

June 30, 2020

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

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

Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

Re: Annual Report for the financial year 2019-20

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we are enclosing a copy of the Company's Annual Report for the financial year 2019-20, inter-alia containing the Notice convening the Thirty Fifth Annual General Meeting, Standalone and Consolidated Financial Statements, together with the Directors' Report, Auditors' Report and other documents.

The above Annual Report is also being sent through electronic mode to those members of the Company whose email ids are registered with the depository participants/the Company or its registrar & transfer agents. The said report is also uploaded on the Company's website and can be accessed at www.jmfl.com.

The above is for your information and records.

Thank you.

Yours faithfully,
for JM Financial Limited



Prashant Choksi
Group Head-Compliance, Legal
& Company Secretary

Encl: As above

JM Financial Limited

Corporate Identity Number: L67120MH1986PLC038784

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

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



Prudence Matters

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A game of chess exemplifies three key tenets of business. One, foresight, the ability to look past the current challenges and consider the long-term consequences of actions. Second, circumspection, the ability to survey the prevailing environment and understand the interlinkages between different constituent parts and the whole picture. Lastly and most importantly, prudence, the ability to make well-informed decisions with patience and caution.

The red tie man, looking over his chessmen, encapsulates how foresight, circumspection and prudence matter the most, when calculating the next move in the face of multiple challenges.



Scan and view
www.jmfl.com

Prudence Matters

From the economic slowdown, to the persistent stress in India's lending space, and the external volatilities arising due to the ongoing COVID-19 crisis, the financial services industry, today, is faced with a host of challenges. That said, it is also a defining moment for businesses across the spectrum. We, at JM Financial, perceive the year gone by as a litmus test of resilience, abundant with learnings.

We are relying on the Group's vast wealth of insights garnered over the preceding decades, the diversified business model, the high pedigree of leadership and the commitment to responsible value creation – to withstand the macroeconomic turbulence.

We are inspired by our legacy of trust and intrinsic excellence spanning four decades. We are steadfast in our endeavour of providing innovative solutions, to our clients, that are steeped in our insights and expertise, while creating value for our stakeholders.

Moving forward with prudence and foresight, focus and fortitude, we continue to build a resilient JM Financial.



Introducing JM Financial

JM Financial is one of India's leading financial services groups. We partner with corporations, financial institutions, high net-worth individuals (HNIs) and retail investors, within the country and across borders, to pioneer several unique strategies and transactions, enabling them to realise value-accretive growth.

Our widely acclaimed offerings, across different segments cater to the evolving needs of the industry and our clients. Each offering represents the culmination of more than four decades of experience and stakeholder trust, as well as strategies sharpened with insights, prudence and foresight.

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 Values



Client Focus

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



Integrity

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



Innovation

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



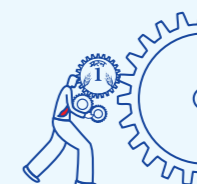
Partnership

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



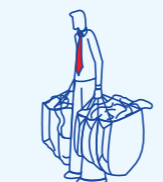
Team Work

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



Implementation

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



Performance

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

Introducing JM Financial (contd.)

Our Business Segments

Investment Banking, Wealth Management and Securities Business (IWS)



Integrated offering to our clients by leveraging the relationships and expertise of each of the sub-segments within IWS. The segment supports our ability to cross-sell several of our products and services in an integrated manner.

- **Investment Banking**
 - Equity and Debt Capital Markets
 - Mergers & Acquisitions and Private Equity Syndication
- **Securities Business**
 - Institutional Equities
 - Equity Brokerage Group
- **Wealth Management Group**
 - Private Wealth Management
 - Elite Wealth Management
- **Distribution of Financial Products**
- **Arbitrage Trading**
- **Real Estate Consultancy Services (Dwello)**
- **Debt Trading and Syndication**
- **Private Equity Fund Management**
 - Private Equity Funds
 - Real Estate Fund
- **Leverage Products**
 - Capital Markets Lending
 - Corporate Lending
 - Wholesale Mortgage
 - Others

Read more | [Page 15](#)

Mortgage Lending Business



Comprehensive solutions to our clients in the real estate sector. In addition, focus on loans to underpenetrated segment of the housing finance market and the education sector.

- **Wholesale Mortgage Business**
- **Retail Mortgage Business**
 - Housing Finance Business and Loan Against Property (LAP)
 - Education Institution Loans

Read more | [Page 24](#)

Distressed Credit



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

- **Asset Reconstruction Business**

Read more | [Page 26](#)

Asset Management

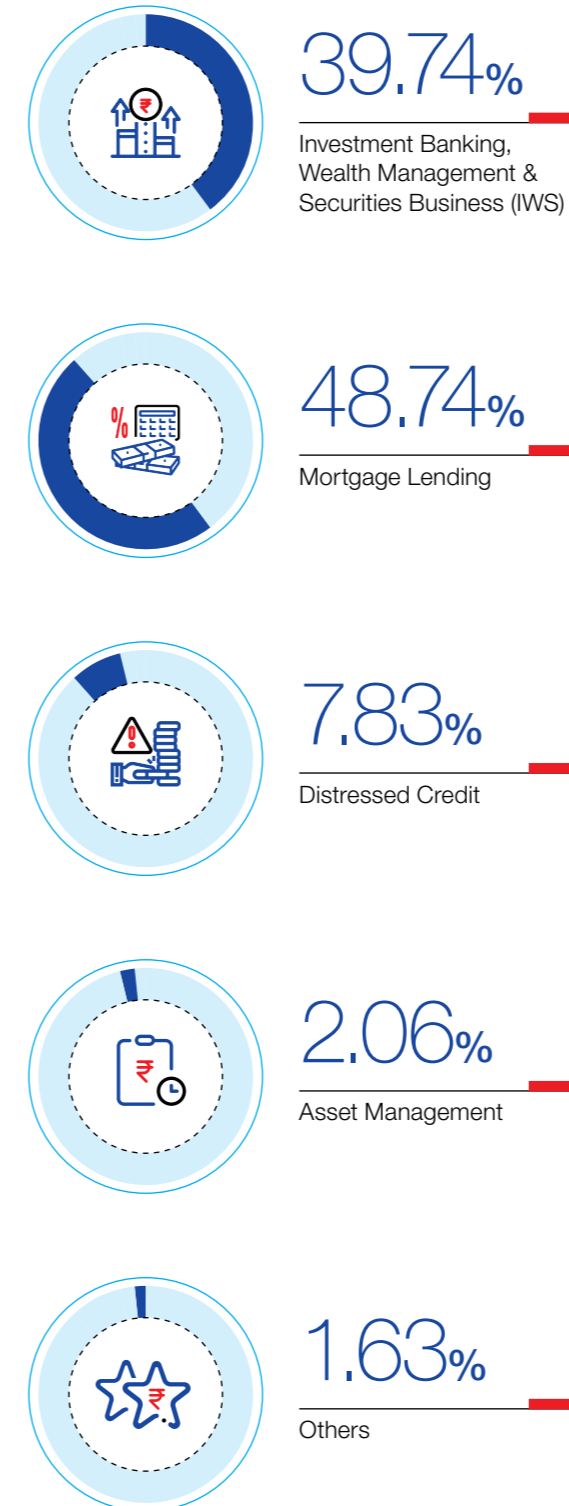


Wide range of investment options catering to the diverse needs of the institutional and the non-institutional investors.

- **Mutual Fund**

Read more | [Page 27](#)

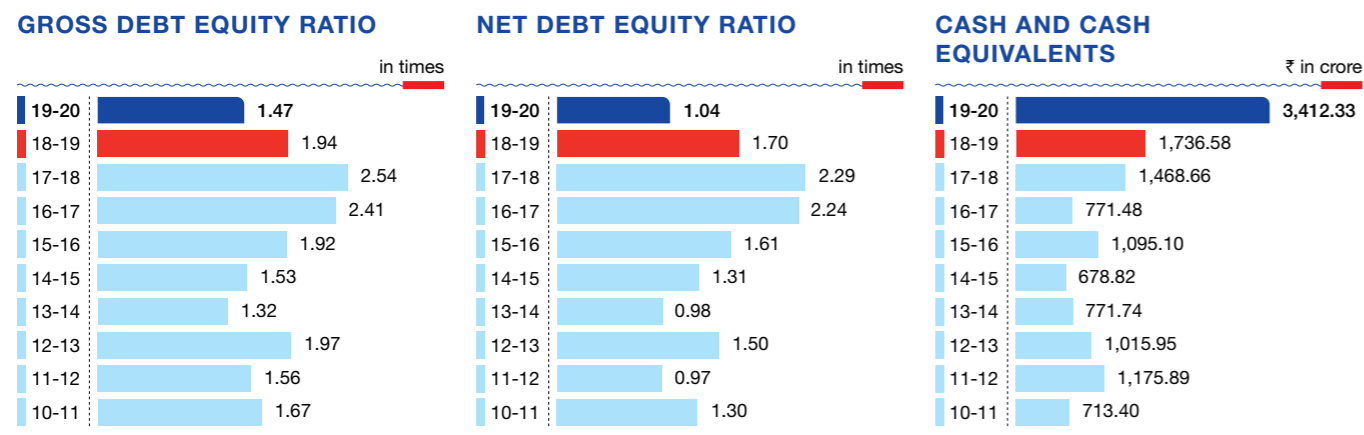
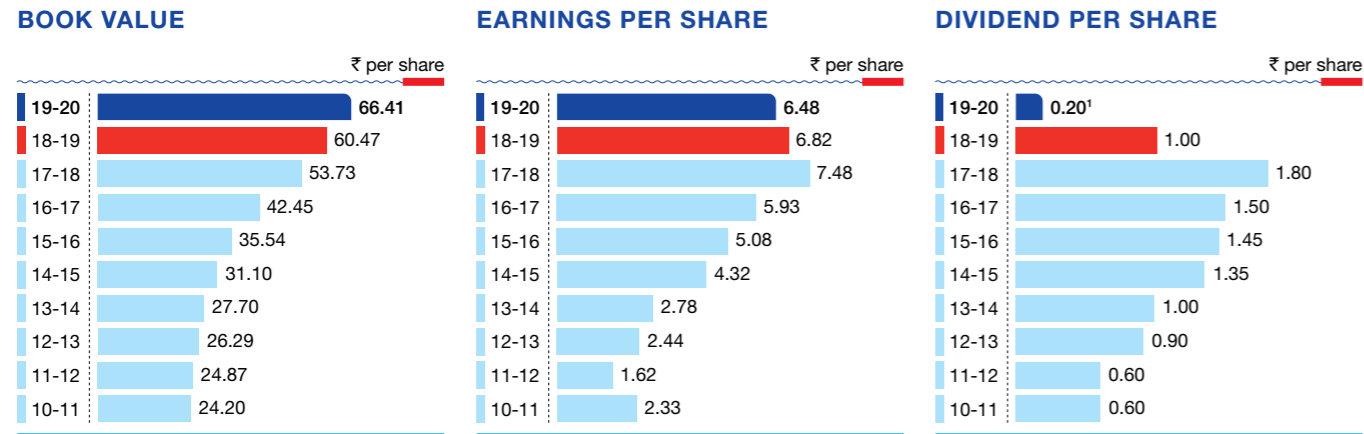
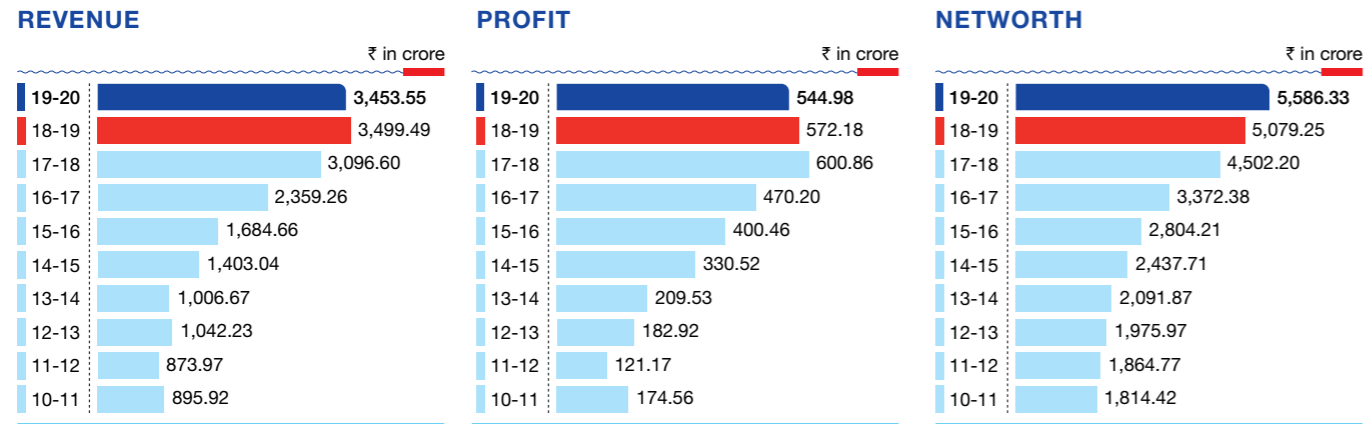
BUSINESS CONTRIBUTION TO PROFIT BEFORE TAX FOR FY 2019-20



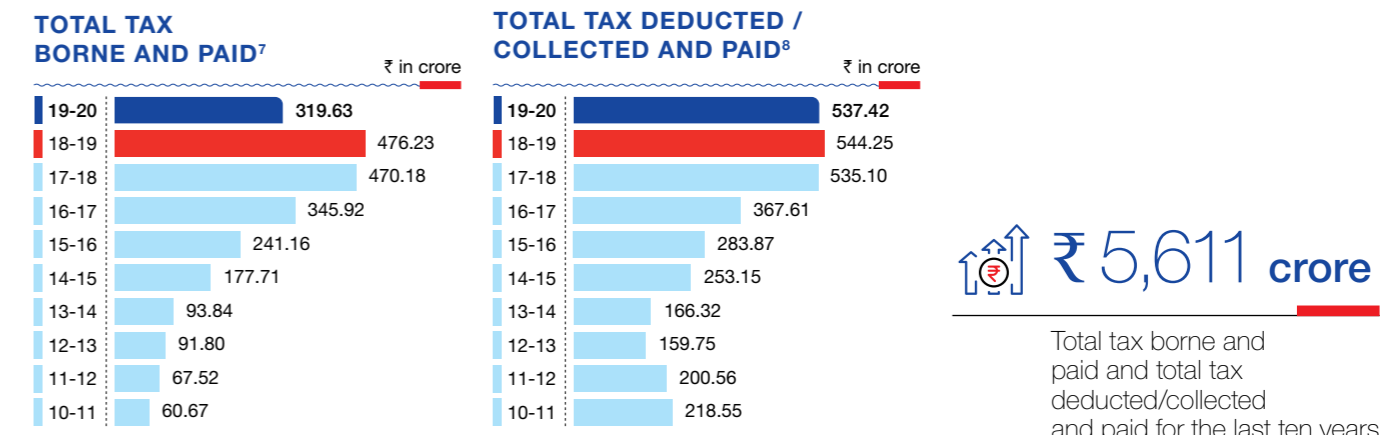
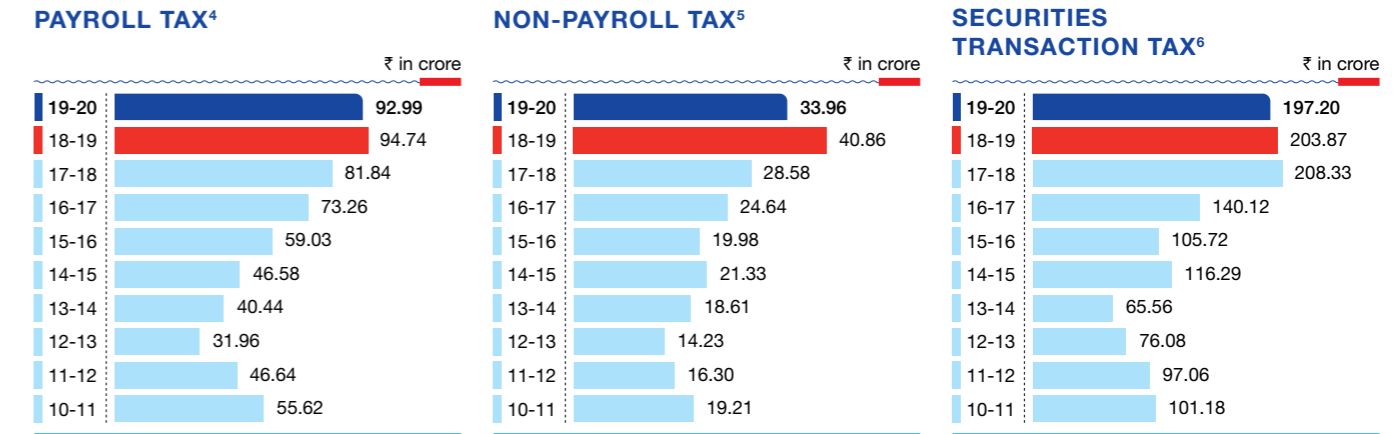
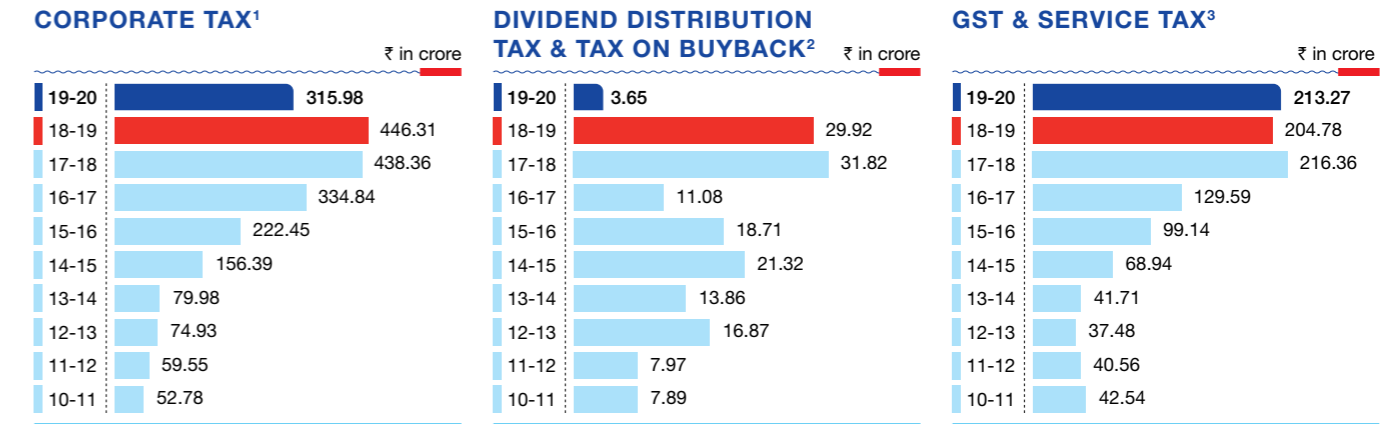
Recognition of our Excellence

- The Asset Triple A Country Awards 2019**
JM Financial Limited awarded for the 'Best IPO' (Embassy Office Parks REIT US\$ 688 million IPO)
- BSE Award, 2019**
JM Financial Services Limited recognised by BSE Ltd., among the Top Performers in Primary Market Segment (Debt Public Issue Bids - Members)
JM Financial Services Limited recognised by BSE Ltd., among the Top Performers in Primary Market Segment (Equity - IPO/FPO Bids - Members)
- The Great Place to Work Institute. India's Great Mid-Size Workplaces, 2019**
JM Financial Services Limited recognised as 'India's Best Companies To Work For 2019 - Investments Industry'
- The Great Place to Work Institute. India's Great Mid-Size Workplaces, 2019**
JM Financial Asset Management Limited ranked among Top 30 in India's Great Mid-Size Workplaces
- India's 20 Best Workplaces in BFSI by Great Place to Work**
JM Financial Services Limited recognised among India's 20 Best Workplaces in BFSI - 2019 by Great Place to Work

Consolidated Performance Review



Consolidated Tax Information



₹ 5,611 crore
Total tax borne and paid and total tax deducted/collected and paid for the last ten years

¹ Lower Dividend of ₹ 0.20 per share for FY 2019-20 as compared to previous years due to the uncertainties arising out of COVID-19.
Note
 The Group adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 and therefore, Consolidated Revenue, Profit and Earnings per Share for the period prior to 2017-18 are as per erstwhile Indian GAAP (IGAAP). Consolidated Networth, Book value per share, Gross and Net debt equity ratio and Cash and Cash Equivalents for the period prior to 2016-17 are as per erstwhile IGAAP.

