	-	-	0.16
EAK	-	-	-	-	0.30	0.30	-	-	-	-	-	-	0.30
DEU	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20
PSZ	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20
VLK	-	-	-	-	0.26	0.22	-	-	-	-	-	-	0.26
KBD	-	-	-	-	0.27	0.27	-	-	-	-	-	-	0.27
JMP	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20

Denotes amount below ₹ 50,000/-

Notes

to the Consolidated Financial Statements

Balance outstanding at the year end – on transition date (April 01, 2017):

₹ in Crore

	Associate	Key Management Personnel	Individual exercising control or significant influence in reporting enterprise and close members of the family of any such person / Close Members of the Family (Relatives) of Key management personnel	Enterprise over which close member of family of key management personnel are able to exercise significant influence	Total
Security deposit (paid)					
JSB	-	-	-	0.60	0.60
JMFICS	-	-	-	0.74	0.74
Security deposit (received)					
NNK	-	-	0.60	-	0.60
Investment in					
Trustee	0.03	-	-	-	0.03
Payables to					
NNK	-	-	1.75	-	1.75
VNK	-	10.00	-	-	10.00
AG	-	-	0.62	-	0.62
Trustee	15.00	-	-	-	15.00

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

40. Maturity Analysis of Assets and Liabilities

₹ in Crore

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
1 Financial Assets									
A Cash and cash equivalents	751.77	-	751.77	649.08	-	649.08	401.61	-	401.61
B Bank balance other than (A) above	529.71	0.76	530.47	877.11	0.76	877.87	483.05	0.76	483.81
C Trade receivables	685.05	-	685.05	854.68	-	854.68	1,271.61	-	1,271.61
D Loans	4,706.68	9,630.25	14,336.93	6,569.52	8,361.59	14,931.11	4,801.02	6,410.15	11,211.17
E Investments	1,738.81	1,194.53	2,933.34	785.75	1,602.70	2,388.45	367.51	1,415.38	1,782.89
F Other financial assets	1,098.92	1,587.61	2,686.53	509.48	1,303.54	1,813.02	347.76	1,110.50	1,458.26
	9,510.94	12,413.15	21,924.09	10,245.62	11,268.59	21,514.21	7,672.56	8,936.79	16,609.35
2 Non-financial Assets									
A Current tax assets (net)	-	250.68	250.68	-	236.39	236.39	-	219.15	219.15
B Property, plant and equipment	-	359.12	359.12	-	364.26	364.26	-	372.58	372.58
C Capital work-in-progress	-	1.35	1.35	-	2.90	2.90	-	2.03	2.03
D Other intangible assets	-	11.99	11.99	-	10.37	10.37	-	8.86	8.86
E Goodwill on consolidation	-	52.44	52.44	-	52.44	52.44	-	52.44	52.44
F Other non-financial assets	27.29	8.18	35.47	21.19	4.53	25.72	10.08	3.54	13.62
	27.29	683.76	711.05	21.19	670.89	692.08	10.08	658.60	668.68
Total Assets	9,538.23	13,096.91	22,635.14	10,266.81	11,939.48	22,206.29	7,682.64	9,595.39	17,278.03

₹ in Crore

	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Within 12 months	After 12 months	Total	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	0.28	-	0.28	0.45	-	0.45	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	416.82	-	416.82	344.83	-	344.83	823.33	-	823.33
B Debt securities	4,881.81	4,841.02	9,722.83	6,192.03	4,299.04	10,491.07	5,881.63	2,198.90	8,080.53
C Borrowings (Other than Debt securities)	1,962.40	2,305.88	4,268.28	1,397.38	3,099.12	4,496.50	878.81	1,994.08	2,872.89
D Other financial liabilities	274.48	57.55	332.03	176.67	21.08	197.75	142.47	16.57	159.04
	7,535.79	7,204.45	14,740.24	8,111.36	7,419.24	15,530.60	7,726.24	4,209.55	11,935.79
2 Non-Financial Liabilities									
A Provisions	13.74	28.46	42.20	11.64	25.50	37.14	10.42	18.82	29.24
B Deferred tax liabilities (Net)	-	38.81	38.81	-	89.53	89.53	-	137.59	137.59
C Other non-financial liabilities	47.29	0.46	47.75	75.67	0.95	76.62	45.47	0.83	46.30
	61.03	67.73	128.76	87.31	115.98	203.29	55.89	157.24	213.13
Total Liabilities	7,596.82	7,272.18	14,869.00	8,198.67	7,535.22	15,733.89	7,782.13	4,366.79	12,148.92

Notes

to the Consolidated Financial Statements

41. A) Entities Included in Consolidation

₹ in Crore

Name of the Entity	Country of incorporation	Proportion of interest as on March 31, 2019 (%)	Proportion of interest as on March 31, 2018 (%)
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	99.35	99.30
JM Financial Credit Solutions Limited [refer note (ii)]	India	47.05	50.01
JM Financial Asset Management Limited	India	59.54	59.54
JM Financial Asset Reconstruction Company Limited [refer note (iii)]	India	59.25	57.07
JM Financial Home Loans Limited [refer note (iv)]	India	98.35	99.30
Partnership Firm in India			
Astute Investments	India	100.00	100.00
Subsidiaries outside India (including step-down subsidiaries)			
JM Financial Overseas Holdings Private Limited	Mauritius	100.00	100.00
JM Financial Singapore Pte. Ltd.	Singapore	100.00	100.00
JM Financial Securities, Inc	USA	100.00	100.00
Associate			
JM Financial Trustee Company Private Limited	India	25.00	25.00

Notes:

- Aggregate shareholding in JM Financial Products Limited increased from 99.30% to 99.35% consequent upon the acquisition of 2,75,000 equity shares of JM Financial Products Limited.
- Aggregate shareholding in the JM Financial Credit Solutions Limited reduced to 47.05% consequent upon the allotment of 2,57,885 equity shares by JM Financial Credit Solutions Limited to the non-controlling shareholders.
- Aggregate shareholding in the JM Financial Asset Reconstruction Company Limited (JMFARC) increased from 57.07% to 59.25% consequent upon the acquisition of 75,00,000 equity shares.
- Aggregate shareholding in the JM Financial Home Loans Limited reduced to 98.35% consequent upon the allotment of 12,00,000 equity shares by JM Financial Home Loans Limited to the non-controlling shareholder.