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's firm.

From the Managing Director's Desk

At JM Financial, we continue to closely monitor the external environment and will prudently recalibrate our business strategy and planning as the situation unfolds.

Mr. Vishal Kampani
Managing Director,
JM Financial Group



FY 2019-20 has been quite a challenging year for the Indian economy and particularly for the financial services sector. The continued liquidity crunch, uncertain and volatile credit environment and slow economic growth created headwinds. The COVID-19 pandemic and subsequent lockdowns have impacted the businesses and aggravated the prevailing sectoral challenges. Non-Banking Financial Companies (NBFCs), today, are confronted with multiple challenges.

The unprecedented business environment has put to test the resilience, prudence and adaptability of any business model. Having said that, the fiscal year has been full of learnings which have sharpened our foresight. We remain agile and create value for our clients and stakeholders.

We made gross provisions of ₹ 175 crore to deal with the uncertainties on account of COVID-19. We have maintained strong liquidity buffers and conservative leverage ratios and banked on our experience, diversified business model, and strong credit processes. The cash and cash equivalents as on March 31, 2020 stood at ₹ 3,412 crore and our net debt-equity ratio stood at 1.04x, which is one of the lowest in the financial services space.

Looking ahead, it is clear that the next few quarters will be challenging for everyone, as individuals and organisations. At JM Financial, we continue to closely monitor the external environment and will prudently recalibrate our business strategy and planning as the situation unfolds.

Pillars of Excellence

Strong track record of over four decades of partnership with clients

Our longstanding operations in the financial services industry in India has resulted in establishing 'JM Financial' as an established franchise. Over the years, we have grown from being a 'corporate finance advisor' to a 'corporate finance provider'.

Diversified business model

Diversified revenue stream, comprising a mix of fee-based and fund-based income has enabled us to manage volatility and cyclicity across different business verticals.

Strong liquidity position

Maintained robust liquidity buffers on our balance sheet to be able to withstand uncertainties in the current business and market environment. As on March 31, 2020, we had cash and cash equivalents of ₹ 3,412 crore.

Extensive operational network and wide customer coverage

Serving our customers through our distribution network of 75 offices across 12 states and 2 Union Territories. It allows us to effectively serve existing customers and develop relationships with new customers through proximity and frequent interaction.

Our strategy is to build on our strength as a well-diversified financial services group. By providing products and services par excellence, and cementing enduring relationships, we intend to enhance the 'JM Financial' franchise to further expand our presence in the financial sector.

Consistent track record of profitability

The diversity of our businesses, strong franchise, asset classes, client segments and geographies have enabled us to ensure a stable and sustainable financial performance.

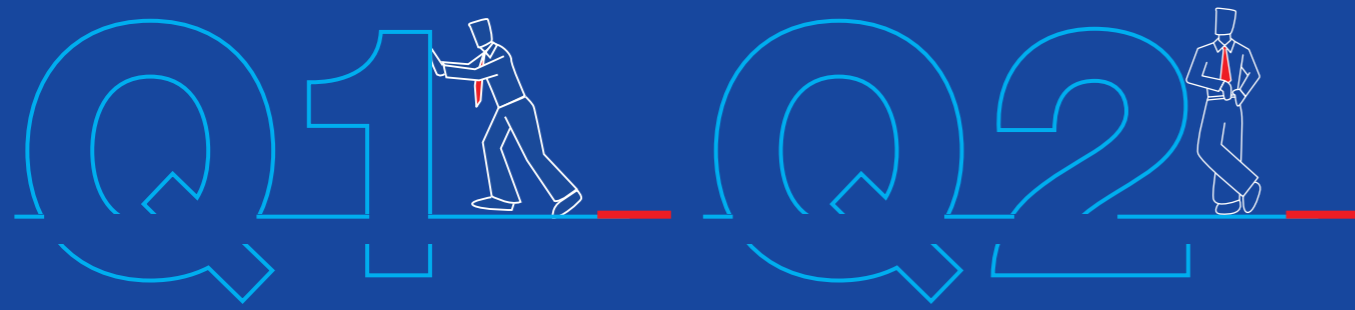
Robust lending book profile with strong credit processes

Our loan approval, underwriting and administration procedures, as well as our collection and enforcement procedures are designed to ensure consistent recovery and minimise delinquency.

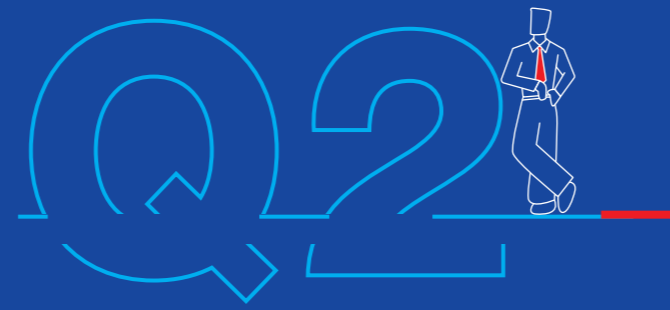
Diversified funding sources and strong credit profile

Since FY 2017-18, we have reduced reliance on commercial papers for our funding requirements. We have diversified our borrowing profile and investor base while maintaining the credit rating.

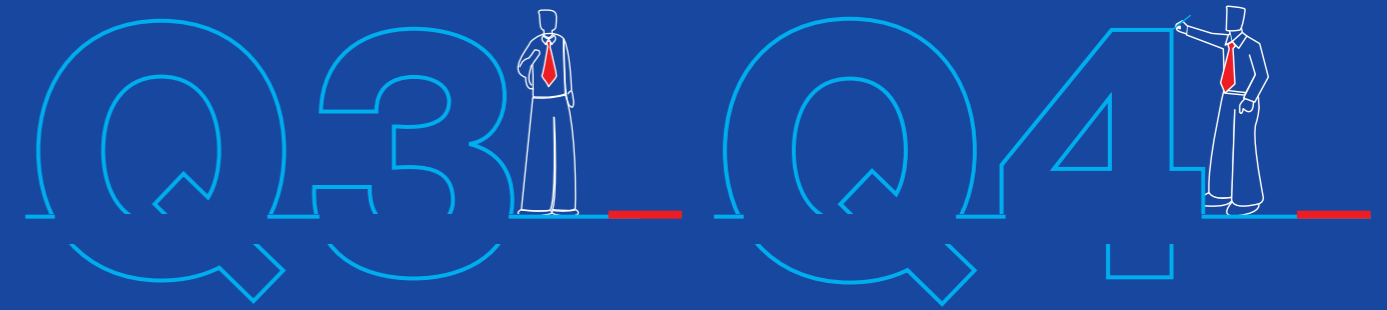
FY 2019-20 in Brief



- JM Financial Products Limited raised ₹ 387 crore through a public issue of secured, rated, listed, redeemable, Non-Convertible Debentures in April 2019 (Tranche I).
- JM Financial finalised an investment of ₹ 40 crore (~US\$ 5.7 million) through JM Financial India Fund II in Coimbatore-based co-living operator, Isthara Parks Private Limited to finance its current expansion plans across key domestic markets and Asia, marking the closure of the fourth investment by Fund II.



- JM Financial finalised an investment of ₹ 45 crore (~US\$ 6.4 million) through JM Financial India Fund II in Mumbai-based health and wellness focused fast-growing nutraceutical company, Innovcare Lifesciences Private Limited to support augmentation of the current product portfolio and expansion into new therapeutic areas, marked the closing of the fifth investment by Fund II.
- JM Financial Products Limited raised ₹ 128 crore through a public issue of secured, rated, listed, redeemable, Non-Convertible Debentures in August 2019 (Tranche II).



- JM Financial organised the 8th JM Financial India Conference in Mumbai and invited 75+ corporates and keynote speakers to discuss key issues like doubling farmer incomes, financing ₹ 100 trillion infrastructure target, digital disruption in pharma supply chains and others.
- JM Financial Services Limited launched 'Investories – Anecdotes from the Financial World', a collection of bite-sized learnings in understanding the capital markets, especially as investors are being increasingly exposed to multiple avenues for investments as well as multiple intermediaries, platforms and regulations.
- JM Financial Services Limited launched an industry first, paperless corporate 'Fixed Deposits Online' for its distributors and their clients; aimed at helping distributors scale their business and focus on strengthening client relationships, the solution will provide both sub-broker assisted transaction as well as investor self-initiated transactions in corporate fixed deposits from institutions of high repute and rating.
- JM Financial Products Limited raised ₹ 125 crore through the public issues of secured, rated, listed, redeemable, Non-Convertible Debentures in February 2020 (Tranche III).
- JM Financial Fin-Tech Day was held on March 2, 2020 and invited around 25 fin-tech companies, along with 6 keynote speakers from the industry to the event to connect with over 100 investors from across public and private markets.

Board of Directors

Good governance is the foundation of what we do at JM Financial. It underpins our values, our culture and the way we operate our businesses. It helps us deliver on our core purpose of becoming the most trusted partner for every stakeholder in the financial world.



Mr. Nimesh Kampani
Non-Executive Chairman



Mr. Vishal Kampani
Managing Director



Mr. E A Kshirsagar
Independent Director



Mr. Darius E Udawadia
Independent Director



Mr. Paul Zuckerman
Independent Director



Dr. Vijay Kelkar
Independent Director



Mr. Keki Dadiseth
Independent Director



Ms. Jagi Mangat Panda
Independent Director

Leadership Team

Our leadership team spearheads the adoption of best practices, to safeguard the interests of stakeholders and to ensure the healthy and prudent management of the Company.

Mr. Shaswat Belapurkar

Managing Director & CEO,
Credit Solutions

Mr. Subodh Shinkar

Managing Director & CEO,
Investment Advisory and Distribution

Mr. Bhanu Katoch

Managing Director & CEO,
Mutual Fund

Mr. Manish Sheth

Group CFO and Managing Director &
CEO, Home Loans

Ms. Sonia Dasgupta

Managing Director & Group Head,
Financial Institutions Group and
Borrowing

Mr. Dimplekumar Shah

Managing Director & Co Head,
Equity Brokerage Group

Mr. Ashu Madan

Managing Director & Co Head,
Business Affiliates Group

Mr. Anil Bhatia

Managing Director & CEO,
Asset Reconstruction

Mr. Atul Mehra

Managing Director & Co CEO,
Investment Banking

Mr. Darius Pandole

Managing Director & CEO,
Private Equity & Equity AIFs

Mr. Anil Salvi

Managing Director & Group Head,
Human Resources & CEO, Real
Estate Consulting

Ms. Gitanjali Mirchandani

Managing Director & Country Head
Origination, Real Estate

Mr. Krishna Rao

Managing Director & Co Head,
Equity Brokerage Group

Mr. Anil Mavinkurve

Managing Director & Head,
Arbitrage, ESOP & Broker Funding

Mr. Manish Prasad

Managing Director & CEO, Institutional
Equities and Capital Markets Group

Mr. Adi Patel

Managing Director & Co CEO,
Investment Banking

Mr. Prashant Choksi

Group Head, Compliance,
Legal & Company Secretary

Mr. Suhas Harinarayanan

Managing Director & Head of Research,
Institutional Equities

Mr. Ajay Mishra

Managing Director & Head,
Wealth Group

Mr. Sanjay Bhatia

Managing Director & Co Head,
Business Affiliates Group

Mr. Richard Liu

Managing Director, Research,
Institutional Equities

Navigating with a Prudent Approach

JM Financial's depth of experience and industry expertise are crucial in navigating through today's dynamic and uncertain operating landscape. Across our businesses, we are drawing on intrinsic strengths and tailoring insightful solutions to add value to our clients.



Investment Banking, Wealth Management and Securities Business (IWS)

The IWS segment serves our clients in an integrated and a holistic manner. It extends to a wide gamut of products and services to corporates, institutions, individuals, government, government-owned corporations and banks. The IWS business includes investment banking, wealth management, securities business, distribution of financial products, trading and syndication, private equity fund management, technology-backed real estate consultancy services, while also providing leverage products to our clients.



INVESTMENT BANKING

One of our oldest business divisions, our full service Investment Banking franchise encompasses end-to-end services across various products equity and debt capital markets, mergers and acquisitions and private equity syndication in this segment.



Equity and Debt Capital Markets

Our services in this segment include advising corporates for equity fund raising and related offerings. During FY 2019-20, the primary markets remained active with a number of large ticket issuances and debt fund raising. In the last quarter of the financial year however, capital markets were impacted due to the rapid spread of COVID-19 and subsequent lockdowns announced by governments across the world.

Notable transactions concluded during FY 2019-20






Book Running Lead Manager to the Initial Public Offerings (IPOs) of:

 ₹ 1,204 crore Metropolis Healthcare Limited	 ₹ 1,190 crore Spandana Spahoorty Financial Limited	 ₹ 1,000 crore* Ujjivan Small Finance Bank Limited	 ₹ 656 crore* Prince Pipes & Fittings Limited
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Book Running Lead Manager to the Qualified Institutions Placement (QIPs) of:

 ₹ 8,500 crore Bajaj Finance Limited	 ₹ 4,098 crore Avenue Supermarts Limited	 ₹ 2,400 crore Shree Cement Limited	 ₹ 1,930 crore Yes Bank Limited
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Manager to the Offer for Sale of:

 ₹ 3,428 crore Avenue Supermarts Limited	 ₹ 1,069 crore and ₹ 1,016 crore Reliance Nippon Life Asset Management Limited	
 ₹ 639 crore L&T Technology Services Limited	 ₹ 79 crore Xchanging Solutions Limited	 ₹ 27 crore GTPL Hathway Limited

Note:
* Ujjivan and Prince Pipes: Includes Pre-IPO



Mergers & Acquisitions and Private Equity Syndication

We have proven our mettle in the Mergers and Acquisitions (M&A) and Private Equity Syndication space repeatedly by identifying the best domestic and international transaction partners for our clients. We ranked No. 2 in the Indian M&A league table during FY 2019-20 by Mergermarket based on completed deals, with a total deal value of ₹ 52,809 crore (US\$ 7.6 billion).

Leading transactions accomplished during FY 2019-20

 Exclusive Financial Advisor to Hotel Leela Venture Limited for sale of four owned Leela Hotels located at Bangalore, Delhi, Chennai, Udaipur, property owned at Agra and all management contracts to Brookfield Asset Management	 Financial and Transaction Advisor to IL&FS on sale of stake in seven wind energy units to ORIX Corporation of Japan	 Advisor to Reliance Capital on sale stake in Reliance Nippon Life Asset Management Limited to Nippon Life Insurance Corporation	 Exclusive Financial Advisor to Baring Private Equity Asia and Exclusive Manager to the Open Offer for acquisition of stake in NIIT Technologies
 Exclusive Manager to the Open Offer made by Epsilon Bidco Pte. Ltd. (part of the Blackstone group) to the public shareholders of Essel Propack	 Financial Advisor to Diageo Plc for acquisition of further stake in United Spirits Limited	 Exclusive Financial Advisor and Manager to the Open Offer by Adani Logistics Limited to the equity shareholders of Snowman Logistics Limited	 Exclusive Financial Advisor to TVS Supply Chain Solutions and DRSP Logistics on investment from Gateway Partners
 Exclusive Financial Advisor to VVDN Technologies on investment from Motilal Oswal Private Equity	 Lead Financial Advisor to Prince Pipes and Fittings on investment from Oman India Joint Investment Fund	<h1>Ranked No.2</h1> <p>In the Indian M&A league table</p>	

SECURITIES BUSINESS

Our securities business includes our Institutional Equities business, which serves our institutional clients and our Equity Brokerage Group that caters to individual and corporate clients. We offer quality research to both domestic and offshore clients. We leverage our intellectual capital and provide clients with resources and stock research reports that enable them to get insights in an evolving market landscape.

We are recognised as thought leaders on emerging market themes across sectors and the macroeconomic conditions. Our endeavour is to maintain the highest standards of compliance in every aspect of the business.

3 tenets of Securities Business services

- High-quality research with a focus on new stock ideas
- Intensive client servicing to keep our customers abreast and ahead of key corporate/market trends
- Efficient trade execution to give our clients the best price possible and hassle-free post-trade settlements

Institutional Equities

Our Institutional Equities business offers brokerage services in both cash and derivative segments to domestic as well as international institutional clients. The business division functions with the objective to provide high-quality differentiated research. It focuses on new stock ideas, intensive client servicing and efficient trade execution, complemented with hassle-free, post-trade settlement.

During FY 2019-20, we continued to generate differentiated research spanning stock ideas, thematic and sector reports, macro and investment strategy notes, among others.

As always, this has helped us maintain a strong two-way relationship with our existing and ever-growing institutional client base.



→ Mr. Suhas Harinarianan, Head - Institutional Equities, Research addressing the audience at the 8th JM Financial India Conference 2019

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 sales, 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)/ Foreign Portfolio Investors (FPIs) that are looking for exposure to Indian equities. We are also looking forward to enhancing our derivatives product range and coverage to augment our position in the Institutional Equities business.



→ Mr. Prince Poddar, Internet & Business Services Research Analyst interacting in a panel discussion at the JM Financial Fin-Tech Day 2020

JM Financial India Conference 2019

The 8th JM Financial India Conference was held in November 2019 in Mumbai, where we invited over 75 corporates and keynote speakers. The speaker and panel sessions had insightful enriching discussions on key issues such as:

1. Doubling farmer incomes
2. Financing of the ₹ 100 trillion infrastructure target
3. Used car market
4. Digital disruption in Pharma supply chains
5. Online gaming in India
6. OTT and digital video

We also took participants on a road trip into the hinterland of the country to discover the real India.



Equity Brokerage Group

We offer research-based equity advisory and trading services to high net-worth individuals, corporate and retail clients. The Equity Brokerage Group caters to 144 cities in India through a network of branches and franchisees, which has helped us achieve a de-risked business model and a widespread presence.

144 cities

Our Equity Brokerage Group presence in India

WEALTH MANAGEMENT GROUP

The Wealth Management Group caters to two distinct customer segments.

1. Ultra-high net-worth and high net-worth investors, corporates, banks and institutions (Private Wealth Management)
2. Millennials, clients creating new wealth, young entrepreneurs, senior executive of corporates, tech-savvy professionals (Elite Wealth Management)

We have separate teams servicing both these client categories.



Mr. Rahul Sharma, Associate Director & Head – Technical & Derivatives Research - Speaker at 'BSE Post Budget - Markets Way Forward 2020' Seminar



'Talking Finance' Seminar hosted by JM Financial Services Limited at NSCI Club, Mumbai



Mr. Surajit Misra, ED and Head IFD Group at the launch of Fixed Deposit Online Portal, Mumbai

Private Wealth Management Group

Private Wealth Management Group will continue to follow the asset allocation model and provide a complete range of financial and custody solutions to clients, including family office, advisory and execution services. We have a team of 74 advisors, who cater to client requirement across our wealth management platform. We also provide leverage to wealth customers.

During the year, our assets under advice, grew by 7.2% from ~₹ 41,886 crore as on March 31, 2019 to ~₹ 44,883 crore as on March 31, 2020.

₹ 44,883 crore

Assets Under Advice

Elite Wealth Management Group

We introduced Elite Wealth Management Group to focus on clients with net worth in the range of ₹ 1 crore to ₹ 50 crore presence in top six cities. The segment commenced operations in October 2019 and has a team of 32 wealth relationship managers (RMs).

Elite Wealth Management Group focuses on distributing wealth products to the target segment. During the year, the business segment has mobilised funds under various products like mutual funds, portfolio management services, alternative investment fund (AIF), fixed deposits (FDs) and bonds, among others.

Elite Wealth Management Group

Introduced during FY 2019-20

DISTRIBUTION OF FINANCIAL PRODUCTS

Independent Financial Distribution Group

With a network of over 7,000 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 a leading player in distribution of mutual funds, IPOs and fixed deposits through IFDs.

7,000+

Network of active Independent Financial Distributors (IFDs)

Increased digital intervention in IFD segment

During FY 2019-20, we progressed significantly in digital transactions and launched new processes like FD Online and IPO Online.

FD Online is a platform for paperless corporate FD investments, while Online IPO bidding process offers UPI-based IPO applications. The online platform for 54 EC Capital Gain Bonds investment also went live in FY 2019-20.

Our online platform witnessed major progress and today online accounts are opened paperless. We have focused on addition of quality advisors and our new IFDs, who joined our team during FY 2019-20 are AMFI Registration Number (ARN) holders. During the year, online transactions have gained momentum with a substantial part of clients transacting online and many IFDs using online facility.



REAL ESTATE CONSULTING SERVICES



Dwello

Dwello is our real estate consulting venture. It helps buyers close transactions by assisting them across a spectrum of services, including the requirement finalisation, searching options, site inspections and finally getting them the best value. We also undertake sole selling and marketing rights of certain projects depending upon our level of involvement and engagement.

We have expanded our reach to almost all micro-markets in Mumbai and Pune and are now serving different stakeholders of the real estate market through targeted models.

While our consulting model is oriented towards fulfilling the requirements of the customer, the Mandate model is focused on taking over the sales of the projects with good proposition for the buyers. Both the models share our customer-centric approach. While we increase efficiency in the Consulting model, our Mandate model will bring in the next wave of growth. In the Mandate model, the marketing

costs are borne by the developer and because of our deep involvement in marketing these projects, we get higher degree of control and revenue from the operations.

Progress in FY 2019-20

During the year, we added 2,085 new projects on our portal, dwello.in from primary research. We have a 240-member strong team working in Mumbai and Pune.

2,085

New projects were added on our portal, dwello.in from primary research during the year



CAPITAL MARKET LENDING

Our capital market lending division caters largely to our wealth and broking clients. Capital market lending includes financing in loan against shares, margin funding, Employee Stock Option Plan (ESOP) financing, loan against bonds/mutual funds and sponsored financing. The business segment witnessed marginal growth during H1 FY 2019-20 but during the second half of the year, Non-Banking Financial Companies (NBFCs) were impacted on account of tight liquidity conditions, high cost of borrowing and volatility in the capital markets. The spread of the COVID-19 pandemic and the subsequent synchronised lockdown across global markets resulted in capital market lending business reducing drastically from FY 2018-19 level.

During FY 2019-20, our IPO funding stood at ₹ 32,507 crore across 19 issuances—including 7 Non-Convertible Debentures (NCDs) issues and one Exchange Traded Fund—vis-à-vis ₹ 11,425 crore during FY 2018-19. The evolving economic environment due to the pandemic, liquidity scenario and the credit spread between AAA- and AA-rated NBFCs will have an impact on capital market lending business going forward. The capital market loan book as on March 31, 2020 stood at ₹ 465 crore compared to ₹ 1,078 crore as on March 31, 2019.



CORPORATE LENDING (STRUCTURED FINANCE)

Our Structured Finance Group aims to provide customised financing solutions to companies and promoters to meet business growth or capital structure refinancing requirements. 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 of 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 collateral.

Progress in FY 2019-20

The performance of this business was impacted by the liquidity crisis grappling the NBFC market and the ongoing

COVID-19 crisis. Given the continued market volatility and uncertain economic outlook, fresh lending was opportunity driven and was directed towards good corporates/high-quality promoters/relationship or strategic clients to meet their short-term liquidity requirements, more like bridge funding, on fairly attractive terms.

During FY20, the Group focused on profitable transactions and balance sheet churn than AUM growth. In addition to new lending, focus also remained on ensuring rigorous credit monitoring to identify and manage accounts where there could be potential stress on account of market factors.

Going ahead, we will drive business through sustained engagement with clients, identifying the short-term financing requirements of our franchise clients and other credit-worthy corporates even as challenges of COVID-19 liquidity, competition and rising cost of funds persist. We expect that such opportunities will continue in the next few quarters and we particularly stand to benefit given our overall low leverage and strong balance sheet position.



PRIVATE EQUITY FUND MANAGEMENT



Private Equity Funds

JM Financial India Fund (Fund I) is a 2006 vintage (i.e. Final Close) India-focused private equity fund that concentrated on providing growth capital to dynamic, fast-growing companies in India. The Fund raised capital from domestic and offshore schemes and invested the corpus in 13 companies across various sectors. Fund I has successfully exited from all its portfolio companies (including one partial exit), as on March 31, 2020.

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

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

first phase of expansion. Key sectors of interest include financial services, consumer, infrastructure services, IT/ITeS and manufacturing, among others. As of date, Fund II has completed five investments and is actively evaluating new investment opportunities. In addition, Fund II has completed a partial divestment from one of its portfolio companies.



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. The Property Fund will continue to focus on exploring exit opportunities for its outstanding portfolio investments.



Mortgage Lending Business

The Mortgage Lending business comprises two segments: Wholesale and Retail. The Wholesale Mortgage business provides integrated financial solutions to real estate developers with a focus on residential project financing. The Retail Mortgage business is focused on retail clients and education institutions.

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 Loans, Loans against Land, Projects at Early Stage Loan, Loan against Property, Loan against Shares. Our loan book stood at ₹ 8,052 crore as on March 31, 2020.

Progress in FY 2019-20

- Continued focus on the quality of assets and timely monetisation of the portfolio has enabled us to keep the number of stressed assets under check
- Focus on maintaining liquidity on the books to be able to underwrite attractive short-term transactions
- Persistent focus on repeat transactions and fee-based income with existing clients, thereby strengthening the relationship with the client

Going forward, we will continue to deepen our relationship with our clients. Furthermore, we will focus on maintaining our asset quality in these challenging market conditions.

The impact of COVID-19 shall be on account of several factors including lack of site visits delaying sales of projects, delays in new project roll outs due to uncertainties in end user demand and in the credit environment, collections, movement of people and minimum staff, progress on construction sites getting impacted due to lack of availability of labour, slowdown in economic activities, valuation of collateral, potential impact on asset quality and moratoriums.

₹ 8,052 crore

Wholesale Mortgage loan book as on March 31, 2020

RETAIL MORTGAGE BUSINESS

Our Retail Mortgage business caters to retail clients. It consists of

1. Housing Finance Business and Loan against Property (LAP)
2. Education Institution Loans (K-12 schools)

Housing Finance Business and LAP

Our housing finance business offers housing loans and loan against property with a focus on the affordable segment. During its second full year of operations, the segment expanded its presence to 27 branches across western, central and southern India.

Almost a third of the borrowers are new to credit with no previous credit history. Despite this factor, our focus on credit quality and stringent credit underwriting standards ensured very low delinquency.

FY 2019-20 marked multiple milestones for JM Financial Home Loans Limited as it turned profitable in the second full year of operations. Another important milestone was our tie-up with Bank of Baroda for co-origination of individual

home loans. Co-lending will allow us to combine our operational efficiencies with Bank of Baroda's lower cost of funds, thus offering best of both the worlds to the end customer. We also received PMAY¹-CLSS² subsidy in the LIG³/EWS⁴ scheme for our home buyer customers.

Notes:

1. Pradhan Mantri Awas Yojana (PMAY)
2. Credit Linked Subsidy Scheme (CLSS)
3. Low-Income Group (LIG)
4. Economically Weaker Sections (EWS)

Education Institution Loans

India continues to see improvement in the education space underpinned by a desire to educate the next generation complemented by rising disposable income. This trend is further spurred on by the government's sustained effort towards improving enrolment at the pre-primary and primary school levels. Consistent increase in enrolment in pre-primary and primary classes in private schools and the movement of students from public to private schools at the secondary and higher secondary levels is tilting the balance in favour of private schooling.

With aspiring parents willing to pay for better education outcomes and all-round development of their children both in urban and rural centres alike, private schools continue to invest in development of better school infrastructure and facilities across the country. A sustained growth in central and international board affiliated schools is enabling greater deployment of capital for school infrastructure development.

Our focus on building a high-quality diversified loan portfolio across budget/affordable and established schools continues unabated with branch operations spread across 7 states. The budget/affordable segment remains the primary area of focus with 4 out of 5 loans given, belonging to this segment. The loan portfolio had zero Gross Non-Performing Assets (GNPA) for the year ended March 31, 2020.



Prize distribution ceremony at Shantiniketan School, Pandharpur, Maharashtra

During the year, we also partnered with 50+ of our existing school clients on the occasion of Children's Day (November 14, 2019) to host a national-level drawing competition christened 'Rangmanch'. The event saw enthusiastic participation from over 50,000 primary and secondary level students and garnered appreciation from school trustees for providing students with a great platform and encouragement.



Distressed Credit

Our Distressed Credit business focuses on acquisition of non-performing assets and turning them around by restructuring their debt, streamlining operations and monetising non-core assets.

During the year, our focus was on resolution and recoveries by way of restructuring, settlement and sale of assets. We successfully completed resolution of one large account by one-time settlement of debt through sale of assets. Aggregation of dues was achieved for one large account and we concluded one transaction by way of resolution plan being implemented in National Company Law Tribunal (NCLT).

Our 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 realise the investments and generate returns through the revival of companies, restructuring of debt and/or monetisation of non-core assets, infusion of additional funds, if any. We have a team of professionals from diverse backgrounds who are experienced in banking, corporate debt restructuring and bankruptcy.

All acquisition/pre-acquisition due diligence (both legal and financial) and resolution/recovery activities are conducted in-house with the specialised support from outside agencies. We closely work with diverse sector-specific professionals and sector-specialised firms for revival of the acquired units.

The liquidity stress of NBFCs continued to spill over in FY 2019-20. During this year, our focus was on recoveries and prudent liquidity and liability management.

We have successfully reduced our short-term borrowings in commercial papers to zero and raised resources through long-term debt and equity funds, which enabled us to reduce gearing from 1.99 times as on March 31, 2019 to 1.77 times as on March 31, 2020 of JM Financial Asset Reconstruction Company Limited.

We have successfully tapped foreign investors to invest in distressed assets as a strong source of liquidity. This has helped to focus on cash investments in security receipts, especially in the light of the recent liquidity constraints for NBFCs. We have co-invested with the foreign investors and have also been able to down sell few investments in Security Receipts.

The COVID-19 pandemic has cast a shadow over the recoveries beginning of FY 2020-21. The lockdown has also impacted the NCLT processes and consequently our recoveries have been delayed further. The lockdown has led to weaker global demand, supply chain disruptions, lower commodity prices, reduced discretionary spends, factory shutdowns and travel restrictions. The impact of the virus on the global market sentiment has been immense. While COVID-19 may not have a direct impact on our business, the evolving global and domestic economic slowdown will influence further demands and realisations. Our cash flows are completely dependent on our clients and hence they could be impacted based on the sector exposure.



Asset Management

We offer a bouquet of mutual fund schemes to serve institutional and individual investors.



MUTUAL FUND

JM Financial Mutual Fund has been operational for over two decades in the Asset Management business in India. 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.

During the year, we hired Mr. Satish Ramanathan who has been appointed as Chief Investment Officer – Equity for the Equity Schemes of JM Financial Mutual Fund.

We provide a wide range of retail and corporate investment solutions with a mix of equity-oriented, debt-based and hybrid schemes. Our risk and fund management framework allows us to effectively manage both risk and investments across the product categories. We cater to all demographics and have a pan-India presence with 13 branches and 81 investor service centres.

The Average Assets Under Management (AAUM) of JM Financial Mutual Fund for FY 2019-20 were ₹ 6,495 crore with Equity AAUM ₹ 4,146 crore and Debt AAUM ₹ 2,349 crore. Our mutual fund business continues to focus on profitable growth.

The AAUM of the mutual fund industry stood at ₹ 27 trillion for the quarter ended March 31, 2020. Both equity and fixed

₹ 6,495 crore

AAUM of JM Financial Mutual Fund for FY 2019-20

income markets witnessed extreme volatility during the year, especially in the last quarter, as a result of downgrades in certain key companies followed by the fear of lockdown due to COVID-19 pandemic having adverse economic consequences. Indian equity indices S&P, BSE Sensex and Nifty 50 declined by 23.63% and 25.85%, respectively during the last quarter.

Despite the high volatility and selling pressure by Foreign Portfolio Investors (FPIs), the mutual fund industry saw good flows from retail investors in equity schemes by way of Systematic Investment Plans (SIPs). The SIP contribution hit record highs in FY 2019-20 and even surpassed SIP flows of FY 2018-19.

Great Workplaces are Made Up of Great People

Our people are at the heart of everything we do. We care for their development and enable them to pursue careers with us. We aim to provide a high-performance, high-engagement work culture for our employees, empowering them along their professional journeys.

Partnering growth. Building competencies.

We believe our people are our partners in growth and it is their drive and determination that provides us the competitive edge. Our team's commitment towards attaining our organisational goals is central to our overall performance, making talent management one of the most important functions of our business.



→ Training on Advance MS Office Excel

Key features of iLearn

- Online technical and behavioural courses (Online Trainings) are hosted on the platform; courses were decided based on the training requirement of employees and these training modules are micro-video-based lessons, which focus on retention.
- External faculty trainings (Classroom Trainings) are conducted and employees are given opportunities to develop their skills.
- We promote open programmes conducted by our people, who share their knowledge and expertise on subject matters (Knowledge Community).

iLearn

Launched a one-stop destination for all our training requirements

We prioritise building and developing a strong talent pool with relevant skillsets and encourage continuous learning. We promote both on-the-job and classroom trainings for skill development. These programmes, which involve both behavioural and technical skills trainings, have played a key role in motivating our workforce. In addition, employees are nominated for various internal and external trainings to further their learning curves.

During FY 2019-20, we launched our very own e-learning platform, iLearn, a one-stop destination for all our training requirements.

Our people also attend seminars, workshops and job-related trainings, arranged by specialised centres. We organised several workshops and classroom training programmes, which included behavioural programmes such as Eye for Detail, Business Etiquette and Fine Dining, Emotional Intelligence, Corporate Grooming and Executive Presence, Team Development Intervention and Leadership Skills. Our technical training programmes involved Finance for Non-Finance, Debt Markets, MS Office, Financial Modelling, Credit Management and Integrated Marketing Communications. We have successfully achieved a total of 480 person-days of trainings for all our employees.

Driving engagement. Protecting health and safety.

We endeavour to engage with our people through various forums to encourage employee interaction and communication and further improve employee-work relationship. We celebrate all major festivals and events like Diwali, Christmas, International Yoga Day, Father's Day, Mother's Day, Family Day, Friendship Day, Independence Day, Earth Day, Navratri, Children's Day, Boss Day, Republic Day, Women's Day and Holi among others with engaging events that draw active participation from our employees making those memorable. Several motivational activities, such as 'Say No to Plastic at Work', 'Swachh Office Abhiyaan', 'Appreciation Week', 'Self Defence Workshops' and 'Giant Jenga', among others, were planned for our people to participate.