Notes

to the Consolidated Financial Statements

B) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises 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	506.35	6.56%	0.92	0.11%	(0.04)	(0.55%)	0.88	0.10%
Subsidiaries in India (including step down-subsiaries)								
Infinite India Investment Management Limited	14.35	0.19%	2.74	0.33%	(0.00)	(0.01%)	2.74	0.32%
JM Financial Institutional Securities Limited	59.55	0.77%	6.15	0.73%	(0.14)	(1.81%)	6.01	0.71%
JM Financial Properties and Holdings Limited	111.46	1.45%	3.75	0.45%	(0.01)	(0.08%)	3.74	0.44%
JM Financial Services Limited	128.99	1.67%	11.76	1.40%	(0.17)	(2.20%)	11.59	1.37%
JM Financial Commtrade Limited	24.68	0.32%	0.91	0.11%	(0.02)	(0.25%)	0.89	0.11%
CR Retail Malls (India) Limited	25.81	0.33%	8.84	1.06%	(0.00)	(0.01%)	8.84	1.05%
JM Financial Products Limited	1,432.03	18.56%	202.97	24.25%	0.10	1.29%	203.07	24.04%
JM Financial Credit Solutions Limited	1,368.74	17.74%	196.30	23.45%	(0.01)	(0.17%)	196.29	23.23%
JM Financial Asset Reconstruction Company Limited**	749.63	9.72%	94.71	11.31%	(0.07)	(0.90%)	94.64	11.20%
JM Financial Asset Management Limited	122.12	1.58%	24.40	2.92%	(0.06)	(0.75%)	24.34	2.88%
JM Financial Capital Limited	264.02	3.42%	21.21	2.53%	(0.01)	(0.08%)	21.20	2.51%
JM Financial Home Loans Limited	109.97	1.43%	(6.52)	(0.78%)	(0.01)	(0.11%)	(6.53)	(0.77%)
Partnership Firm in India								
Astute Investments	3.68	0.05%	6.07	0.73%	-	-	6.07	0.72%
Subsidiaries outside India (including step-down subsidiaries)								
JM Financial Overseas Holdings Private Limited	124.95	1.62%	0.38	0.05%	10.34	132.28%	10.72	1.27%
JM Financial Singapore Pte. Ltd.	14.79	0.19%	(3.20)	(0.38%)	(1.73)	(22.12%)	(4.93)	(0.58%)
JM Financial Securities, Inc	8.64	0.11%	0.22	0.03%	(0.24)	(3.15%)	(0.02)	0.00%
Associate								
JM Financial Trustee Company Private Limited	9.49	0.12%	0.57	0.07%	#	0.00%	0.57	0.07%
	5,079.25	65.85%	572.18	68.36%	7.93	101.37%	580.11	68.66%
Non-Controlling Interests in all subsidiaries	2,634.45	34.15%	264.87	31.64%	(0.11)	(1.37%)	264.76	31.34%
Total	7,713.70	100.00%	837.05	100.00%	7.82	100.00%	844.87	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/-

42. Employee Stock Option Scheme (ESOS)

The Employee Stock Option Scheme ('the Scheme') provides for grant of stock options to the eligible employees and/or directors ("the Employees") of the Company and/or its subsidiaries. The Stock Options are granted at an exercise price, which is either equal to the fair market price or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee of the Board of the Company.

During the financial year 2018-19, the Nomination and Remuneration Committee has granted 18,48,018 options under Series 11 (previous year 23,19,636 options-Series 10 at an exercise price of ₹ 1/- per option to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

Notes

to the Consolidated Financial Statements

The details of options are as under:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Outstanding at the beginning of the year	49,99,654	60,67,294
Add: Granted during the year	18,48,018	23,19,636
Less: Exercised and shares allotted during the year	20,17,448	32,24,438
Less: Exercised but pending allotment	Nil	33,757
Less: Forfeited/cancelled during the year	5,085	Nil
Less: Lapsed during the year	4,69,515	1,29,081
Outstanding at end of year	43,55,624	49,99,654
Exercisable at end of year	10,87,302	15,18,763

The Group follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Details of options granted during the current and previous financial year based on the graded vesting and fair value of the options are as under:

Tranches	% of Options to be vested	No. of options granted		Vesting date		Fair value per option (₹)	
		Current year	Previous year	Current Year	Previous year	Current year	Previous year
Tranche-1	33.33%	6,16,006	7,73,212	April 12, 2019	April 20, 2018	131.10	103.48
Tranche-2	33.33%	6,16,006	7,73,212	April 12, 2020	April 20, 2019	129.86	102.42
Tranche-3	33.33%	6,16,006	7,73,212	April 12, 2021	April 20, 2020	128.62	101.36
		18,48,018	23,19,636				

The following table summarizes the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)		Risk-free interest rate		Volatility		Dividend Yield	
	Current year	Previous year	Current year	Previous year	Current Year	Previous year	Current year	Previous year
Tranche-1	3.00	3.00	7.28%	6.76%	0.4474	0.4741	1.31%	1.42%
Tranche-2	3.75	3.75	7.42%	6.91%	0.4462	0.4821	1.31%	1.42%
Tranche-3	4.50	4.50	7.52%	6.97%	0.4630	0.4921	1.31%	1.42%

Details of options granted under various series are as under:

	Series 5	Series 6	Series 7	Series 8	Series 9	Series 10	Series 11
Grant date	16/04/2012	06/05/2013	01/04/2014	16/04/2015	12/05/2016	20/04/2017	12/04/2018
Options granted	73,02,669	36,45,774	44,85,267	14,44,440	12,55,515	23,19,636	18,48,018
Options exercised till March 31, 2019	62,85,630	30,91,695	38,25,872	12,21,726	7,77,239	6,09,955	N.A.
Options forfeited/cancelled till March 31, 2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2019	7,21,857	3,76,054	3,57,193	96,294	40,799	3,25,573	2,15,808
Outstanding at end of year	2,95,182	1,78,025	3,02,202	1,26,420	4,37,477	13,84,108	16,32,210
Exercisable at end of year	2,95,182	1,78,025	3,02,202	1,26,420	59,771	1,25,702	N.A.