→ Diwali Celebrations

We also have active clubs such as Yoga Club, Music Club and Sports Club that encourage our employees to participate in various activities. We actively promote and sponsor participation of both male and female colleagues in various tournaments like football, cricket and bowling.

During the year, we conducted several health and awareness sessions, including physical therapies, health camps and tests such as Eye Check-up and Bone



→ Sports - Bowling

Strength Test to ensure the health and safety of our people. We encourage our people to maintain a healthy work-life balance. Yoga sessions were conducted by a Yoga trainer, twice a week, to help employees focus on mental and physical health. A session on 'Sustainable Living' was also conducted to help employees understand the importance of sustainability and with the intent of sharing the importance of a positive lifestyle.

COVID-19 response

The health and safety of our employees assumed an even greater priority during the COVID-19 crisis. We undertook several measures to ensure that our people and their families remain safe. Regular and clear communication helped relay developments of the pandemic, government guidelines, dos and don'ts, and measures that we have undertaken. All offices were fumigated, sanitary equipment was made available and work from home facility was provided. Our HR business partners were constantly in touch with the employees to ensure their safety. While employees 'Worked from Home', they were also encouraged to 'Learn from Home' and utilise the time to enhance their knowledge and skills.

Recognitions we cherish

During FY 2019-20, we participated in employee engagement surveys such as Great Place to Work (GPTW). We have been recognised as one of the best places to work in the 'Great Place to Work 2020' survey.

- This year, we had five participating entities for the GPTW Survey 2020 (additional ones being Home Loans and Dwello).

- Great Place to Work Survey 2020 saw a participation of 91.5% from the Institutional Securities Group, 95% from the Financial Services, 86% from the Asset Management Company, 96% from Home Loans and 93.2% from Dwello.
- We have been accredited as Great Place to Work – Certified™ for the year 2019-20, by the Great Place to Work Institute for all participating entities.

Building Resilient Livelihoods

At JM Financial, we are helping co-create value for the communities around us by focusing on livelihood generation. We are helping transform aspirations to achievements, unlocking community potential.

We believe that change is gradual and is achieved through structured and consistent efforts. We aim at driving transformation through participation at and with the grassroots, over a sustained length of time.



→ Our Didis rolling and vending perfect *Khakhras* at Shri Vardhman Mahila Griha Udyog in Jamui district, Bihar

Our philanthropic arm, JM Financial Foundation enables us to connect with less-privileged sections of the society, residing in remote rural areas. We run several social initiatives by way of:

- Integrated Rural Transformation Programme through which we attempt to address basic community needs
- Philanthropic support to supplement ongoing efforts made towards notable causes

We focus on enhancement of agriculture and irrigation, livestock development and management, pre-school education and nutrition and women empowerment through these interventions. Over the years, our programmes have created deep-rooted impact for more than 15,000 households across 271 villages in 6 blocks of 3 districts in the states of Maharashtra, Bihar and Jharkhand.



→ All smiles with our Project Bachpan children on a day when they didn't have to come dressed in their uniforms!

15,000+ households

Benefited from our social initiatives

With a timeline of three to five years, we implement our need-based projects in tandem with community resources, linking them to government welfare schemes and programmes. Our initiatives and their outcomes so far, have been detailed in the Corporate Social Responsibility section of the Management Discussion and Analysis on Page 100.

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

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
KFin Technologies Private Limited
Unit: JM Financial Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally Mandal
Hyderabad – 500 032
Phone: 040-6716 2222 Fax: 040- 2300 1153
Toll Free no.: 1800-3454-001
Email ID: einward.ris@kfintech.com

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

CIN: L67120MH1986PLC038784

Notice

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JM FINANCIAL LIMITED (THE "COMPANY") WILL BE HELD ON THURSDAY, JULY 30, 2020 AT 3.30 PM THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO VISUAL MEANS ("OAVM") 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, 2020, 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, 2020, 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 a dividend.
3. To appoint a Director in place of Mr. Nimesh Kampani (DIN 00009071), who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** (For approval of the related party transactions with JM Financial Credit Solutions Limited):

"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, (the **"Listing Regulations"**) and Section 188 of the Companies Act, 2013 (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 (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, inter alia, 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 any investments in the securities of JM Financial Credit Solutions and/or the purchase from and/or sale to it of any securities and/or providing/availing of any services by the Company to/from JM Financial Credit Solutions, on such terms and conditions as the Board, in its absolute discretion, may deem fit PROVIDED HOWEVER THAT the total aggregate 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."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** (For approval of the related party transactions with JM Financial Asset Reconstruction Company Limited):

"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, (the **"Listing Regulations"**) and Section 188 of the Companies Act, 2013 (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 (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, inter alia, 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 any investments in the securities of JM Financial ARC and/or the purchase from and/or sale to it of any securities and/or providing/availing of any services by the Company to/from JM Financial ARC, on such terms and conditions as the Board, in its absolute discretion, may deem fit PROVIDED HOWEVER THAT the total aggregate 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."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** (For approval of the related party transactions with JM Financial Products Limited):

"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, (the **"Listing Regulations"**) and Section 188 of the Companies Act, 2013 (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 (the **"Board"**, which term shall include any Committee thereof) to enter into any and all transactions/contracts/arrangements with JM Financial Products Limited (**"JM Financial Products"**), a subsidiary of the Company and a 'related party' as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, relating

to making of loan(s) to, and/or giving of guarantee(s) or providing security(ies) on behalf of JM Financial Products and/or making of any investments in the securities of JM Financial Products and/or the purchase from and/or sale to it of any securities and/or providing/availing of any services by the Company to/from JM Financial Products, on such terms and conditions as the Board, in its absolute discretion, may deem fit PROVIDED HOWEVER THAT the total aggregate amount/value of all such transactions/contracts/arrangements that may be entered into by the Company with JM Financial Products 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, with or without modification(s), the following resolution as a **Special Resolution** (For approval of Issue of Non-Convertible Debentures):

"RESOLVED THAT pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (the **"Act"**) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014, and pursuant to the applicable provisions of 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 of the Company be and is hereby accorded to the Board of Directors (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 ₹ 1,000 Crore (Rupees One Thousand Crore only), on private placement basis and/or through public offer, on such

Notice (Contd.)

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: June 24, 2020

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

NOTES:

- The Ministry of Corporate Affairs (“MCA”), vide its Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 (“MCA Circulars”), has permitted to hold the Annual General Meeting (“AGM”) for the calendar year 2020 through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the presence of the members at a common venue, due to the outbreak of COVID-19 pandemic.

In due compliance with the above MCA Circulars, the Thirty Fifth AGM of the Company is convened through VC/OAVM.

- 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. 4 to 7 of the Notice, is annexed hereto and forms part of the Notice.
- Pursuant to the provisions of the Companies Act, 2013 (the “Act”), a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on

his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this Notice.

- In case if the member is a Body Corporate/Institution, then they are requested to send scanned copy (PDF/JPG format) of its board or governing body resolution/authorization, authorizing its representative(s) to attend the AGM through VC/OAVM on its behalf and vote through remote e-voting. The said resolution/authorization shall be emailed to the Scrutinizer at jayshreedagli@gmail.com and copy marked to ecommunication@jmfl.com.
- The register of members of the Company remained closed from Tuesday, May 19, 2020 to Friday, May 22, 2020 (both the days inclusive) for determining the members entitled to receive the dividend for the financial year 2019-20, if declared at the ensuing AGM. The members may note that the Ex Date for this dividend on the stock exchanges was May 15, 2020.
- The dividend as recommended by the Board of Directors, if declared at the ensuing AGM, will be paid, (subject to deduction of tax at source), on and from Saturday, August 1, 2020 to those members:
 - whose names appeared 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 18, 2020**, in respect of shares then held by them in dematerialised form; and
 - whose names appeared in the register of members at the close of business hours on **Monday, May 18, 2020**, in respect of shares then held by them in physical form.

- Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a company after April 1, 2020, shall be taxable in the hands of the members. Accordingly, the Company shall be required to deduct tax at source (the “TDS”), at the time of making payment of the said dividend. The withholding tax rate would vary depending on the residential status of each members and the documents submitted by them and accepted by the Company. Accordingly, the dividend will be paid after deducting the tax at source in the following manner:
 - whose names appeared 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 18, 2020**, in respect of shares then held by them in dematerialised form; and
 - whose names appeared in the register of members at the close of business hours on **Monday, May 18, 2020**, in respect of shares then held by them in physical form.

For resident members

- Where, the Permanent Account Number (PAN) is available and is valid,
 - Tax shall be deducted at source in accordance with the provisions of the Income-tax Act, 1961 at 7.50% (as per Finance Ministry’s Press Release dated May 13, 2020) on the amount of dividend.
 - No tax shall be deducted in the case of a resident individual member, if:
 - the amount of such dividend in aggregate, paid or likely to be paid, during the financial year does not exceed ₹ 5,000; or
 - the member provides the duly signed Form 15G (applicable to any person other than a Company or a Firm) or Form 15H (applicable to an Individual above the age of 60 years) subject to meeting all the prescribed eligibility conditions. The format of Form 15G and Form 15H are available on the website of the Company at <https://jmfl.com/investor-relation/overview.html>. The said form(s) may be uploaded by the member on the Company’s Registrar and Transfer Agents (the “RTA”) website at www.KFintech.com.
- Where the PAN is either not available or is invalid, tax shall be deducted at the prescribed rate or 20%, whichever is higher.
- No tax will be withheld from dividend paid to Mutual Funds and Category - I & II Alternative Investment Funds registered with SEBI.

For non-resident members

- Tax will be deducted at source in accordance with the provisions of the Income-Tax Act, 1961 at applicable rates in force. As per relevant provisions, tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend.
- As per the provisions of the Income-Tax Act, 1961, the non-resident member (other than FII/FPI) may have an option to be governed by the provisions of the Double Tax Avoidance Agreement/Treaty (DTAA) between India and the country of tax residence of the member, if such

DTAA provisions are more beneficial to them. To avail the DTAA benefits, the non-resident member shall furnish all the following documents to the Company’s RTA.

- Self-attested copy of Permanent Account Number (PAN), if allotted by the Indian Income Tax Authorities;
 - Self-attested Tax Residency Certificate (TRC) issued by the tax authorities of the country of which member is a resident, evidencing and certifying member’s tax residency status during the financial year 2020-21;
 - Completed and duly signed Self-declaration in Form 10F, draft format available on the website of the Company at <https://jmfl.com/investor-relation/overview.html>; and
 - Self-declaration for the financial year 2020-21 in the prescribed format available on website of the Company at <https://jmfl.com/investor-relation/overview.html>.
- The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the concerned non-resident member.
 - Notwithstanding paragraphs 1 and 2 above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) by the Company on dividends paid to Foreign Institutional Investors and Foreign Portfolio Investors. Such TDS rate shall not be reduced on account of the application of the Lower DTAA rate or lower tax deduction order, if any.

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

For withholding of taxes, the residential status of the members will be considered as per the data available with the Company/RTA/the Depository Participants (the “DPs”).

Notice (Contd.)

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

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

The Company shall arrange to email a soft copy of the TDS certificate at the member's registered email ID post payment of the dividend. Members will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

In case you require any other information/clarification with regard to the above, kindly write to us at ecomcommunication@jmfl.com or our RTA at einward.ris@kfintech.com.

- The MCA circulars has allowed the Companies to send the Annual Reports to the members via email. Members, who have not registered their email addresses so far, are requested to promptly intimate the same to their respective Depository Participants ("DPs") or to JM Financial Limited ("the Company") / its RTA, as the case may be. Further, we also request the members to register and/or update their Permanent Account Number ("PAN") and bank account details in order to enable the Company to credit dividends directly in to their bank accounts through National Automated Clearing House mechanism.

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.

We therefore request the members to immediately submit/update the following details:

Particulars	Physical holding	Demat (electronic) mode
Registration/ Up-dation of email address and permanent account number (PAN)	In case of PAN Card, email the scan copy of self-attested PAN card and email details to the Company at ecomcommunication@jmfl.com or to the Registrar and Transfer Agents ("RTA") at einward.ris@kfintech.com .	Register/update the email address and PAN through your depository participant.

Registration/ Updation of Bank account details	In case of bank account details, email the scan copy of the letter duly signed by all the member(s), including all the joint holders, if any, with the bank account details/updated details to the Company at ecomcommunication@jmfl.com or to einward.ris@kfintech.com (the Company's registrars) (The above letter should be accompanied by scanned copy of the cancelled cheque of the first member's bank account having his name printed on the same and self-attested copy of the bank passbook/statement). Scanned copy of the first page of the passbook/statement should also be attached.	Register/update the Bank account details in demat account of the members with their respective depository participants.
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Considering the lockdown imposed due to the COVID-19 pandemic, the Company will send its Annual Report to the members by email and dividend will be directly credited to the members bank account. In case if the details of the bank account are not available, then the Company shall upon normalisation of the postal services, dispatch the dividend pay order to such members by post.

- Members, who have not yet claimed their dividend for the financial year 2012-13 and/or for any subsequent financial years, are requested to immediately claim the same from the Company or its RTA, as the unclaimed dividend for the financial year 2012-13 will be due for transfer to the Investor Education and Protection Fund (the "IEPF") in September 2020.

Details of the members whose dividend has remained unclaimed up to final dividend 2017-18 as on the date of the Thirty Fourth AGM held on July 19, 2019, 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.

- The shares, in respect of which the dividend has not been claimed for 7 (seven) consecutive years or more, shall be transferred to the IEPF Authority, in accordance with Section 124(6) of the Act read with the IEPF Rules.

All such shares are transferred by way of credit to the Demat Account established by the IEPF Authority for the said purpose.

The shares in respect of which the dividend has not been claimed for 7 (seven) consecutive years from the financial year 2012-13, (barring the shares that have already been transferred by the Company to IEPF in October 2019 and March 2020) are due to be transferred by the Company in the name of IEPF Authority in September, 2020.

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

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

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

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

- In compliance with the aforesaid MCA Circulars and Securities and Exchange Board of India (the "SEBI") Circular dated May 12, 2020, electronic copy of the Annual Report for the financial year 2019-20 is being sent to those members whose email IDs are registered with their respective Depository Participants ("DPs"), the Company or its RTA, viz., KFin Technologies Private Limited. Members, who have not registered their email addresses so far, are requested to promptly intimate the same to their respective DPs or to the Company/its RTA, as the case may be.

Members may also note that the Annual Report for the financial year 2019-20 including the Notice convening the Thirty Fifth AGM will also be available on the Company's website viz., www.jmfl.com and on the websites of the Stock Exchanges i.e., BSE Limited

("BSE") at www.bseindia.com and National Stock Exchange of India Limited ("NSE") at www.nseindia.com. Additionally, certificate from Statutory Auditors certifying that the Company's Employee Stock Options Scheme is 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 online inspection.

- Members of the Company at Thirty Second AGM held on July 24, 2017 had appointed Deloitte Haskins & Sells LLP (ICAI Firm Registration Number 117366W/W-100018) as Statutory Auditors of the Company to hold office for a period of 5 (five) years from the conclusion of that AGM till the conclusion of the Thirty Seven AGM, subject to ratification of their appointment by members at every AGM, as required under the Act. The requirement to place the matter relating to ratification of appointment of auditors by the members at every AGM has been done away with, 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.
- The Company has paid the annual listing fees for the financial year 2020-21 to BSE and NSE.
- 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 Company or to its RTA. Members may obtain a blank Form No. SH-13 upon request to the Company or its RTA.
- 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 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition. Members may write to the Company Secretary at ecomcommunication@jmfl.com in case they wish to get their securities dematerialised.
- 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.

Notice (Contd.)

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. In case if the details of the bank account are not available, then the Company shall upon normalisation of the postal services, dispatch the dividend pay order to such member by post.

Members are requested to immediately notify any change in their address to their respective DPs in case they hold shares in electronic form; and to RTA or the Company, if they hold shares in physical form.

17. The relevant details as required under Regulation 36(3) of the Listing Regulations and clause 1.2.5 of Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment/re-appointment as Director is given in annexure forming part of this Notice.
18. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
19. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
20. Instructions to members for voting through electronic means:
 - A. In case of members whose email addresses are registered with the Depository Participant/Company/RTA:
 - 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 Listing Regulations, the Company has provided to its members, the facility to exercise their right to vote on resolutions proposed to be passed at the Thirty Fifth AGM by electronic means and the business may be transacted through e-voting process. The Company has engaged the services of KFin Technologies Private Limited (“KFinTech”) for providing the facility of casting the votes by the members using the electronic voting system (“remote e-voting”).

- II. Members who have casted their votes by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- III. Members who have not cast their vote(s) on the resolutions through remote e-voting, will be able to vote at the meeting through the online voting facility (“e-voting”), which shall be made available at the AGM.
- IV. 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.
- V. A person who is not a member as on the cut-off date should treat this Notice of AGM for information purpose only.
- VI. The remote e-voting period commences on Sunday, July 26, 2020 (9.00 am) and ends on Wednesday, July 29, 2020 (5.00 pm). During this period, the members of the Company, holding shares either in dematerialised form or in physical form, (as on the cut-off date of Thursday, July 23, 2020) may cast their votes by remote e-voting. The remote e-voting module shall be disabled by KFinTech for voting thereafter.
- VII. The process and manner for remote e-voting by the members holding the shares in dematerialised mode, physical mode and for the members who have not registered their email addresses is provided below:
 - A. Members whose email IDs are registered with the Company/DPs will receive an email from KFinTech 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 and type the URL: <https://evoting.karvy.com> in the address bar.
 - (ii) Enter the login credentials i.e. User ID and password as provided in the email sent to the member.
 - (iii) After entering the details appropriately, click on LOGIN.
 - (iv) You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and 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 EVENT. You will need to select JM Financial Limited.

- (vii) On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click ‘FOR’/‘AGAINST’ as the case may be or partially in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR’ and/or ‘AGAINST’ taken together should not exceed your total shareholding as on the cut-off date. You can also choose the option ‘ABSTAIN’ and the shares held will not be counted under either head.
- (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- (ix) Cast your votes by selecting an appropriate option and click on ‘SUBMIT’. A confirmation box will be displayed. Click ‘OK’ to confirm, else ‘CANCEL’ to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- (x) Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at jayshreedagli@gmail.com and copy marked to ecommunication@jmfl.com and to einward.ris@kfintech.com. Members may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format ‘JMFL_EVENT No.’
- VIII. In case of any query pertaining to e-voting, please visit ‘Help & FAQ’s section’ available at KFinTech’s website <https://evoting.karvy.com>.
- IX. 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.
- X. The voting rights of members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of Thursday, July 23, 2020.
- XI. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Thursday, July 23, 2020, 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) Members may call KFinTech’s toll free number 1800-3454-001 (from 9.00 am to 6.00 pm) for any help.
- d) Members may also send an e-mail request to einward.ris@kfintech.com.
- XII. 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., Thursday, July 23, 2020, only, shall be entitled to avail the facility of remote e-voting or e-voting.
- B. In case of members whose email addresses are NOT registered/updated with the Depository Participant/ Company/KFinTech:
 - Members holding shares in dematerialised form are requested to provide Depository Participant ID (“DPID”) and Client ID (“CLID”) (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card) or AADHAR (self-attested scanned copy of Aadhar Card) to KFinTech on einward.ris@kfintech.com;
 - Members holding shares in physical form are requested to provide Folio No., Name of member, PAN (self-attested scanned copy of PAN card) or AADHAR (self-attested scanned copy of Aadhar Card) by email to KFinTech on einward.ris@kfintech.com;

After due verification, the KFinTech will forward your login credentials to your registered email address.

You are then requested to follow the remote e-voting instructions as laid down in point no. a above.

Notice (Contd.)

- C. In case of members opting for e-voting on the day of the AGM:
- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 - Only those members, who are present in the AGM through VC/OAVM facility and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the AGM.
 - Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 - In case of any assistance during the AGM, members can contact Mr. Thakur Birender Singh (Deputy General Manager) at 040 67161611 / 9620822236.
- 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 (both remote e-voting and e-voting) in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- 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 KFinTech 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.
- Subject to receipt of requisite number of votes, the resolutions as stated in this Notice shall be deemed to have been passed on the date of the AGM i.e., Thursday, July 30, 2020.
- Instructions for members for attending the AGM through VC/OAVM are as under:
 - Members will be able to attend the AGM through VC/OAVM provided by KFinTech by accessing the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the members' login by using the remote e-voting credentials. The link for e-AGM will be available in members' login where the EVENT and the name of the company can be selected.
 - Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.
 - Facility of joining the AGM through VC/OAVM shall opened 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM. This does not include large members/shareholders (members/shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Statutory Auditors, etc. who are allowed to attend the AGM without any restrictions.
 - Members will be allowed to attend the AGM through VC/OAVM on first come first served basis.
 - Members are encouraged to join the AGM through laptops with Google Chrome for better experience.
 - Members will be required to allow "camera" and use internet with a good speed to avoid any disturbance during the meeting.
 - Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - AGM Questions prior to e-AGM: Members who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions". Thereafter, the members may post their queries/views in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. "Post your Questions" link shall commence on Friday, July 24, 2020 at 9.00 am and close on Tuesday, July 28, 2020 at 5.00 pm.
 - Speaker Registration during e-AGM session: Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com/> and clicking on "Speaker Registration". You would have to mention the demat account number/folio number, city, email id, mobile number and then click on submit. The speaker registration shall commence on Friday, July 24, 2020 at 9.00 am and close on Tuesday, July 28, 2020 at 5.00 pm.
 - Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
 - Members who need assistance before or during the AGM, can contact Mr. Thakur Birender Singh (Deputy General Manager) at 040 67161611/ 9620822236.

Annexure to Notice

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

Item Nos. 4, 5 & 6

Pursuant to the Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "Listing Regulations"), all related party transactions shall require prior approval of the Audit Committee. Also, all material transactions with related parties shall require approval of the members of a public listed company through an ordinary 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 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), all related party transactions beyond the threshold mentioned in sub-rule (3)(a) of the said Rule 15, shall require prior approval of the members at a general meeting.

"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.

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transactions	Amount *
1.	JM Financial Credit Solutions Limited	Subsidiary Company	Loans/Inter-corporate Deposits/ Investment, purchase and/or sale of securities, transfer of assets from and to, 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 from and to, providing/availing of services, etc.	Not exceeding ₹ 500 Crore
3.	JM Financial Products Limited	Subsidiary Company	Loans/Inter-corporate Deposits/ Investment, purchase and/or sale of securities, transfer of assets from and to, 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 Fourth AGM had accorded their approval for the Company to enter into various transactions as mentioned above with its related parties, viz., 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

The annual consolidated turnover of the Company for the financial year 2019-20 is ₹3,453.55 Crore. Accordingly, any transaction(s) by the Company with its related party exceeding ₹345.36 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, JM Financial Asset Reconstruction Company Limited and JM Financial Products Limited as and when they require funds for their business activities/working capital needs.

The Company has a net worth of ₹2,573.28 Crore and it enjoys credit rating [ICRA] AA from ICRA Limited, for its borrowings, if any, from time to time.

Considering that the aggregate amount/value of transactions to be entered into by the Company with each of the above entities may exceed ₹345.36 Crore, it is proposed to obtain the members' approval in respect of the following transactions during the financial year:

aggregating ₹8.61 Crore and with JM Financial ARC for an amount aggregating ₹ 241.13 Crore during the financial year 2019-20. 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 Financial Company registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit taking NBFC. It

Annexure to Notice (Contd.)

is engaged in wholesale lending activities focused on real estate financing which includes loan against commercial real estate/properties. As on March 31, 2020, the Company holds 46.68% equity stake of the total paid-up share capital in JM Financial Credit Solutions. The Company continues to have control of JM Financial Credit Solutions pursuant to Section 2(87)(i) by having right to appoint the majority directors of JM Financial Credit Solutions.

JM Financial ARC is an Asset Reconstruction Company registered with the RBI. It is engaged in acquisition of non-performing and distressed assets (“NPAs”) from Banks and Financial Institutions and resolving them. As on March 31, 2020, the Company holds 59.25% equity stake of the total share capital in JM Financial ARC.

JM Financial Products is the Non-Banking Financial Companies registered with the RBI as a Systemically Important Non-Deposit taking NBFC. As on March 31, 2020, the Company holds 99.35% equity stake of the total share capital in JM Financial Products. The Company had obtained approval of its members for entering into transactions with JM Financial Products at its Thirtieth AGM held on July 30, 2015. Since then no approval was obtained till last year. It is likely that the Company may enter into transactions with JM Financial Products during this financial year in excess of the threshold provided earlier and hence the approval of the members is now sought.

The above transactions, which are enabling in nature, have been approved by the Audit Committee of the Board of the Company 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. 4, 5 and 6 of the Notice.

Mr. Darius E Udawadia and Mr. Vishal Kampani, Directors of JM Financial Credit Solutions Limited; Dr. Vijay Kelkar and Mr. Vishal Kampani, Directors of JM Financial ARC and Mr. E A Kshirsagar and Mr. Vishal Kampani, Directors of JM Financial Products, may be deemed to be concerned or interested in the above ordinary resolutions.

None of the other Directors/Key Managerial Personnel of the Company and their relatives (except for Mr. Nimesh Kampani, a relative of Mr. Vishal Kampani) is, in any way concerned or interested, financially or otherwise, in the above ordinary resolutions.

Item No. 7

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.

The Company had obtained the approval of members by way of special resolution passed at the Thirty Fourth AGM held on July 19, 2019 for raising of funds up to ₹ 2,500 Crore (Rupees Two Thousand Five Hundred 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. Accordingly, the Board of Directors, has decided to obtain the enabling approval of the members to raise an amount aggregating up to ₹1,000 Crore.

As mentioned earlier, the special resolution proposed at item no. 7 of the Notice is to seek enabling approval from the members. If the NCDs are issued in pursuance of this Resolution, the proceeds thereof would be utilised by the Company, inter-alia, to provide financial assistance 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 to the extent permissible under the applicable laws. Accordingly, consent of the members is sought for issuing the NCDs aggregating up to ₹ 1,000 Crore (Rupees One Thousand Crore Only) by passing the special resolution set out at item no. 7 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.

The Board commends passing of the special resolution set out at item no. 7 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, if any, that may be subscribed and allotted to them, if any) in the special resolution set out at item no. 7 of the Notice.

By Order of the Board

Prashant Choksi
Group Head - Compliance, Legal
& Company Secretary

Place: Mumbai
Date: June 24, 2020

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

ADDITIONAL INFORMATION OF DIRECTOR SEEKING RE-APPOINTMENT AT THE THIRTY FIFTH ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARD - 2 ON GENERAL MEETINGS (INFORMATION AS ON MARCH 31, 2020)

Name of the Director	Mr. Nimesh Kampani
Date of Birth	September 30, 1946
Date of First Appointment (appointment as an additional director on the Board)	June 12, 1987
Date of Last Re-appointment	July 19, 2019
Qualification(s)	B.Com, FCA
Brief Profile	<p>Mr. Nimesh Kampani is the founder and 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 broking, non-banking financial services, private equity and asset reconstruction.</p> <p>In his career spanning over four decades, Mr. Kampani has made pioneering contribution to the development of the Indian capital markets and has advised several corporates on their strategic and financial needs, especially, capital raising and mergers & acquisitions, investors on the focus areas for investing, 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 Limited, Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI) and Institute of Chartered Accountants of India.</p> <p>He 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. He was also a member of the India Advisory Board of Bain & Company.</p> <p>Mr. Kampani is currently 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.</p> <p>Mr. Kampani serves as an Independent Director on the Board of Chambal Fertilisers and Chemicals Limited. He also served as an Independent Director on the Board of several leading Indian companies in the past.</p> <p>Mr. Kampani is a commerce graduate from Sydenham College, Mumbai and a fellow member of the Institute of Chartered Accountants of India.</p>

Annexure to Notice (Contd.)

Relationship with other Directors, Manager and Key Managerial Personnel (KMP)	Mr. Vishal Kampani, Managing Director (KMP) of the Company is son of Mr. Nimesh Kampani.
Expertise in specific functional areas	Financial advisory including Investment Banking, Mergers, Acquisitions & Restructuring, Corporate Finance and Capital Markets
Shares held in the Company	Mr. Kampani held 12,57,50,000* equity shares of the Company as on March 31, 2020. *including 12,50,000 shares held in Nimesh Kampani HUF
Directorships held in other listed companies* excluding foreign companies	• Chambal Fertilisers and Chemicals Limited
Memberships of Committees in other listed companies**	• Member of Audit Committee of Chambal Fertilisers and Chemicals Limited
Details of remuneration paid during the financial year (FY) 2019-20	Sitting fees: ₹ 7.05 Lakh Total: ₹ 7.05 Lakh
Remuneration sought to be paid	Sitting Fees and Commission, if any.
Terms and conditions of appointment	Re-appointment as a Non-executive Director of the Company liable to retire by rotation to comply with the provisions of Section 152 of the Companies Act, 2013.
No. of Board Meetings attended during the financial year 2019-20	6/6

* Only equity listed entities are considered.

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

Directors' Report

Dear Members,

The Directors of the Company are pleased to present their Thirty Fifth Annual Report together with the audited financial statements for the financial year ended March 31, 2020.

FINANCIAL PERFORMANCE

The key highlights of the consolidated and standalone financial results of the Company are summarised below:

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Gross income	3,453.55	3,499.49	303.07	270.51
Profit before depreciation and amortisation expense, finance costs and tax expenses	2,520.42	2,756.11	176.44	137.12
Less: Depreciation and amortisation expense	41.04	27.11	12.18	1.86
Finance costs	1,385.86	1,446.21	7.81	19.56
Profit before tax	1,093.52	1,282.79	156.45	115.70
Current tax	328.52	489.23	32.16	6.66
Deferred tax	(15.92)	(42.49)	(3.11)	(2.59)
Tax adjustments of earlier years (net)	3.38	(0.43)	0.09	0.33
Net Profit after tax but before share in profit of associate	777.54	836.48	127.31	111.30
Add: Share in profit of associate	0.41	0.57	-	-
Net Profit after tax and share in profit of associate	777.95	837.05	127.31	111.30
Other Comprehensive Income	8.68	7.82	(0.29)	(0.04)
Total Comprehensive Income	786.63	844.87	127.02	111.26
Net Profit Attributable to:				
Owners of the Company	544.98	572.18	-	-
Non-Controlling Interests	232.97	264.87	-	-
Total Comprehensive Income Attributable to:				
Owners of the Company	553.76	580.11	-	-
Non-Controlling Interests	232.87	264.76	-	-

APPROPRIATIONS

The following appropriations have been made from the available profits of the Company for the financial year 2019-20.

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Net Profit	544.98	572.18	127.31	111.30
Add/(less): Other Comprehensive Income	(1.09)	(0.44)	(0.29)	(0.04)
Add: Balance profit brought forward from previous year	2,524.91	2,271.69	842.07	870.62
Add: Transfer from Debenture redemption reserve	33.76	-	-	-
Add: On loss of control in subsidiary trusts transferred from Capital reserve on consolidation	-	4.27	-	-
Profit available for appropriation	3,102.56	2,847.70	969.09	981.88
Less: Appropriations				
Interim dividend	-	41.99	-	41.99
Final dividend	42.00	92.26	42.00	92.26
Dividend distribution tax	3.61	28.25	1.37	5.56
Transfer to Statutory reserve - I	112.47	126.53	-	-
Transfer to Statutory reserve - II	1.48	-	-	-
Transfer to Debenture redemption reserve	-	33.76	-	-
Surplus carried to balance sheet	2,943.00	2,524.91	925.72	842.07

Directors' Report (Contd.)

Consolidated Financial Performance

The Consolidated Gross Income of the Company for the financial year ended March 31, 2020 is marginally lower by 1.31% at ₹ 3,453.55 Crore vis-à-vis ₹ 3,499.49 Crore in the previous year. Consolidated Net Profit during the said financial year is ₹ 544.98 Crore as compared to ₹ 572.18 Crore in the previous year, registering a decrease of 4.75%. The decrease in the net profit is mainly due to decline in profits from distressed credit segment to ₹ 29.85 Crore during the financial year 2019-20 from ₹ 94.71 Crore for the financial year 2018-19. Also, during the last quarter of FY 2019-20, the outbreak of COVID-19 pandemic across the globe and in India led to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Accordingly, the statement of profit and loss for the year ended March 31, 2020 includes an incremental gross impairment provision and fair value loss aggregating ₹ 175.21 Crore, which significantly includes potential impact on account of the pandemic. The adjusted profit after tax (Pre COVID impact) for the current year would have been ₹ 621.08 Crore.

Consolidated financial statements for the financial year ended March 31, 2020 have been prepared in accordance with Section 133 of the Companies Act, 2013 (the "Act") read with the rules made thereunder and Indian Accounting Standards (Ind AS) 110. 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 the Company and its subsidiaries/associate is contained in the Management Discussion and Analysis Report forming part of this Annual Report.

Standalone Financial Performance

The Gross Income of the Company was higher at ₹ 303.07 Crore for the year ended March 31, 2020 as against ₹ 270.51 Crore in the previous year, an increase of 12.04%. The Company made a Net Profit of ₹ 127.31 Crore for the year ended March 31, 2020 as compared to the Net Profit of ₹ 111.30 Crore in the previous year, registering an increase of 14.38%. The higher income and corresponding increase in the net profit is on account of increase in fee income from ₹ 120.38 Crore in the FY 2018-19 to ₹ 219.45 Crore in the year under review arising out of increase in deal closures in investment banking business. The said increase is offset by decrease in dividend income from subsidiaries of ₹ 35.53 Crore (previous year ₹ 110.37 Crore) during the year under review.

Pursuant to the provisions of Section 136 of the Act, the Annual Report of the Company, containing, inter alia, its standalone and the consolidated financial statements, along with the relevant documents and separate audited financial statements for each subsidiaries are available on the website of the Company viz., <https://jmfl.com/investor-relation/financial-results.html>.

DIVIDEND

The Board of Directors of your Company has recommended a payment of dividend of ₹ 0.20 per share of the face value of ₹ 1.00 each for the financial year 2019-20 as compared to ₹ 1.00 per share (₹ 0.50 interim and ₹ 0.50 final) paid for the previous financial year.

The recommendation of lower dividend for the financial year 2019-20 is to conserve cash in the Company to meet the uncertainties arising out of COVID-19. The distribution of lower amount is notwithstanding the dividend distribution policy of the Company, a copy whereof is available on the website www.jmfl.com.

The total outgo on account of dividend would entail ₹ 16.82 Crore for the financial year 2019-20 as against ₹ 83.99 Crore (both interim and final) for the previous year.

The dividend, if declared, at the Thirty Fifth Annual General Meeting, will be paid to those members, whose names appear on the Register of Members/List of Beneficial Owners on May 18, 2020.

COVID-19

As the members are aware, the outbreak of COVID-19 has been declared as pandemic by the World Health Organisation (WHO) affecting vast majority of people across the Globe including India. This event has forced the Indian Government, among others, to impose a lockdown from last week of March 2020. Your Company has activated business continuity plan and mandated large part of its employees to continue to work from home or remotely with effect from March 16, 2020 barring employees rendering essential services. This has had adverse impact on the businesses of the Group. COVID-19 has led to a significant decline in the global and Indian financial markets and slowdown in the economic activities.

SHARE CAPITAL

As on March 31, 2020, the issued, subscribed and paid-up equity share capital of the Company stood at ₹ 84,12,24,647 (comprising 84,12,24,647 equity shares of the face value of ₹1/- each) as against ₹ 83,99,31,463 (comprising 83,99,31,463 equity shares of the face value of ₹1/- each) at the end of the previous financial year. During the year under review, an aggregate of 12,93,184 equity shares were issued and

allotted to the eligible employees of the Company and its subsidiaries pursuant to exercise of stock options by them, under the Company's Employees' Stock Option Scheme – Series 5 to Series 11.

EMPLOYEES' STOCK OPTION SCHEME

The Company's Employees' Stock Option Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SBEB Regulations") and SEBI Circulars issued from time to time concerning the said regulations. Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company, has certified that the Company's Employees' Stock Option Scheme has been implemented in accordance with the SBEB Regulations.

Up to March 31, 2020, an aggregate of 2,79,43,563 stock options had been exercised by the eligible employees of the Company and its subsidiaries. The aggregate number of stock options outstanding as at March 31, 2020 are 36,45,232.