Notes

to the Consolidated Financial Statements

	Series 5	Series 6	Series 7	Series 8	Series 9	Series 10	Series 11
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
Exercise period	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant	Within 7 years from the date of grant
Exercise price(refer note[i])	₹1.00	₹1.00	₹1.00	₹1.00	₹1.00	₹1.00	₹1.00
Pricing formula	As was determined by the Compensation Committee at its meeting held on April 16, 2012	As was determined by the Compensation Committee at its meeting held on May 6, 2013	As was determined by the Compensation Committee at its meeting held on March 25, 2014	As was determined by the Nomination and Remuneration Committee at its meeting held on April 16, 2015	As was determined by the Nomination and Remuneration Committee at its meeting held on May 12, 2016	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

Notes:

- (i) Additionally during the year, an aggregate amount of ₹ 11.64 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, 2, 3 and 4 as on March 31, 2019, the details of options granted has not been included above.
- (iii) ESOP Cost recognised in Statement of Profit and Loss is ₹ 17.99 Crore (Previous year ₹ 15.22 Crore).

43. Operating Segments

The Group has four reportable segments, namely, Investment banking, Wealth Management and Securities Business (IWS), Mortgage Lending, Distressed Credit and Asset management.

Segment	Principal activities
Investment banking, Wealth Management and Securities Business (IWS)	Investment banking, Wealth Management and Securities Business includes management of capital markets transactions, advising on mergers & acquisitions, and private equity syndication. The company also provides 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. This segment also includes institutional equities business. It also involves administration and management of private equity and real estate funds.
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, lending to education institutions and SME Lending.
Distressed Credit	Distressed Credit includes securitisation and reconstruction of financial assets.
Asset management	Asset management business involves managing mutual fund assets through several schemes, offering a range of investment options to a large number of clients which predominantly include institutional and corporate clients as well as high net worth individuals.

Notes

to the Consolidated Financial Statements

Disclosure in respect of segment reporting pursuant to Ind AS 108 on 'Operating Segments'

₹ in Crore

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Segment revenue		
A Investment banking, Wealth Management and Securities Business (IWS)	1,635.39	1,724.38
B Mortgage Lending	1,290.62	941.69
C Distressed Credit	560.06	319.41
D Asset management	93.56	112.31
E Others	60.00	55.37
Total segment revenue	3,639.63	3,153.16
Less: Inter - segmental revenue	(60.98)	(56.56)
Total revenue	3,578.65	3,096.60
Segment results		
A Investment banking, Wealth Management and Securities Business (IWS)	377.74	590.93
B Mortgage Lending	619.79	481.96
C Distressed Credit	201.46	(2.45)
D Asset management	57.01	80.52
E Others	26.79	13.88
Profit before tax	1,282.79	1,164.84
Less: tax expense	(446.31)	(381.77)
Profit for the year	836.48	783.07
Add : Share in profit of associate	0.57	1.79
Profit after tax and share in profit of associate	837.05	784.86
Other Comprehensive Income	7.82	1.79
Total Comprehensive Income	844.87	786.65

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Segment assets			
A Investment banking, Wealth Management and Securities Business (IWS)	8,816.07	10,833.63	8,812.93
B Mortgage Lending	8,707.01	7,340.05	5,575.36
C Distressed Credit	4,477.51	3,145.76	2,470.55
D Asset management	228.86	211.05	242.79
E Others	353.25	623.36	123.96
Total segment assets	22,582.70	22,153.85	17,225.59
Segment liabilities			
A Investment banking, Wealth Management and Securities Business (IWS)	6,282.85	8,400.31	6,740.13
B Mortgage Lending	5,685.90	5,641.18	4,209.78
C Distressed Credit	2,728.23	1,516.70	1,164.79
D Asset management	14.28	15.42	13.17
E Others	157.74	160.28	21.05
Total segment liabilities	14,869.00	15,733.89	12,148.92

Notes

to the Consolidated Financial Statements

₹ in Crore

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Capital expenditure incurred during the year		
A Investment banking, Wealth Management and Securities Business (IWS)	8.36	17.02
B Mortgage Lending	8.28	1.63
C Distressed Credit	0.90	0.37
D Asset management	0.37	0.33
E Others	3.11	2.26
Total capital expenditure	21.02	21.61
Depreciation / amortisation for the year		
A Investment banking, Wealth Management and Securities Business (IWS)	14.54	14.34
B Mortgage Lending	0.96	0.25
C Distressed Credit	0.92	1.12
D Asset management	1.76	1.78
E Others	8.93	8.68
Total depreciation / amortisation	27.11	26.17
Significant Non-Cash Expenses other than depreciation / amortisation		
A Investment banking, Wealth Management and Securities Business (IWS)	16.50	39.13
B Mortgage Lending	18.68	19.85
C Distressed Credit	23.45	(1.01)
D Asset management	2.39	1.52
E Others	0.03	0.03
Total Non-cash Expenses	61.05	59.52

44. 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, 2019			For the year ended March 31, 2018		
	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.	19.85	0.13	19.98	15.61	-	15.61
b) Amount spent:						
In cash	19.89	0.13	20.02	15.65	-	15.65
Yet to be paid in cash	-	-	-	-	-	-
Total	19.89	0.13	20.02	15.65	-	15.65
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	19.89	0.13	20.02	15.65	-	15.65

45. Financial information of subsidiaries that have material non-controlling interest:

a) Subsidiaries that have material non-controlling interests is provided below:

₹ in Crore

Name of the entity	Place of business / country of incorporation	Ownership interest held by the group			Ownership interest held by non-controlling interest			Principal Activities
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
JM Financial Credit Solutions Limited (JMFCSL)	India	47.05%	50.01%	50.01%	52.95%	49.99%	49.99%	Mortgage Lending
JM Financial Asset Reconstruction Company Limited (JMFARC)	India	59.25%	57.07%	50.01%	40.75%	42.93%	49.99%	Distressed Credit

Notes

to the Consolidated Financial Statements

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 45.1)	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Total Income	1,279.09	940.15	560.06	319.41
Profit for the year	406.39	314.92	131.60	2.07
Other Comprehensive Income	(0.03)	(0.02)	(0.12)	#
Profit allocated to non-controlling interests	210.09	157.43	36.89	0.97
OCI allocated to non-controlling interests	(0.02)	(0.01)	(0.05)	#
Dividends paid to non-controlling interests	-	-	-	-