The Nomination and Remuneration Committee of the Board, at its meeting held on April 17, 2020, has further granted 18,56,913 stock options to the eligible employees of the Company and its subsidiaries under the Employees' Stock Option Scheme – Series 13.

Information as required under the SBEB Regulations read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 is appended to this Report as **Annexure A** and also uploaded on the Company's website at www.jmfl.com.

The relevant disclosures in terms of the Ind AS 102 relating to share based payment, forms part of Note 31 of the Notes to the standalone financial statements and Note 42 of the Notes to the consolidated financial statements of the Company.

DEPOSITS

In terms of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, the Company has neither invited nor accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2020.

SUBSIDIARIES AND ASSOCIATE

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

Subsidiaries

1. JM Financial Institutional Securities Limited
2. JM Financial Services Limited
3. JM Financial Capital Limited

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

Associate

JM Financial Trustee Company Private Limited

There has been no material change in the nature of the business of subsidiaries. The segment wise business activities of the subsidiaries, their performance and financial position are described in detail in the Management Discussion and Analysis Report which forms part of this Report.

A report on the performance and financial position of each of the subsidiary and associate companies is included in the consolidated financial statement and their contribution to the overall performance of the Company is provided in Form AOC-1 which forms part of the Annual Report.

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

AWARDS AND RECOGNITION

The Asset Triple A Country Awards 2019	JM Financial Limited awarded for the 'Best IPO' (Embassy Office Parks REIT US\$ 688 million IPO).
BSE Award, 2019	JM Financial Services Limited recognised by BSE Ltd., among the Top Performers in Primary Market Segment (Debt Public Issue Bids – Members and Equity – IPO/FPO Bids - Members).
The Great Place to Work Institute. India's Great Mid-Size Workplaces, 2019	JM Financial Services Limited recognised as 'India's Best Companies To Work For 2019 - Investments Industry'.

Directors' Report (Contd.)

The Great Place to Work Institute. India's Great Mid-Size Workplaces, 2019	JM Financial Asset Management Limited ranked among Top 30 in India's Great Mid-Size Workplaces.
India's 20 Best Workplaces in BFSI by Great Place to Work	JM Financial Services Limited recognised among India's 20 Best Workplaces in BFSI – 2019 by Great Place to Work.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In compliance with 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. The brief details of Mr. Kampani, who is proposed to be re-appointed as required under Secretarial Standard 2 (“SS-2”) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the “Listing Regulations”) is being provided in the Notice convening the Annual General Meeting of the Company.

As was reported in the previous year's report, Mr. E A Kshirsagar, Mr. Darius E Udawadia, Dr. Vijay Kelkar, Mr. Paul Zuckerman and Mr. Keki Dadiseth, were re-appointed as independent directors of the Company for a further term of 3 (three) years with effect from July 3, 2019. Similarly, Ms. Jagi Mangat Panda was also re-appointed as an independent director of the Company for a further term of 5 (five) years with effect from March 31, 2020.

All the Directors of the Company have confirmed that they are not disqualified to act as Directors of the Company in terms of Section 164 of the Act.

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

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given their respective declarations under Section 149(6) of the Act that they qualify to be independent directors pursuant to Rule 5 and Rule 6 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, 6 (six) meetings of the Board of Directors were held. Details about the Board meetings and committee meetings are given in the Corporate Governance Report which forms part of this Report. The intervening gap between any 2 (two) meetings of the Board was not more than 120 (one hundred and twenty) days as stipulated under the Act and Listing Regulations.

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 Company has adopted policies on selection and appointment of directors and on performance evaluation and remuneration of directors. The details of remuneration and other matters have been disclosed at length in the Corporate Governance Report, which forms part of this Report.

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

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Act, and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its committees including performance of the directors individually. Through a structured questionnaire, a feedback from each director was obtained as part of performance evaluation. This was done in accordance with the Company's policy on performance evaluation and Guidance Note on the board evaluation issued by SEBI. The Nomination and Remuneration Committee of the Board has also carried out the evaluation of the performance of all the individual directors, the Chairman and the Managing Director of the Company.

The performance evaluation of individual directors including the Chairman and the Managing Director, inter alia, was done based on the criteria 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 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 20, 2020, taking into account the views of the executive director and the non-executive directors.

BOARD COMMITTEES

The Board has formulated the following Committees to take informed decisions in the best interests of the Company. Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in the Report on Corporate Governance which forms part of this Report:

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

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

Deloitte Haskins & Sells LLP, Chartered Accountants, are the statutory auditors of the Company. They were appointed as the statutory auditors for a period of 5 (five) years from the conclusion of the Thirty Second Annual General Meeting of the Company held on July 24, 2017 until the conclusion of the Thirty Seventh Annual General Meeting pursuant to the applicable provisions of the Act. The requirement to place the matter relating to appointment of auditors for ratification by the members at every AGM has been done away by the Companies (Amendment) Act, 2017. Accordingly, no resolution has been proposed for ratification of appointment of statutory auditors at the ensuing Annual General Meeting.

AUDITORS' REPORT

The statutory auditors have issued their unmodified opinion, both on standalone and consolidated financial statements for the year ended March 31, 2020 and that they have not highlighted any qualifications, reservations, adverse remarks or disclaimers. The statutory auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2019-20. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation and comments.

SECRETARIAL AUDIT

M/s. N. L. Bhatia & Associates, Company Secretaries in Practice, have conducted the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Act and Regulation 24A of the Listing Regulations. The appointment of the Secretarial Auditor has been made in terms of Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year ended March 31, 2020 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 AUDIT OF MATERIAL UNLISTED INDIAN SUBSIDIARIES

All the material subsidiaries of the Company had undertaken Secretarial Audit for financial year 2019-20 pursuant to Section 204 of the Act and the said report there on forms part of such subsidiaries' respective annual reports.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards i.e. SS-1 relating to Meetings of the Board of Directors and SS-2 relating to General Meetings, respectively.

Directors' Report (Contd.)

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee (the "Committee") is established by the Board in accordance with Section 135 of the Act. The Committee has approved and adopted the Corporate Social Responsibility ("CSR") policy which lists out the activities that can be undertaken or supported by the Company within the applicable provisions of the Act. Apart from the composition requirements of the Committee, the CSR Policy, inter alia, lays out the criteria for selection of projects and areas, annual allocation, modalities of execution/implementation of activities and the monitoring mechanism of CSR activities/projects. The details of CSR activities as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided in the **Annexure C** appended to this Report.

RISK MANAGEMENT

Risk management forms an integral part of our business operations and monitoring activities. The Company and its subsidiaries are exposed to a variety of risks, including liquidity risk, interest rate risk, market credit risk, operational risk, regulatory and compliance risk, business continuity risk, legal risk, competition risk and risks pertaining to COVID-19 pandemic. The Company has formulated comprehensive risk management policies and processes to identify, evaluate and manage risks that are encountered during conduct of business activities in an effective manner.

Risk Management Committee is formulated by the Board to frame, implement and monitor the risk management plan including functions relating to cyber security, assess the risks, measures to mitigate the risks. The Board reviews the effectiveness of risk management systems in place and ensures that the risks are effectively managed. The Audit Committee has additional oversight in the area of financial risks and controls.

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

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

The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. It provides reasonable assurance in respect of providing financial and operational information, complying with applicable

statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with the Company's policies. The Audit Committee monitors this system and ensures adequacy of the same. The Statutory Auditors and the Internal Auditors of the Company also provides their opinion on the internal financial control framework of the Company.

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

CHANGE IN NATURE OF BUSINESS

During the financial year 2019-20, there has been no change in the nature of the Company's business.

SIGNIFICANT AND MATERIAL ORDERS

During the financial year 2019-20, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations.

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance for the financial year 2019-20 along with the certificate from the statutory 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 the Annual Report.

PARTICULARS OF EMPLOYEES AND RELATED INFORMATION

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars, if any, of investments made, loans and guarantees given and securities provided are given in the Note 37 of 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 financial year 2019-20, the related party transactions entered in to by Company were in ordinary course of business and at arms' length basis. The majority of such related party transactions were with wholly owned subsidiaries and subsidiaries of the Company. All the related party transactions are placed before the Audit Committee for its review and approved on a quarterly basis. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. All related party transactions as required under Indian Accounting Standards - 24 are reported in Note 37 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, the 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.

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 as stated in Business Responsibility Report.

During the financial year 2019-20, the Company's foreign exchange earnings were ₹44.24 Crore and expenditure was ₹ 0.74 Crore.

The details of the transaction in foreign exchange are provided in Notes 40 and 41 of the Notes to the standalone financial statements forming part of the 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 2019-20, no cases under this mechanism were reported to the Company and/or to any of its subsidiaries/associate.

MAINTENANCE OF COST RECORDS

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

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

Directors' Report (Contd.)

related to prevention of sexual harassment are also imbibed in the Company's Code of Conduct as applicable to the employees.

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

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE

The required certificate from Mr. Vishal Kampani, the Managing Director and Mr. Manish Sheth, Group Financial Officer with regard to financial statements and other matters as required under Part B of Schedule II to the Listing Regulations is received and is forming part of Report on Corporate Governance.

ACKNOWLEDGEMENTS

The Directors thank 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 for the support and co-operation extended by them from time to time.

The Directors place on record their 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 and Central Depository Services (India) Limited from time to time.

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, in general and particularly during the time of COVID-19 pandemic where employees are working from home, the Directors place on record, their appreciation for the dedication and commitment displayed by all the employees of the Company and its subsidiaries/ associate across all levels. The Directors further acknowledge the all-round efforts and commitment of those employees of businesses categorised as essential services, who were reporting to work at office during the lockdown.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 6, 2020

Nimesh Kampani
Chairman
DIN – 00009071

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 (FY 2019-20)	:	6,62,130
2. Pricing formula	:	As determined by the Nomination and Remuneration Committee
3. Options vested during FY 2019-20	:	15,50,979
4. Options exercised during FY 2019-20	:	12,98,184
5. Total number of shares arising as a result of exercise of Options during FY 2019-20	:	12,93,184 (5,000 Stock Options exercised by the eligible employee was pending allotment as on March 31, 2020)
6. Options lapsed during FY 2019-20	:	74,338
7. Variation of terms of options	:	None
8. Money realised from the Employees by exercise of options during FY 2019-20	:	₹ 12,98,184*
9. Total options in force as on March 31, 2020	:	36,45,232
10. Employee wise details of options granted to:		
(i) senior managerial personnel	:	3,44,841 stock options have been granted to 17 senior managerial personnel (eligible employees 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 – ₹ 1.51 Consolidated – ₹ 6.45
12. Weighted-average exercise prices and weighted average fair values of options for options whose exercise price is either equal to or exceeds or is less than the market price of the stock options.	:	Weighted average exercise price: ₹ 1 Weighted average value of options granted during the year: Tranche 1 (Vesting Schedule Stage 1): ₹ 86.14 Tranche 2 (Vesting Schedule Stage 2): ₹ 85.47 Tranche 3 (Vesting Schedule Stage 3): ₹ 84.79

Directors' Report (Contd.)

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	7.09%	7.26%	7.39%
ii. Life of options	3 years	3.75 years	4.50 years
iii. Expected volatility	45.18%	44.83%	44.38%
iv. Expected dividend yield	1.11%	1.11%	1.11%
v. The price of the underlying share in market at the time of option grant	₹ 89.90	₹ 89.90	₹ 89.90

*In addition to ₹ 12,98,184 received from eligible employees, an aggregate amount of ₹ 8,40,97,585, 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.

Also, with respect to the exercise of options by the eligible employees (whether existing or former) of the Company, an aggregate amount of ₹ 2,62,06,024, 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.

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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, 2020 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, 2020 according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

Annexure B

- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992; **Not Applicable for the Financial year**
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable for the Financial year**
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the Financial year**
- 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**
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable for the Financial year and**
- 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:

- Reserve Bank of India Act, 1934 and its circulars, Master circulars, notifications
- Prevention of Money Laundering Act, 2002 and its circulars, notifications.
- Anti Money Laundering Regulation issued by RBI and various circulars and Guidelines there under.
- Tax Laws
 - Income Tax Act, 1961
 - Goods and Service Tax

Directors' Report (Contd.)

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
- Payment of Wages Act, 1936
- The Maternity Benefit Act, 1961
- Minimum Wages Act, 1948
- Equal Remuneration Act, 1976
- The Contract Labour (Regulation & Abolition) Act, 1970
- Maharashtra Labour Welfare Fund Act, 1953
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & the scheme provided thereunder

f. Maharashtra State Tax on Professions, Trade, Callings & Employments Act, 1975

g. Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017.

h. The Negotiable Instrument Act, 1881

i. The Indian Stamp Act, 1899 and the State Stamp Acts

j. 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 was 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, if any are also captured and recorded as part of the minutes where applicable. During the year, **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 19, 2019, inter-alia approved the following special business;

1. Re-appointment of Ms. Jagi Mangat Panda as an Independent Director of the Company for a term not exceeding five (5) consecutive years from March 31, 2020 to March 30, 2025.
2. Approval to issue redeemable Non-Convertible Debentures for an amount aggregating to Rs. 2500 Crore on private placement basis and/or through public offer.

We further report that; during the audit period, the Members approved the following Special Resolutions through Postal Ballot on February 12, 2020;

1. To authorise the Board of Directors (the Board) to issue Securities, for an aggregate amount of up to Rs. 850 Crore (Rupees Eight Hundred Fifty Crore Only) by way of a public issue, preferential allotment, private placement including a qualified institutions placement or through any other permissible mode and/ or combination thereof as the Board may deem appropriate, by way of issue of equity shares or by way of issue of any instrument or security including fully/ partly convertible debentures, securities convertible into equity shares, global depository receipts, american depository receipts, foreign currency convertible bonds, or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for equity shares and/or any other eligible securities or any combination of Securities, with or without premium.
2. To increase investment limits by the Foreign Portfolio Investors (FPIs) from 24% to 40% of the paid-up equity share capital of the Company.

Place: Mumbai
Date: May 6, 2020

For N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F001176B000209747

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

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 6, 2020

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

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

Directors' Report (Contd.)

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:

At JM Financial, Corporate Social Responsibility (CSR) and Philanthropy have always been a reflection of our unwavering commitment to the society. This commitment gets effectuated in reaching out to the most socio-economically backward communities and intervening at the grassroots, with a dream of translating hopes into capacities and realities. The Company through its implementing agency, viz., JM Financial Foundation, implement long-term projects and support various social causes. The Company's CSR initiatives and expenditures are executed and administered by JM Financial Foundation as outlined in the CSR Policy, adopted by JM Financial Limited.

JM Financial Foundation is known for its various initiatives in healthcare, education, integrated rural development, etc., with a main aim to improve the quality of life for people in our ecosystem as well as the society at large. JM Financial has been contributing to deserving causes for over three decades now. Our implementing agency along with other NGOs works on several outreach programmes that we have embarked upon. The projects/causes supported by JM Financial Limited are falling within the areas covered under Schedule VII to the Companies Act, 2013 (the "Act").

In accordance with the Section 135 of the Act and Schedule VII thereto read with the Company's CSR Policy, the CSR Committee and the Board of the Company have approved to contribute an aggregate amount of ₹ 33 Lakh for the FY 2019-20 by way of Corpus Donation to JM Financial Foundation.

Details of CSR Policy and programs undertaken by the Company through its implementing agency are available on the link given below:

https://jmfl.com/Investor-Relations/CSR_Policy.pdf

Other Information

1. Composition of the CSR Committee:
 - (a) Mr. Nimesh Kampani (Chairman)
 - (b) Mr. Paul Zuckerman (Member)
 - (c) Mr. Keki Dadiseth (Member)
2. Average net profit before tax of the Company for last three financial years as per the provisions of the Act: ₹ 16.44 Crore.
3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 33 Lakh.
4. Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year: ₹ 33 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 was undertaken	Amount Outlay (budget) project or programs 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	<ol style="list-style-type: none"> (a) Promoting education (b) Empowering women (c) Livelihood enhancement (d) Employment enhancing vocation skills especially among women (e) Rural development Disaster management, including relief, rehabilitation and reconstruction activities 	Maharashtra (Palghar district – Mokhada block), Bihar (Jamui district – Chakai, Jhajha and Sikandra blocks), Jharkhand (Giridih district – Dumri and Pirtand blocks)	₹ 33 Lakh	₹ 33 Lakh	₹ 33 Lakh	JM Financial Foundation & other implementing agencies *

* The 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 the Annual Report.

5. 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 Directors' report: **Not Applicable since the 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 and on behalf of JM Financial Limited and the CSR Committee

Place : Mumbai
Date : May 6, 2020

Vishal Kampani
Managing Director
DIN – 00009079

Nimesh Kampani
Chairman of the CSR Committee
DIN – 00009071

Directors' Report (Contd.)

Annexure D

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. Ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2019-20 is as follows:

Sr. No.	Name of the Director	Ratio of remuneration of Director to the Median remuneration*
1	Mr. Nimesh Kampani	0.28
2	Mr. E A Kshirsagar	1.25
3	Mr. Darius E Udawadia	1.08
4	Dr. Vijay Kelkar	1.26
5	Mr. Paul Zuckerman	1.17
6	Mr. Keki Dadiseth	1.15
7	Ms. Jagi Mangat Panda	1.10
8	Mr. Vishal Kampani	8.05

* Remuneration of Directors has been compared to actual median remuneration for all 129 employees who were on rolls of the company as on March 31, 2020. Remuneration is annualised for employees who were there for part of the year.

b. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20, is as follows:

Sr. No.	Name of the Director	Designation	Increase/(Decrease) (%)
1	Mr. Nimesh Kampani	Non-executive Chairman	(6.62)
2	Mr. E A Kshirsagar	Non-executive Independent Director	-
3	Mr. Darius E Udawadia	Non-executive Independent Director	(9.58)
4	Dr. Vijay Kelkar	Non-executive Independent Director	(0.63)
5	Mr. Paul Zuckerman	Non-executive Independent Director	(0.68)
6	Mr. Keki Dadiseth	Non-executive Independent Director	14.48
7	Ms. Jagi Mangat Panda	Non-executive Independent Director	8.3
8	Mr. Vishal Kampani	Managing Director	16.85
9	Mr. Manish Sheth	Chief Financial Officer	(31.17)
10	Mr. Prashant Choksi	Company Secretary	(35.00)

c. Percentage increase in the median remuneration of employees in the financial year 2019-20**: 10.4%

** Median remuneration has been computed and compared for employees who were on rolls of the Company in financial year 2018-19 and financial year 2019-20. 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, 2020:

Particulars	As at March 31, 2020	As at March 31, 2019
Number of permanent employees on the rolls of the Company	129	131

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

The average salaries of the employees other than the key managerial personnel have decreased by 8.5% during the financial year 2019-20 as compared to the previous year.

Average salary of key managerial personnel has decreased by 21.4%.

*** The above has been computed and compared for employees who were on rolls of the Company in financial year 2018-19 and financial year 2019-20. 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
DIN – 00009071

Place : Mumbai
Date : May 6, 2020

Directors' Report (Contd.)

Annexure E

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[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 Agent, if any	: KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Tel: 040-6716 2222 Fax: 040-2300 1153 Toll Free no.: 1800-345-4001 Email ID: einward.ris@kfintech.com Website: www.kfintech.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	67.55%
2	Management of other investment funds	66309	10.41%
3	Activities of Holding Companies	64200	22.04%

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 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U67100MH2017PLC296081	Subsidiary	100*	2(87)(ii)
2	JM Financial Services Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U67120MH1998PLC115415	Subsidiary	100	2(87)(ii)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
3	JM Financial Capital Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65190MH2015PLC270754	Subsidiary	100*	2(87)(ii)
4	JM Financial Commtrade Limited 7th 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 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74140MH2006PLC163489	Subsidiary	100	2(87)(ii)
9	JM Financial Properties and Holdings Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65990MH2010PLC201513	Subsidiary	100	2(87)(ii)
10	CR Retail Malls (India) Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U92190MH1999PLC122208	Subsidiary	100	2(87)(ii)
11	JM Financial Products Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74140MH1984PLC033397	Subsidiary	99.35	2(87)(ii)
12	JM Financial Credit Solutions Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U74140MH1980PLC022644	Subsidiary	46.68	2(87)(i)

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Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
13	JM Financial Home Loans Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U65999MH2016PLC288534	Subsidiary	98.36*	2(87)(ii)
14	JM Financial Asset Reconstruction Company Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	U67190MH2007PLC174287	Subsidiary	59.25	2(87)(ii)
15	JM Financial Asset Management Limited 7th 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	25.00	2(6)
17	Astute Investments 1st & 2nd 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*	-

* Step down subsidiaries

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 (April 1, 2019)				No of shares held at the end of the year (March 31, 2020)				% Change in share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A(i). Promoter									
(1) Indian									
a) Individual/HUF	135,357,500	-	135,357,500	16.12	125,750,000	-	125,750,000	14.95	(1.17)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	203,406,600	-	203,406,600	24.22	216,534,100	-	216,534,100	25.74	1.52
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-

Category of Shareholders	No of shares held at the beginning of the year (April 1, 2019)				No of shares held at the end of the year (March 31, 2020)				% Change in share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A(ii). Promoter Group									
(1) Indian									
a) Individual/HUF	57,801,250	-	57,801,250	6.88	54,951,250	-	54,951,250	6.53	(0.35)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	124,772,908	-	124,772,908	14.86	124,772,908	-	124,772,908	14.85	(0.01)
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	521,338,258	-	521,338,258	62.07	522,008,258	-	522,008,258	62.05	(0.02)
(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 (A) = (A)(1)+(A)(2)	521,338,258	-	521,338,258	62.07	522,008,258	-	522,008,258	62.05	(0.02)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	39,599,021	-	39,599,021	4.72	34,137,151	-	34,137,151	4.06	(0.66)
b) Banks /FI	555,311	-	555,311	0.07	168,062	-	168,062	0.02	(0.05)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	150,290,634	-	150,290,634	17.89	175,889,086	-	175,889,086	20.91	3.02
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Qualified Institutional Buyer	-	-	-	-	479,028	-	479,028	0.06	0.06
j) Alternative Investment Funds	806,450	-	806,450	0.10	893,677	-	893,677	0.11	0.01
Sub total (B)(1):-	191,251,416	-	191,251,416	22.77	211,567,004	-	211,567,004	25.15	2.38
2. Non-institutions									
a) Bodies Corporate									
i) Indian	17,325,587	28,500	17,354,087	2.07	10,306,962	23,500	10,330,462	1.23	(0.84)

Directors' Report (Contd.)

Category of Shareholders	No of shares held at the beginning of the year (April 1, 2019)				No of shares held at the end of the year (March 31, 2020)				% Change in share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	44,140,640	2,749,142	46,889,782	5.58	37,101,966	2,327,142	39,429,108	4.69	(0.89)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	47,278,437	-	47,278,437	5.63	42,758,291	-	42,758,291	5.08	(0.55)
c) Others									
i) NRIs	14,486,074	10,000	14,496,074	1.73	13,699,500	10,000	13,709,500	1.63	(0.10)
ii) Trust	4,600	-	4,600	0.00	39,400	-	39,400	0.00	0.00
iii) IEPF	1,318,809	-	1,318,809	0.16	1,382,624	-	1,382,624	0.16	0.01
Sub total (B)(2):-	124,554,147	2,787,642	127,341,789	15.16	105,288,743	2,360,642	107,649,385	12.80	(2.36)
Total Public Shareholding (B) = (B)(1)+(B)(2)	315,805,563	2,787,642	318,593,205	37.93	316,855,747	2,360,642	319,216,389	37.95	0.02
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total(A+B+C)	837,143,821	2,787,642	839,931,463	100.00	838,864,005	2,360,642	841,224,647	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2019)			Shareholding at the end of the year (March 31, 2020)			% change in share holding 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	203,406,600	24.22	0.00	216,534,100	25.74	0.00	1.52
2	J.M. Assets Management Private Limited	103,042,908	12.27	0.00	103,042,908	12.25	0.00	(0.02)
3	JSB Securities Limited	6,505,000	0.77	0.00	6,505,000	0.77	0.00	0.00
4	Mr. Nimesh Kampani*	135,357,500	16.12	0.00	125,750,000	14.95	0.00	(1.17)
5	SNK Investments Private Limited	11,760,000	1.40	0.00	11,760,000	1.40	0.00	0.00
6	Persepolis Investment Company Private Limited	1,650,000	0.20	0.00	1,650,000	0.20	0.00	0.00
7	Kampani Consultants Limited	685,000	0.08	0.00	685,000	0.08	0.00	0.00
8	JM Financial Trustee Company Private Limited	1,130,000	0.13	0.00	1,130,000	0.13	0.00	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2019)			Shareholding at the end of the year (March 31, 2020)			% change in share holding 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	
9	Ms. Aruna Nimesh Kampani	38,451,250	4.58	0.00	35,451,250	4.21	0.00	(0.36)
10	Mr. Vishal Kampani	11,350,000	1.35	0.00	11,500,000	1.37	0.00	0.02
11	Ms. Amishi Akash Gambhir	8,000,000	0.95	0.00	8,000,000	0.95	0.00	0.00
	Total	521,338,258	62.07	0.00	522,008,258	62.05	0.00	(0.02)

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

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

Sl. 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 (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No. of Shares	% of total shares of the Company	
1	J. M. Financial & Investment Consultancy Services Private Limited	203,406,600	24.22	01.04.2019			203,406,600	24.22	
				06.05.2019	12,607,500	Inter-se transfer	216,014,100	25.68	
				10.05.2019	20,000	Market Purchase	216,034,100	25.68	
				22.07.2019	96,500	Market Purchase	216,130,600	25.69	
				24.07.2019	40,366	Market Purchase	216,170,966	25.70	
				26.07.2019	55,134	Market Purchase	216,226,100	25.70	
				30.07.2019	58,000	Market Purchase	216,284,100	25.71	
				01.08.2019	50,000	Market Purchase	216,334,100	25.72	
				05.08.2019	50,000	Market Purchase	216,384,100	25.72	
				07.08.2019	50,000	Market Purchase	216,434,100	25.73	
2	J. M. Assets Management Private Limited	103,042,908	12.27	01.04.2019			103,042,908	12.27	
				-	No change in the shareholding during the year				
		103,042,908	12.25	31.03.2020			103,042,908	12.25	
		6,505,000	0.77	01.04.2019			6,505,000	0.77	
					No change in the shareholding during the year				
		6,505,000	0.77	31.03.2020			6,505,000	0.77	
		135,357,500	16.12	01.04.2019			135,357,500	16.12	
				06.05.2019	(9,607,500)	Inter-se Transfer	125,750,000	14.95	
		125,750,000	14.95	31.03.2020			125,750,000	14.95	
		11,760,000	1.40	01.04.2019			11,760,000	1.40	
			No change in the shareholding during the year						
11,760,000	1.40	31.03.2020			11,760,000	1.40			

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Sl 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 (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Persepolis Investment Company Private Limited	1,650,000	0.20	01.04.2019			1,650,000	0.20
					No change in the shareholding during the year			
		1,650,000	0.20	31.03.2020			1,650,000	0.20
7	Kampani Consultants Limited	685,000	0.08	01.04.2019			685,000	0.08
					No change in the shareholding during the year			
		685,000	0.08	31.03.2020			685,000	0.08
8	JM Financial Trustee Company Private Limited	1,130,000	0.13	01.04.2019			1,130,000	0.13
					No change in the shareholding during the year			
		1,130,000	0.13	31.03.2020			1,130,000	0.13
9	Ms. Aruna Nimesh Kampani	38,451,250	4.58	01.04.2019			38,451,250	4.58
				06.05.2019	(3,000,000)	Inter-se Transfer	35,451,250	4.21
		35,451,250	4.21	31.03.2020			35,451,250	4.21
10	Mr. Vishal Kampani	11,350,000	1.35	01.04.2019			11,350,000	1.35
				23.05.2019	72,906	Market Purchase	11,422,906	1.36
				24.05.2019	2,094	Market Purchase	11,425,000	1.36
				01.08.2019	30,000	Market Purchase	11,455,000	1.36
				02.08.2019	20,000	Market Purchase	11,475,000	1.36
				23.08.2019	23,826	Market Purchase	11,498,826	1.37
				26.08.2019	1,174	Market Purchase	11,500,000	1.37
		11,500,000	1.37	31.03.2020			11,500,000	1.37
11	Ms. Amishi Akash Gambhir	8,000,000	0.95	01.04.2019			8,000,000	0.95
					No change in the shareholding during the year			
		8,000,000	0.95	31.03.2020			8,000,000	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 due to:

- An increase in the paid up share capital consequent upon allotment of an aggregate of 12,93,184 equity shares pursuant to exercise of stock options by the eligible employees during the year;
- Acquisition of 1,50,000 equity shares by Mr. Vishal Kampani from the secondary market;
- Inter-se transfer of shares amongst Mr. Nimesh Kampani (Sell), Ms. Aruna Kampani (Sell) and J.M. Financial & Investment Consultancy Services Private Limited (Purchase) of aggregate of 126,07,500 equity shares; and
- Acquisition of 520,000 equity shares by J.M. Financial & Investment Consultancy Services Private Limited from the secondary market.

(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 (01-04-19 to 31-03-20)	
		No. of Shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No of Shares	% of total shares of the Company
1	Baron Emerging Markets Fund	20,658,022	2.46	01.04.2019			20,658,022	2.46
				05.04.2019	232,027	Market Purchase	20,890,049	2.48
				15.11.2019	737,087	Market Purchase	21,627,136	2.57
				22.11.2019	371,498	Market Purchase	21,998,634	2.62
				29.11.2019	314,792	Market Purchase	22,313,426	2.65
		31.01.2020	214,876	Market Purchase	22,528,302	2.68		
		22,528,302	2.68	31.03.2020			22,528,302	2.68
2	Valiant Mauritius Partners Offshore Limited	22,017,954	2.62	01.04.2019			22,017,954	2.62
				03.01.2020	433,378	Market Purchase	22,451,332	2.67
				28.02.2020	(252,302)	Market Sell	22,199,030	2.64
				13.03.2020	(210,588)	Market Sell	21,988,442	2.61
				20.03.2020	365,061	Market Purchase	22,353,503	2.66
		27.03.2020	2,000	Market Purchase	22,355,503	2.66		
		22,355,503	2.66	31.03.2020			22,355,503	2.66
3	Saif India VI FII Holdings Limited	15,121,775	1.80	01.04.2019			15,121,775	1.80
					No change in the shareholding during the year			
		15,121,775	1.80	31.03.2020			15,121,775	1.80
4	TIMF Holdings	14,288,022	1.70	01.04.2019			14,288,022	1.70
					No change in the shareholding during the year			
		14,288,022	1.70	31.03.2020			14,288,022	1.70
5	The Wellington Trust Company National Association	10,328,131	1.23	01.04.2019			10,328,131	1.23
				16.08.2019	131,427	Market Purchase	10,459,558	1.24
				23.08.2019	169,595	Market Purchase	10,629,153	1.26
				30.08.2019	380,962	Market Purchase	11,010,115	1.31
				06.09.2019	1,624,681	Market Purchase	12,634,796	1.50
				08.11.2019	149,389	Market Purchase	12,784,185	1.52
				15.11.2019	825,528	Market Purchase	13,609,713	1.62
		22.11.2019	98,056	Market Purchase	13,707,769	1.63		
		13,707,769	1.63	31.03.2020			13,707,769	1.63

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Sr. No	Name of the Shareholder	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of Shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No of Shares	% of total shares of the Company
For each of the Top Ten Shareholders								
6	Valiant Mauritius Partners Limited	12,553,218	1.49	01.04.2019			12,553,218	1.49
				03.01.2020	66,622	Market Purchase	12,619,840	1.50
				28.02.2020	(298,816)	Market Sell	12,321,024	1.46
				13.03.2020	(249,412)	Market Sell	12,071,612	1.44
				20.03.2020	108,378	Market Purchase	12,179,990	1.45
		12,179,990	1.45	31.03.2020				
7	Mr. Vikram Shankar Pandit	11,646,939	1.39	01.04.2019				
						No change in the shareholding during the year		
		11,646,939	1.38	31.03.2020				
8	Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund	-	-	01.04.2019			-	-
				03.05.2019	776,100	Market Purchase	776,100	0.09
				10.05.2019	6,135,900	Market Purchase	6,912,000	0.82
				17.05.2019	733,940	Market Purchase	7,645,940	0.91
				24.05.2019	120,447	Market Purchase	7,766,387	0.92
				31.05.2019	8,628	Market Purchase	7,775,015	0.92
				07.06.2019	5,722	Market Purchase	7,780,737	0.92
				14.06.2019	623,376	Market Purchase	8,404,113	1.00
				21.06.2019	598,437	Market Purchase	9,002,550	1.07
				28.06.2019	958,566	Market Purchase	9,961,116	1.18
				09.08.2019	4,277	Market Purchase	9,965,393	1.18
				16.08.2019	568	Market Purchase	9,965,961	1.18
				30.08.2019	(190,000)	Market Sell	9,775,961	1.16
				27.09.2019	81,300	Market Purchase	9,857,261	1.17
				04.10.2019	62,236	Market Purchase	9,919,497	1.18
				11.10.2019	321,718	Market Purchase	10,241,215	1.22
				01.11.2019	17,727	Market Purchase	10,258,942	1.22
				08.11.2019	175,055	Market Purchase	10,433,997	1.24
				15.11.2019	293,457	Market Purchase	10,727,454	1.28
				06.12.2019	5,518	Market Purchase	10,732,972	1.28
				13.12.2019	22,023	Market Purchase	10,754,995	1.28
				20.12.2019	3	Market Purchase	10,754,998	1.28
				27.03.2020	195,500	Market Purchase	10,950,498	1.30
		10,950,498	1.30	31.03.2020				

Sr. No	Name of the Shareholder	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of Shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No of Shares	% of total shares of the Company
For each of the Top Ten Shareholders								
9	Reliance Capital Trustee Company Limited	11,866,064	1.41	01.04.2019			11,866,064	1.41
				05.04.2019	2,635	Market Purchase	11,868,699	1.41
				12.04.2019	132,894	Market Purchase	12,001,593	1.43
				19.04.2019	2,240	Market Purchase	12,003,833	1.43
				26.04.2019	100,640	Market Purchase	12,104,473	1.44
				03.05.2019	200,542	Market Purchase	12,305,015	1.46
				10.05.2019	(15,662)	Market Sell	12,289,353	1.46
				17.05.2019	178,012	Market Purchase	12,467,365	1.48
				24.05.2019	65,718	Market Purchase	12,533,083	1.49
				31.05.2019	8,880	Market Purchase	12,541,963	1.49
				07.06.2019	1,920	Market Purchase	12,543,883	1.49
				14.06.2019	(400)	Market Sell	12,543,483	1.49
				21.06.2019	150,880	Market Purchase	12,694,363	1.51
				28.06.2019	100,120	Market Purchase	12,794,483	1.52
				28.06.2019	(1,000,000)	Market Sell	11,794,483	1.40
				05.07.2019	2,380	Market Purchase	11,796,863	1.40
				05.07.2019	(440,000)	Market Sell	11,356,863	1.35
				12.07.2019	99,642	Market Purchase	11,456,505	1.36
				19.07.2019	203,551	Market Purchase	11,660,056	1.39
				26.07.2019	140,948	Market Purchase	11,801,004	1.40
				02.08.2019	300,058	Market Purchase	12,101,062	1.44
				09.08.2019	195,076	Market Purchase	12,296,138	1.46
				09.08.2019	(48,646)	Market Sell	12,247,492	1.46
				23.08.2019	25,381	Market Purchase	12,272,873	1.46
				06.09.2019	21,783	Market Purchase	12,294,656	1.46
				13.09.2019	936	Market Purchase	12,295,592	1.46
				20.09.2019	41,000	Market Purchase	12,336,592	1.47
				27.09.2019	35,300	Market Purchase	12,371,892	1.47
				30.09.2019	19	Market Purchase	12,371,911	1.47
				15.11.2019	(718,000)	Market Sell	11,653,911	1.39
				29.11.2019	(757,964)	Market Sell	10,895,947	1.30
				20.12.2019	(133,186)	Market Sell	10,762,761	1.28
				27.12.2019	(76,344)	Market Sell	10,686,417	1.27
				31.12.2019	1	Market Purchase	10,686,418	1.27
				03.01.2020	(35,687)	Market Sell	10,650,731	1.27
				10.01.2020	(463,926)	Market Sell	10,186,805	1.21
				17.01.2020	(1,019,395)	Market Sell	9,167,410	1.09
				24.01.2020	(341,000)	Market Sell	8,826,410	1.05
				31.01.2020	(1,000,000)	Market Sell	7,826,410	0.93
				20.03.2020	503,686	Market Purchase	8,330,096	0.99
				27.03.2020	291,700	Market Purchase	8,621,796	1.02
				31.03.2020	31	Market Purchase	8,621,827	1.02
		8,621,827	1.02	31.03.2020				

Directors' Report (Contd.)