Denotes amount below ₹ 50,000/-

ii) Summarised Balance Sheet

₹ in Crore

	JM Financial Credit Solutions Limited			JM Financial Asset Reconstruction Company Limited (Refer note 45.1)		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial Assets	8,498.22	7,309.94	5,561.68	4,489.64	3,145.51	2,647.53
Non-Financial Assets	64.30	56.51	46.65	10.43	7.24	3.85
	8,562.52	7,366.45	5,608.33	4,500.07	3,152.75	2,651.38
Financial Liabilities	5,647.71	5,689.72	4,252.87	2,698.51	1,438.09	1,219.07
Non-Financial Liabilities	5.51	8.24	1.87	52.28	85.60	126.57
	5,653.22	5,697.96	4,254.74	2,750.79	1,523.69	1,345.64
Net Assets (Equity)	2,909.30	1,668.49	1,353.59	1,749.28	1,629.06	1,305.74
Net assets attributable to non-controlling interests	1,540.56	834.08	676.66	515.60	474.79	391.22
Net assets attributable to security receipts holders under distressed credit business	-	-	-	484.05	523.04	523.16

iii) Summarised Cash Flow

₹ in Crore

	JM Financial Credit Solutions Limited		JM Financial Asset Reconstruction Company Limited (Refer note 45.1)	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Cash flows from operating activities	(431.60)	(1,318.14)	50.66	(56.67)
Net Cash flows from investing activities	(286.14)	1.90	(1,041.64)	(424.79)
Net Cash flows from financing activities	777.73	1,432.88	1,108.47	491.91
Net increase/(decrease) in cash and cash equivalents	59.99	116.64	117.49	10.45

Note:

45.1 The numbers presented above are as per consolidated financial statements of JMFARC.

46. 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

Notes

to the Consolidated Financial Statements

- 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, 2019	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	751.77	751.77
Bank Balances other than cash and cash equivalents	-	530.47	530.47
Investments	2,723.06	210.28	2,933.34
Loans	-	14,336.93	14,336.93
Trade Receivables	-	685.05	685.05
Other Financial assets	2,583.73	102.80	2,686.53
Total	5,306.79	16,617.30	21,924.09
Financial liabilities			
Borrowings (other than debt securities)	-	4,268.28	4,268.28
Debt Securities	-	9,722.83	9,722.83
Trade payables	-	417.10	417.10
Other Financial Liabilities	-	332.03	332.03
Total	-	14,740.24	14,740.24

₹ in Crore

As at March 31, 2018	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	649.08	649.08
Bank Balances other than cash and cash equivalents	-	877.87	877.87
Investments	2,271.53	116.92	2,388.45
Loans	-	14,931.11	14,931.11
Trade Receivables	-	854.68	854.68
Other Financial assets	1,652.56	160.46	1,813.02
Total	3,924.09	17,590.12	21,514.21
Financial liabilities			
Borrowings (other than debt securities)	-	4,496.50	4,496.50
Debt Securities	-	10,491.07	10,491.07
Trade payables	-	345.28	345.28
Other Financial Liabilities	-	197.75	197.75
Total	-	15,530.60	15,530.60

₹ in Crore

As at April 01, 2017	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	401.61	401.61
Bank Balances other than cash and cash equivalents	-	483.81	483.81
Investments	1,775.77	7.12	1,782.89
Loans	-	11,211.17	11,211.17
Trade Receivables	-	1,271.61	1,271.61
Other Financial assets	1,335.75	122.51	1,458.26
Total	3,111.52	13,497.83	16,609.35
Financial liabilities			
Borrowings (other than debt securities)	-	2,872.89	2,872.89
Debt Securities	-	8,080.53	8,080.53
Trade payables	-	823.33	823.33
Other Financial Liabilities	-	159.04	159.04
Total	-	11,935.79	11,935.79

Notes

to the Consolidated Financial Statements

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, 2019	Level 1	Level 2	Level 3	Total
Financial assets (Measured at FVTPL)				
Investments				
- Security Receipts	-	-	1,438.26	1,438.26
- Other than security receipts	980.98	269.62	34.20	1,284.80
	980.98	269.62	1,472.46	2,723.06
Other Financial assets				
- Financial assets under Distressed Credit Business	-	-	2,241.87	2,241.87
- Others	292.68	49.18	-	341.86
	292.68	49.18	2,241.87	2,583.73

₹ in Crore

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets (Measured at FVTPL)				
Investments				
- Security Receipts	-	-	1,230.44	1,230.44
- Other than security receipts	729.03	302.84	9.22	1,041.09
	729.03	302.84	1,239.66	2,271.53
Other Financial assets				
- Financial assets under Distressed Credit Business	-	-	1,454.81	1,454.81
- Others	197.75	-	-	197.75
	197.75	-	1,454.81	1,652.56

₹ in Crore

As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets (Measured at FVTPL)				
Investments				
- Security Receipts	-	-	1,174.93	1,174.93
- Other than security receipts	397.86	193.46	9.51	600.83
	397.86	193.46	1,184.44	1,775.76
Other Financial assets				
- Financial assets under Distressed Credit Business	-	-	1,205.42	1,205.42
- Others	120.47	9.86	-	130.33
	120.47	9.86	1,205.42	1,335.75

Except for those financial instruments for which the fair values are mentioned in the above table, the Group considers that 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	NAV / Quoted price as on the reporting date.
Equity Instruments	Quoted price as on the reporting date / latest available trade price.
Mutual Funds / Venture Capital Fund Units	NAV as on the reporting date / latest available NAV.
Security Receipts	NAV as on the reporting date.

Notes

to the Consolidated Financial Statements

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, 2019 and March 31, 2018.

	₹ in Crore	
	Security receipts	Financial Assets under Distressed Credit Business
As at April 01, 2017	1,174.93	1,205.42
Acquisitions	233.11	191.24
Realisations	(87.21)	(149.68)
Acquisition/Disposal of controlling interest in subsidiary trusts	(1.32)	207.70
Net Gain on derecognition	1.76	24.32
Interest income on financial assets	-	18.77
Net (Loss) on fair value changes	(90.83)	(42.96)
As at March 31, 2018	1,230.44	1,454.81
Acquisitions	282.97	1,157.04
Realisations	(217.57)	(217.24)
Acquisition/Disposal of controlling interest in subsidiary trusts	41.52	(272.69)
Net Gain on derecognition	136.40	68.69
Interest income on financial assets	-	43.08
Net (Loss)/Gain on fair value changes	(35.50)	8.18
As at March 31, 2019	1,438.26	2,241.87

4) Sensitivity for instruments:

Nature of the instrument	Fair Value As at March 31, 2019	Significant unobservable inputs	Increase / Decrease in the unobservable input	₹ in Crore	
				Sensitivity Impact for the year ended March 31, 2019	
				FV Increase	FV Decrease
Investment in Security receipts	1,438.26	Estimated cash flow based on realisation of collaterals value, etc.	5%	67.85	(67.85)
Financial Assets under Distressed Credit Business	2,241.87	Same as above	5%	112.10	(112.10)

Nature of the instrument	Fair Value As at March 31, 2018	Significant unobservable inputs	Increase / Decrease in the unobservable input	₹ in Crore	
				Sensitivity Impact for the year ended March 31, 2018	
				FV Increase	FV Decrease
Investment in Security receipts	1,230.44	Estimated cash flow based on realisation of collaterals value, etc.	5%	62.26	(62.26)
Financial Assets under Distressed Credit Business	1,454.81	Same as above	5%	71.78	(71.78)

Notes

to the Consolidated Financial Statements

47. Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The primary objective of the Group's Capital Management is to maximize shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances, and liquid investments.

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Gross debt	13,991.11	14,987.58	10,953.42
Less: Cash and cash equivalents	751.77	649.08	401.61
Less: Deposits under lien against which facilities are not availed	84.95	273.21	87.50
Less: Liquid investments in mutual funds (Refer note 47.1)	899.86	546.37	282.37
Adjusted net debt	12,254.53	13,518.92	10,181.94
Total equity (refer note 47.2)	7,229.65	5,896.92	4,553.51
Adjusted net debt to equity ratio	1.70	2.29	2.24

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.

47.1 Includes redemption proceeds receivable from Mutual Fund amounting to ₹ 29.94 Crore as on March 31, 2019, received on next working day.

47.2 Equity includes total equity less non-controlling interests of security receipts holders under distressed credit business and net of goodwill on consolidation.

48. 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.

Notes

to the Consolidated Financial Statements

The Group measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. The Group has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases. Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Credit Risk Assessment Methodology

The Group has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters.

Finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience. As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower. After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

The Group has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

The Group monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments. Close monitoring of debt servicing enables to maintain high recovery ratios and maintain satisfactory asset quality.

The Credit Committee, 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 for its information. The Group continue to monitor the credit exposure until our loans are fully repaid.

For Retail Loans:

The Demand/ Call loans are a line of credit facility sanctioned to a client up to which they can draw the money as and when required and can repay anytime as per liquidity available with them. Disbursement under Demand/Call Loan shall be at the absolute discretion of the Group. Further, such loans are a credit facility which can be recalled at any time.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives and head office executives. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

For Trade receivables and other financial assets:

The investment banking, wealth management and securities 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.

Notes

to the Consolidated Financial Statements

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	Lifetime ECL
Stage 3	Non-performing assets	Lifetime ECL – credit-impaired

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 future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and 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, 2019	As at March 31, 2018	As at April 1, 2017
Stage 1	13,891.76	14,803.76	10,907.43
Stage 2	468.62	141.44	380.60
Stage 3	110.41	102.57	14.09
Total	14,470.79	15,047.77	11,302.12

Notes

to the Consolidated Financial Statements

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans:

₹ in Crore

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	14,803.76	141.44	102.57	15,047.77
New assets originated or purchased	12,038.10	2.28	4.18	12,044.56
Assets derecognised or repaid (excluding write offs)	(12,502.94)	(88.28)	(30.32)	(12,621.54)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(422.45)	422.45	-	-
Transfers to Stage 3	(24.71)	(9.27)	33.98	-
Gross carrying amount closing balance	13,891.76	468.62	110.41	14,470.79

₹ in Crore

	2017-18			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	10,907.43	380.6	14.09	11,302.12
New assets originated or purchased	13,977.00	-	-	13,977.00
Assets derecognised or repaid (excluding write offs)	(9,922.41)	(304.80)	-	(10,227.21)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(141.44)	141.44	-	-
Transfers to Stage 3	(16.82)	(75.80)	92.62	-
Assets written off	-	-	(4.14)	(4.14)
Gross carrying amount closing balance	14,803.76	141.44	102.57	15,047.77

₹ in Crore

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	92.77	2.12	21.77	116.66
New assets originated or purchased	65.54	0.03	4.18	69.75
Assets derecognised or repaid (excluding write offs)	(60.49)	(1.21)	(5.59)	(67.29)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(3.14)	7.55	-	4.41
Transfers to Stage 3	(1.75)	(0.39)	12.47	10.33
ECL allowance - closing balance	92.93	8.10	32.83	133.86

₹ in Crore

	2017-18			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	71.21	5.65	14.09	90.95
New assets originated or purchased	81.67	-	-	81.67
Assets derecognised or repaid (excluding write offs)	(54.81)	(4.57)	-	(59.38)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(1.06)	2.13	-	1.07
Transfers to Stage 3	(4.24)	(1.09)	11.82	6.49
Provisions written back	-	-	(4.14)	(4.14)
ECL allowance - closing balance	92.77	2.12	21.77	116.66

Notes

to the Consolidated Financial Statements

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

	As at March 31, 2019
Stage 1	201.92
Stage 2	-
Stage 3	-
Total	201.92

An analysis of ageing of the gross carrying amount and the changes in the ECL allowances in relation to investments in debt instruments measured at amortised cost:

₹ in Crore

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-
New assets originated or purchased	201.92	-	-	201.92
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Gross carrying amount closing balance	201.92	-	-	201.92

₹ in Crore

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	-	-
New assets originated or purchased	1.13	-	-	1.13
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL allowance - closing balance	1.13	-	-	1.13

An analysis of ageing of the gross carrying amount and the changes in ECL allowances in relation to trade receivables:

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Past due 0-180 days	597.24	784.63	1,169.89
More than 180 days	99.89	80.55	109.56
Total	697.13	865.18	1,279.45

Notes

to the Consolidated Financial Statements

Reconciliation of impairment allowance on Trade Receivables

₹ in Crore

Impairment allowance measured as per simplified approach	
Impairment allowance as on April 1, 2017	7.84
Add/ (less): asset originated / acquired or recovered	2.66
Impairment allowance as on March 31, 2018	10.50
Add/ (less): asset originated / acquired or recovered	2.95
(Less): Amount written-back	(1.37)
Impairment allowance as on March 31, 2019	12.08

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.

We manage 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 ₹ 782.87 Crore, ₹ 744.95 Crore and ₹ 598.78 Crore as of March 31, 2019, March 31, 2018 and April 1, 2017 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, 2019	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	417.10	417.10	-	-	-
Debt securities	9,722.83	4,881.81	3,495.15	1,046.76	299.11
Borrowings (other than debt securities)	4,268.28	1,962.40	2,095.24	102.51	108.13
Other Financial Liabilities	332.03	274.48	17.11	4.21	36.23
Total	14,740.24	7,535.79	5,607.50	1,153.48	443.47
Financial Assets					
Cash and Cash Equivalents	751.77	751.77	-	-	-
Bank balances other than cash and cash equivalents	530.47	529.71	0.76	-	-
Trade Receivables	685.05	685.05	-	-	-
Loans	14,336.93	4,706.68	7,525.27	1,327.43	777.55
Investments	2,933.34	1,738.81	233.39	239.14	722.00
Other Financial Assets	2,686.53	1,098.92	745.99	518.29	323.33
Total	21,924.09	9,510.94	8,505.41	2,084.86	1,822.88

Notes

to the Consolidated Financial Statements

₹ in Crore

March 31, 2018	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	345.28	345.28	-	-	-
Debt securities	10,491.07	6,192.03	3,304.37	994.67	-
Borrowings (other than debt securities)	4,496.50	1,397.38	2,591.02	355.35	152.75
Other Financial Liabilities	197.75	176.67	19.99	-	1.09
Total	15,530.60	8,111.36	5,915.38	1,350.02	153.84
Financial Assets					
Cash and Cash Equivalents	649.08	649.08	-	-	-
Bank balances other than cash and cash equivalents	877.87	877.11	0.76	-	-
Trade Receivables	854.68	854.68	-	-	-
Loans	14,931.11	6,569.52	6,424.96	1,806.90	129.73
Investments	2,388.45	785.75	693.08	133.48	776.14
Other Financial Assets	1,813.02	509.48	927.73	198.54	177.27
Total	21,514.21	10,245.62	8,046.53	2,138.92	1,083.14

₹ in Crore

April 01, 2017	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	823.33	823.33	-	-	-
Debt securities	8,080.53	5,881.63	1,809.54	389.36	-
Borrowings (other than debt securities)	2,872.89	878.81	1,421.48	523.48	49.12
Other Financial Liabilities	159.04	142.47	13.25	2.20	1.12
Total	11,935.79	7,726.24	3,244.27	915.04	50.24
Financial Assets					
Cash and Cash Equivalents	401.61	401.61	-	-	-
Bank balances other than cash and cash equivalents	483.81	483.05	0.76	-	-
Trade Receivables	1,271.61	1,271.61	-	-	-
Loans	11,211.17	4,801.02	4,887.57	1,089.33	433.25
Investments	1,782.89	367.51	684.82	142.47	588.09
Other Financial Assets	1,458.26	347.76	446.57	434.17	229.76
Total	16,609.35	7,672.56	6,019.72	1,665.97	1,251.10

iii) Market Risk:

The Group's activities expose it primarily to the currency, equity price and interest rates.

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 currently hedges its foreign currency risk by using Derivative Instruments (Forward Contracts).

a) Derivatives outstanding as at the reporting date:

Particulars	As at 31.03.2019 (₹ in Crore)	As at 31.03.2019 (Amount in Foreign Currency)	As at 31.03.2018 (₹ in Crore)	As at 31.03.2018 (Amount in Foreign Currency)	As at 01.04.2017 (₹ in Crore)	As at 01.04.2017 (Amount in Foreign Currency)
Trade Receivables	-	-	1.99	GBP 2,15,317	-	-
	-	-	-	-	19.75	USD 30,46,634

b) Foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31.03.2019 (₹ in Crore)	As at 31.03.2019 (Amount in Foreign Currency)	As at 31.03.2018 (₹ in Crore)	As at 31.03.2018 (Amount in Foreign Currency)	As at 01.04.2017 (₹ in Crore)	As at 01.04.2017 (Amount in Foreign Currency)
Trade Receivables	0.70	USD 101,694	0.50	USD 77,099	4.08	USD 6,29,549
	0.01	GBP 1,050	-	-	-	-
Trade Payables	0.04	GBP 3,862	-	-	0.27	GBP 1,57,602
	0.01	USD 671	1.35	USD 2,07,447	1.03	USD 1,57,602
	-	-	0.01	SGD 1,848	0.03	SGD 5,499

Notes

to the Consolidated Financial Statements

Sensitivity analysis

The Group is mainly exposed to USD, SGD 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, 2019	March 31, 2018		March 31, 2019	March 31, 2018
USD	0.70	(0.85)	5% Increase	0.03	0.04
			5% Decrease	(0.03)	(0.04)
SGD	-	(0.01)	5% Increase	-	#
			5% Decrease	-	#
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 instruments in quoted 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, 2019 and March 31, 2018 were ₹ 223.88 Crore and ₹ 294.96 Crore respectively. A 5% change in price of equity instruments held as at March 31, 2019 and March 31, 2018 would result in the following:

% Change	Profit or Loss	
	March 31, 2019	March 31, 2018
5% Increase	11.19	14.75
5% Decrease	(11.19)	(14.75)

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 our assets and liabilities in line with Asset Liability Management Policy.

Exposure to interest rate risk

The Group's exposures to interest rates on financial assets and financial liabilities are detailed as under:

₹ in Crore

	March 31, 2019	March 31, 2018	April 1, 2017
Loans:			
Fixed rate Instruments	8,794.64	11,434.83	8,839.83
Floating rate Instruments	5,491.86	3,536.48	2,415.77
Total	14,286.50	14,971.31	11,255.60
Borrowings:			
Fixed rate Instruments	9,888.43	10,973.47	8,391.40
Floating rate Instruments	3,636.51	3,692.84	2,406.79
Total	13,524.94	14,666.31	10,798.19

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.

Notes

to the Consolidated Financial Statements

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, 2019		March 31, 2018	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	54.92	(54.92)	35.36	(35.36)
Floating rate borrowings	(36.37)	36.37	(36.93)	36.93

49. First-time Ind AS adoption reconciliations

Reconciliation of equity as at April 1, 2017 and March 31, 2018 and profit for the year ended March 31, 2018:

₹ in Crore

Particulars	Note No.	Total Comprehensive Income Reconciliation	Equity Reconciliation*	
		Year ended March 31, 2018	As at March 31, 2018	As at April 1, 2017
Net profit / equity as per previous Indian GAAP		871.28	5,719.54	4,336.24
Ind AS Adjustments:				
Measurement of Financial assets at amortised cost	1	(47.34)	(140.97)	(93.63)
Measurement of Financial Liabilities at amortised cost	2	6.83	12.47	5.64
Expected Credit Loss allowance on Financial assets	3	8.74	(12.01)	(20.75)
Measurement of Financial assets at Fair value	4	69.92	160.91	90.99
Revenue from Distressed Credit Business including gain / (loss) on fair valuation of investments	5	(162.25)	19.65	181.90
Impact upon Consolidation of trusts under Distressed Credit Business	6	(15.22)	695.77	650.47
Valuation of ESOP using Fair value method	7	(4.07)	-	-
Reclassification of net actuarial gain on employee defined benefit obligation to Other Comprehensive Income (OCI)	8	(0.17)	-	-
Others		0.67	0.68	0.03
Impact of deferred tax on above adjustment	9	56.47	(36.08)	(74.22)
Total effect of transition to Ind AS		(86.42)	700.42	740.43
Net profit / equity as per Ind AS		784.86	6,419.96	5,076.67
Other comprehensive income (net of tax)		1.79	-	-
Total comprehensive income / equity as per Ind AS		786.65	6,419.96	5,076.67

*Equity has been arrived at after adjustment of Goodwill on consolidation.

Impact of Ind AS adoption on the Consolidated Cash Flow Statement for the year ended March 31, 2018:

₹ in Crore

Particulars	Note No.	Previous GAAP	Adjustments	Ind AS
Net Cash flows from operating activities		(2,003.95)	(1,580.23)	(3,584.18)
Net Cash flows from investing activities		(1,165.61)	457.57	(708.04)
Net Cash flows from financing activities		3,399.27	1,140.42	4,539.69
Net increase in cash and cash equivalents		229.71	17.76	247.47
Cash and Cash Equivalents as at April 1, 2017	6	395.65	5.96	401.61
Cash and Cash Equivalents as at March 31, 2018	6	625.36	23.72	649.08
Net increase in cash and cash equivalents		229.71	17.76	247.47

*The adjustments are preliminary on account of Ind AS reclassification and for the reason as stated in note 6.

Notes

to the Consolidated Financial Statements

Notes:

1. Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method.
2. Under Previous GAAP, transaction costs on borrowings were charged to Statement of Profit and Loss as and when incurred. Under Ind AS, these costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.
3. Under previous GAAP, provision for doubtful loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, are determined using the expected credit loss model.
4. Under previous GAAP, the investment in equity shares, preference shares, security receipts and venture capital / mutual funds other than subsidiaries and associates were carried at cost. However, under Ind AS, these are measured at fair value through profit and loss.
5. Under previous GAAP, the investment in security receipts of trusts under distressed credit business other than subsidiaries were carried at cost net of impairment, if any. However, under Ind AS, these investments are fair valued and management fees income are accounted as per the terms of the contract.
6. The trusts under distressed credit business controlled by the Group are consolidated as subsidiaries.
7. Under previous GAAP, ESOP charge was calculated based on intrinsic value method. Under Ind AS, ESOP charge is accounted using fair value method.
8. Under previous GAAP, actuarial gains/losses on defined benefit plan were recognised in the profit and loss account. Under Ind AS, the actuarial gains and losses will be recognised in other comprehensive income as re-measurements.
9. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to IND AS.
- 50.** During the previous year, pursuant to the Scheme of Amalgamation (the "Scheme") under the provisions of Section 230 read with Section 232 of the Companies Act, 2013 as sanctioned by the Hon'ble National Company Law Tribunal vide its Order dated December 14, 2017, post demerger of Institutional Equity Division, the entire business and whole of the undertaking (Investment Banking Division) of JM Financial Institutional Securities Limited and JM Financial Investment Managers Limited were amalgamated with JM Financial Limited. The certified copy of the order was filed with the Registrar of Companies, Mumbai, Maharashtra and the amalgamation became effective from January 18, 2018. The said amalgamation was in the nature of common control under Ind AS 103 'Business Combination' and accordingly the accounting treatment for the amalgamation were given with effect from April 1, 2017.

Accordingly in the Consolidated Financial Statements, impact of additions to the capital reserve amounting to ₹ 4.16 crore and securities premium reserve amounting to ₹ 217.94 crore and, reduction in goodwill on consolidation to the extent of ₹ 39.82 crore in respect of the Investment Banking Division of JM Financial Institutional Securities Limited were given by corresponding debit to the retained earnings aggregating ₹ 261.92 crore, with effect from April 1, 2017.

Further, Authorised share capital of the Company increased from ₹ 100.00 crore comprising 100,00,00,000 equity shares of the face value of ₹1/- each to ₹ 195.82 crore comprising 152,02,00,000 equity shares of the face value of ₹1/- each and 4,38,00,000 preference shares of the face value of ₹10/- each.

During the previous year, pursuant to the Scheme of Arrangement (the "Scheme") under the provisions of Section 230 read with Section 232 of the Companies Act, 2013, as sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its Order dated December 14, 2017, the Institutional Equity Division of JM Financial Institutional Securities Limited got transferred to and vested in the JM Financial Institutional Securities Limited (formerly known as JM Financial Securities Limited) and the arrangement became effective from January 18, 2018. The appointment date was December 31, 2017 but the said arrangement was in the nature of common control under Ind AS 103 'Business Combination' and accordingly the accounting treatment for the arrangement were given from the date of incorporation of JM Financial Institutional Securities Limited.

Notes

to the Consolidated Financial Statements

However, the Scheme required that the excess of net assets of the Institutional equity division over the liabilities shall be recognized as capital reserve on the appointed date i.e. December 31, 2017. Accordingly, impact of additions in the capital reserve to the extent of ₹ 17.69 crore related to the Institutional Equity Division of JM Financial Institutional Securities Limited have been given by corresponding debit to the retained earnings.

51. The Board of Directors of the Company has recommended a final dividend of ₹ 0.50 per equity share of the face value of ₹1/- each for the year ended March 31, 2019 (Previous Year ₹ 1.10 per equity share). The said dividend will be paid, if approved by the shareholders at the Thirty Fourth Annual General Meeting.
52. The Financial Statements are approved for issue by the Board of Directors at its meeting held on May 2, 2019.

For and on behalf of the Board of Directors

Nimesh Kampani

Chairman
DIN – 00009071

Vishal Kampani

Managing Director
DIN – 00009079

E A Kshirsagar

Director
DIN – 00121824

Place : Mumbai

Date: May 2, 2019

Prashant Choksi

Company Secretary

Manish Sheth

Chief Financial Officer

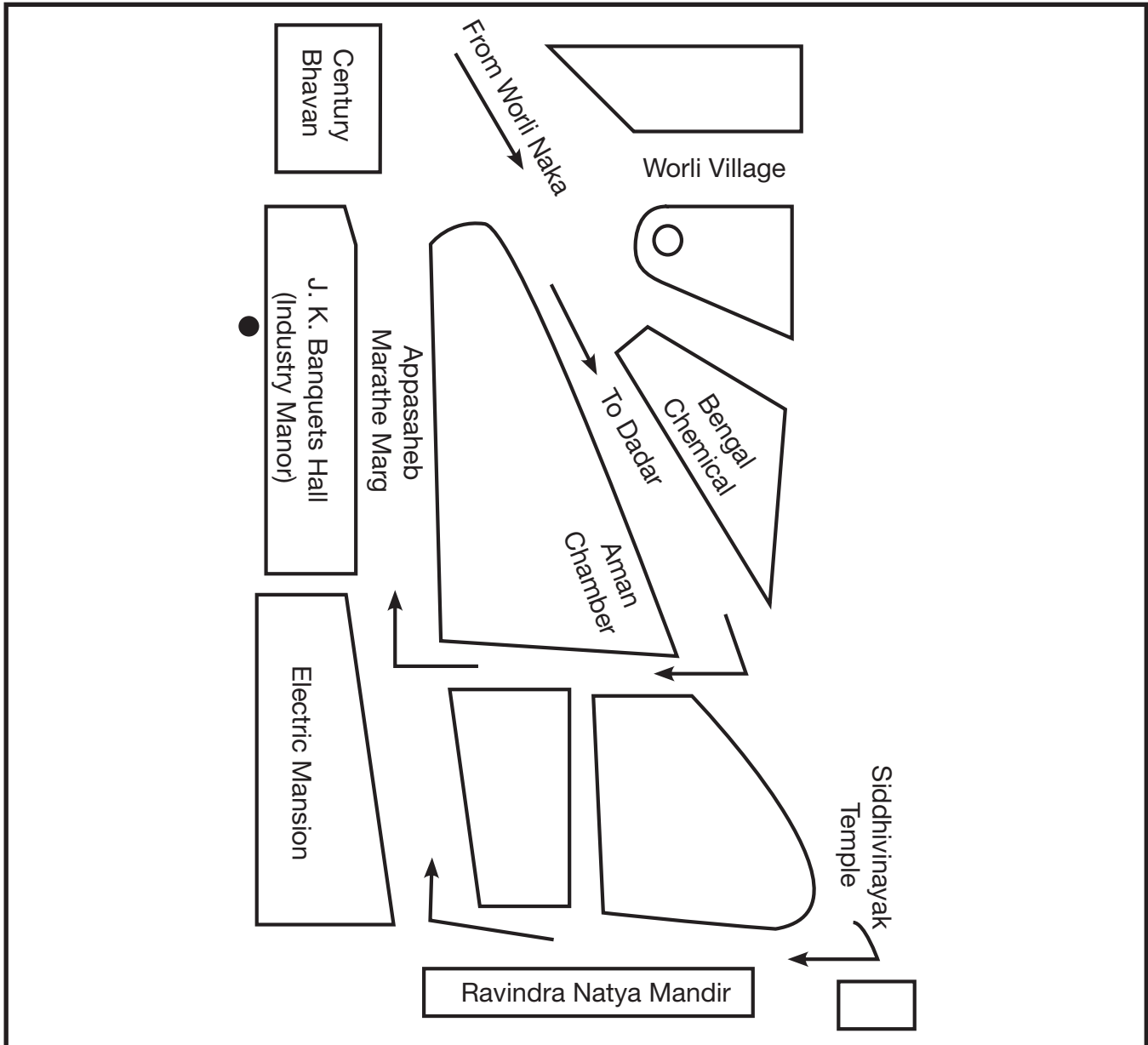
ROUTE MAP FOR ANNUAL GENERAL MEETING VENUE

Venue : J.K. Banquets Hall, Industry Manor, 1/B - 1&2, Ground Floor, Appasaheb Marathe Marg, Near Century Bhavan, Prabhadevi, Mumbai 400 025

Date : July 19, 2019

Day and Time : Friday, 3.30 p.m.

Land Mark : Near Century Bhavan



Note: Based on the request made by the Members at the previous Annual General Meeting, the Company has made arrangement for bus facility from and to Dadar Railway Station. Members interested in availing this facility are requested to contact the Secretarial Department at 022-6630 3534/3236 or send their request at rajas.kulkarni@jmfl.com on or before Monday, July 15, 2019.

Glimpses of the Year in Review



Mr. Vishal Kampani, MD, JM Financial Group as speaker at the CII National Conference on NBFCs



Mr. Nimesh Kampani, Chairman – JM Financial Group being conferred with the Hall of Fame Award at The Mint India Investment Summit



Mr. Manish Sheth, Group CFO, JM Financial attending the 11th CII CFO Summit held in Mumbai



The leadership team attending the press meet announcing the launch of the Group's maiden public issue of NCD in May 2018



Mr. Nimesh Kampani, Chairman – JM Financial Group flagging off the annual JM Financial Walkathon 2019



Employees participating in the women's safety training programme



7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India