Sr. No	Name of the Shareholder	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of Shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No of Shares	% of total shares of the Company
10	BNP Paribas Arbitrage - ODI	6,246,209	0.74	01.04.2019			6,246,209	0.74
				05.04.2019	19,121	Market Purchase	6,265,330	0.74
				12.04.2019	60,136	Market Purchase	6,325,466	0.75
				19.04.2019	157,715	Market Purchase	6,483,181	0.77
				26.04.2019	283,295	Market Purchase	6,766,476	0.80
				24.05.2019	61,246	Market Purchase	6,827,722	0.81
				31.05.2019	76,708	Market Purchase	6,904,430	0.82
				28.06.2019	720	Market Purchase	6,905,150	0.82
				05.07.2019	38,751	Market Purchase	6,943,901	0.83
				12.07.2019	9,747	Market Purchase	6,953,648	0.83
				16.08.2019	9,788	Market Purchase	6,963,436	0.83
				20.09.2019	4,284	Market Purchase	6,967,720	0.83
				25.10.2019	50,000	Market Purchase	7,017,720	0.83
				15.11.2019	134,588	Market Purchase	7,152,308	0.85
				29.11.2019	31,168	Market Purchase	7,183,476	0.85
				06.12.2019	6,883	Market Purchase	7,190,359	0.85
				31.01.2020	133,538	Market Purchase	7,323,897	0.87
				07.02.2020	7,327,639	Market Purchase	14,651,536	1.74
				07.02.2020	(7,323,881)	Market Sell	7,327,655	0.87
				14.02.2020	612,869	Market Purchase	7,940,524	0.94
				21.02.2020	151,000	Market Purchase	8,091,524	0.96
				06.03.2020	337,230	Market Purchase	8,428,754	1.00
				13.03.2020	199,770	Market Purchase	8,628,524	1.03
				20.03.2020	(255,448)	Market Sell	8,373,076	1.00
				27.03.2020	(532,707)	Market Sell	7,840,369	0.93
		7,840,369	0.93	31.03.2020				

(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 (01-04-19 to 31-03-20)	
		No. of Shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Nimesh Kampani* Chairman	135,357,500	16.12	01.04.2019				
				06.05.2019	(9,607,500)	Inter-se Transfer	144,965,000	
		125,750,000	14.95	31.03.2020			125,750,000	14.95
2	Mr. E A Kshirsagar Independent Director	0	0.00	01.04.2019			0	0.00
						No change in the shareholding during the year		
		0	0.00	31.03.2020			0	0.00
3	Mr. Darius E Udawadia Independent Director	0	0.00	01.04.2019			0	0.00
						No change in the shareholding during the year		
		0	0.00	31.03.2020			0	0.00
4	Mr. Paul Zuckerman Independent Director	0	0.00	01.04.2019			0	0.00
						No change in the shareholding during the year		
		0	0.00	31.03.2020			0	0.00
5	Dr. Vijay Kelkar Independent Director	0	0.00	01.04.2019			0	0.00
						No change in the shareholding during the year		
		0	0.00	31.03.2020			0	0.00
6	Mr. Keki Dadiseth Independent Director	0	0.00	01.04.2019			0	0.00
				22.11.2019	11,400	Market Purchase	11,400	0.00
		0	0.00	31.03.2020	11,400		11,400	0.00
7	Ms. Jagi Mangat Panda Independent Director	0	0.00	01.04.2019			0	0.00
						No change in the shareholding during the year		
		0	0.00	31.03.2020			0	0.00
8	Mr. Vishal Kampani Managing Director	11,350,000	1.35	01.04.2019				
				23.05.2019	72,906	Market Purchase	11,422,906	1.36
				24.05.2019	2,094	Market Purchase	11,425,000	1.36
				01.08.2019	30,000	Market Purchase	11,455,000	1.36
				02.08.2019	20,000	Market Purchase	11,475,000	1.36
				23.08.2019	23,826	Market Purchase	11,498,826	1.37
				26.08.2019	1,174	Market Purchase	11,500,000	1.37
		11,500,000	1.37	31.03.2020				
9	Mr. Manish Sheth Group Chief Financial Officer	331,484	0.04	01.04.2019				
				29.05.2019	25,585	Allotment pursuant to exercise of Stock Options	357,069	0.04

Directors' Report (Contd.)

Sr. No	Name of the Shareholder	Shareholding	Date	Increase/Decrease in shareholding	(Reason)	Cumulative Shareholding during the year (01-04-19 to 31-03-20)
	For each of the Directors and Key Managerial Personnel	No. of Shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company			No. of Shares % of total shares of the Company
			20.09.2019	12,484	Allotment pursuant to exercise of Stock Options	369,553 0.04
		369,553	0.04	31.03.2020		
10	Mr. Prashant Choksi Group Head- Compliance, Legal & Company Secretary	319,576	0.04	01.04.2019		
			29.05.2019	17,448	Allotment pursuant to exercise of Stock Options	337,024 0.04
			20.09.2019	13,545	Allotment pursuant to exercise of Stock Options	350,569 0.04
		350,569	0.04	31.03.2020		

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

Notes:

- 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 12,93,184 equity shares pursuant to exercise of stock options by the eligible employees during the year and partly due to acquisition of an aggregate 1,50,000 equity shares by him from the secondary market.
- The percentage change in the shareholding of Mr. Nimesh Kampani is partly due to an increase in the paid up share capital consequent upon allotment of an aggregate 12,93,184 equity shares pursuant to exercise of stock options by the eligible employees during the year and partly due to Inter-se Transfer of 96,07,500 equity shares by him.

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	₹ in Lakh
				Total Indebtedness
Indebtedness at the beginning 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
Change in indebtedness during the financial year				
Addition	-	-	-	-
Reduction	57.11	-	-	57.11
Net Change	(57.11)	-	-	(57.11)
Indebtedness at the end of the financial year				
i) Principal amount	71.67	-	-	71.67
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	71.67	-	-	71.67

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	₹ in Lakh	
			Total Amount	
		Mr. Vishal Kampani (Managing Director)		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	156.00		156.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	45.17		45.17
	(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)	201.17		201.17
	Ceiling as per the Act	717.84		717.84

Directors' Report (Contd.)

B. Remuneration to other Directors: (₹ n Lakh)									
Sr. no.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Nimesh Kampani	Mr. E A Kshirsagar	Mr. Darius E Udawadia	Mr. Paul Zuckerman	Dr. Vijay Kelkar	Mr. Keki Dadiseth	Ms. Jagi Mangat Panda	
1. Independent Directors									
	Fee for attending board/committee meetings	-	8.20	5.90	8.20	8.60	7.85	6.40	45.15
	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	26.90	29.20	31.60	28.85	27.40	175.15
2. Other Non-Executive Directors									
	Fee for attending board/committee meetings	7.05	-	-	-	-	-	-	7.05
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	7.05	-	-	-	-	-	-	7.05
	Total (B)=(1+2)	7.05	31.20	26.90	29.20	31.60	28.85	27.40	182.20
	Remuneration to Managing Director, Whole-time Directors and/or Manager								201.17
	Remuneration to other Directors including sitting fees								182.20
	Total Managerial Remuneration including sitting fees								383.37
	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)								861.41

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

C. Remuneration to Key Managerial Personnel other than Managing Director: ₹ In Lakh				
Sr. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer	Company Secretary	
1 Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	183.92	142.12	326.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	34.75	23.71	58.46
	(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	Cost included in 1(b) above
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	218.67	165.84	384.51

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					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 6, 2020

Nimesh Kampani
Chairman
DIN – 00009071

Management Discussion and Analysis

Global recession on the cards

The pace of the global economy remained sluggish for most of 2019 due to a downturn in manufacturing and rising trade and geopolitical tensions. However, after assessing i) signs of bottoming out for manufacturing and global trade, ii) accommodative monetary policies, iii) favourable news on US-China trade negotiations and iv) diminished fears of a no deal-Brexit, the IMF projected global growth at +3.3%YoY in 2020 in Jan'20 (vs. 2.9% in 2019). These hopes were nevertheless impaired with the outbreak of the COVID-19 pandemic. The necessary protection measures negatively impacted economic activity and compelled the IMF to revise its growth projection to -3.0% in 2020, worse than the 2008-09 crisis. Yet, according to the IMF if i) the pandemic is contained in the 2HCY20 and ii) economic activity normalizes with the help of policy support, global growth could bounce back by +5.8% YoY in 2021.

Indian Economy

Growth in India continued to slow in Financial Year ("FY") 2020, akin to FY19. According to the IMF, this was primarily due to domestic problems-i) sharper-than-expected slowdown in local demand and ii) stress in the NBFC sector. Consequently, the IMF downgraded India's growth forecast from 7.3%YoY in Apr'19 to 4.1% by Jan'20. Data from the Central Statistical Office (CSO) revealed that the slowing growth for successive quarters- 5.6%/5.1%/4.7% in 1Q/2Q/3QFY20 was driven by the i) decline in private consumption growth, and ii) contraction in capital formation in 2H2019. Even as some signs of bottoming growth were observed in Jan'20 (strong GST collections, robust manufacturing PMI), the outbreak of COVID-19 in 4QFY20 reinforced growth pressures. India entered into a lockdown phase on 22Mar'20. For 2020, the IMF has slashed growth projection for India to 1.9%.

The economic slowdown directly reflected in stagnant tax collections. This took a toll on the fiscal deficit targets and the Centre revised its gross-fiscal deficit-to-GDP target for FY20 from 3.5% earlier to 3.8%. Despite the 50bps slippage, fiscal deficit targets seem unachievable for FY20 given that by Feb'20 the Centre's cumulative fiscal deficit already exceeded the revised target by 35%. For FY21, the deficit target has been set at 3.5% with aggressive revenue assumptions. This is further rendered unrealistic on account of likely receipt shortfall and relief packages in light of COVID-19.

Inflation

Inflation remained benign for most of 2019. There were some upward pressures from Nov'19 (due to food prices mainly) that resulted in retail inflation at a near 6-year high of 7.6% YoY in Jan'20. Overall, retail inflation in FY20 stood at 4.8%YoY, 1.4ppts above FY19 retail inflation. Wholesale inflation on the

other hand came off by 2.6ppts to 1.7%YoY in FY20 vs. FY19. However, i) food inflation has begun to soften since Mar'20, and ii) the already low crude prices have crashed post the outbreak of the COVID-19. Even as there are pressures tilted on the higher side for core inflation, the RBI expects inflation to ease in FY21 from 4.8% in 1Q, to 4.4% in 2Q, 2.7% in 3Q and 2.4% in 4Q.

Monetary conditions

With a backdrop of a weaker economic growth and low inflation in 2019, the RBI cut the repo rate five times in 2019. The repo rate consequently came down from 6.0% in Apr'19 to 4.4% in Mar'20. The RBI also battled with the NBFC and liquidity crisis in India in the first half of FY20 by capping banks exposure to NBFCs, revising LCR norms and introducing a partial guarantee scheme. Unconventional policy measures were adopted with the Operation Twist to flatten the yield curve in Dec'19. Overall bank credit growth has come off: 7.3% until Feb'20 vs. 13.1% last year. This was driven by personal loans (17.0%), and services (6.9%). Industry credit improved to 2.8% vs. -3.2% last year.

But post the outbreak of the COVID-19, the RBI has assured policy intervention to mitigate the impact of the coronavirus and revive growth. Since Mar'20, the RBI has announced measures in two unscheduled briefings- i) liquidity injection worth INR 3.7trn, ii) conducting targeted term repos (LTROs), iii) OMOs worth INR 400bn, iv) dollar sell/buy swap, v) asymmetric cuts in repo and reverse repo rate, and vi) CRR cut by 100bps to 3%.

External economy

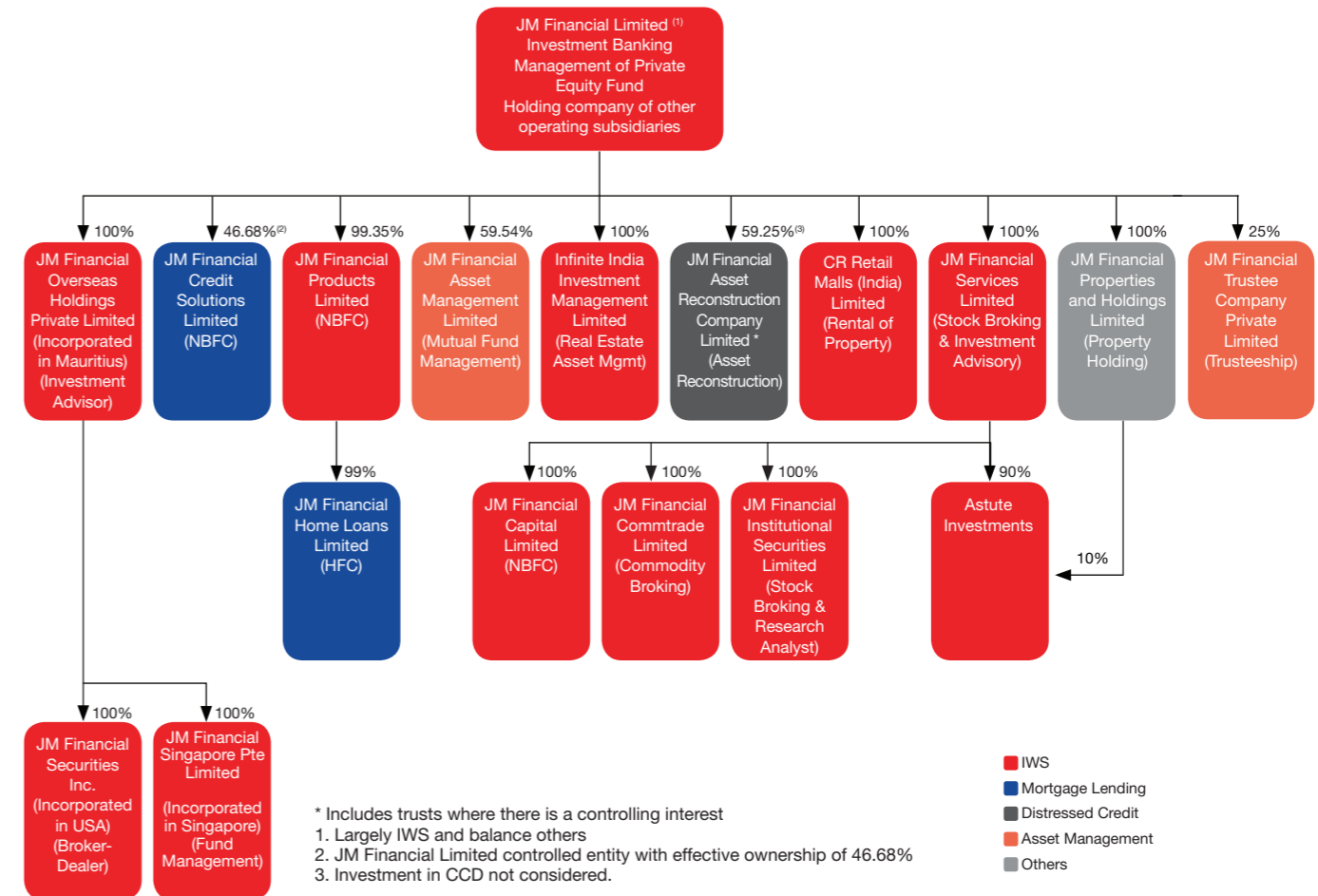
On the external front, FY20 began with a strong exchange rate, high oil prices and high investment inflows. The trend however reversed as the fiscal year came to an end due to COVID-19: i) the INR crossed 76/USD mark for the first time in history after starting near the 69 in Apr'19, ii) cumulative FII net inflows into debt and equity worth USD 11.9 bn until mid-Feb'20, turned into outflows worth USD 8bn by 31Mar'20 and iii) oil prices fell to USD 33/bbl by Mar'20 vs. USD 71/bbl in Apr'19 driven by declining demand due to global slowdown aggravated by the price war between Russia and Saudi Arabia in Mar'20 and the COVID-19. India's foreign exchange reserves that stood at USD 418.5bn in Apr'19 reached a peak of USD 487.2bn in early Mar'20 but declined to USD 475.6bn by the end of FY20 due to RBI's interventions in the foreign exchange market.

The current account deficit until Dec'19 stands at 1.0% of GDP vs. 2.6% last year. Exports and imports have contracted by 5%YoY and 9% respectively in FY20 against positive growth last year (+9% and +11% respectively).

Source: International Monetary Fund, Reserve Bank of India, Union Budget 2020-21

Discussion on businesses and operational performance

The corporate structure of JM Financial Group (the "Group") as of March 31, 2020 is presented below:



The Company is the only entity in the Group whose equity shares are listed on the stock exchanges. In view of the above structure, the way to understand the business performance of the Company is to analyse the standalone businesses and the businesses of its Group Entities. The core business area of the Group remains financial services. 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 wide range of product offering and cater to several customer segments. We have presence across several complementary businesses. The IWS segment has been created with the objective of serving the client in an integrated manner. Our IWS segment includes advisory and execution services of diverse nature to corporates, institutions, governments and government owned corporations, banks. It also provides wealth management services securities related services, distribution of financial products, syndication, private equity fund management and real estate consulting services and leverage products to our clients.

- **Mortgage Lending:** Our mortgage lending segment includes wholesale mortgage and retail mortgage as follows:

Management Discussion and Analysis (Contd.)

- o Wholesale mortgage which includes commercial real estate lending to real estate developers.
- o Retail mortgage which includes housing finance business and loan against property (LAP) and education institutions lending. ("EIL")

- **Distressed Credit** comprises the asset reconstruction business and
- **Asset management** comprises mutual fund management business.

Our business segments are discussed in detail below:

Investment Banking, Wealth Management and Securities Business

Impact of COVID-19

In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by The World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including restrictions on international and local travel, public gatherings and participation in physical meetings, as well as closure of non-essential services, universities, schools, stores, restaurants and other key service providers, with some countries imposing strict curfews. In India, the Government of India initially announced a 21-day country-wide lockdown starting on March 25, 2020, which has been subject to successive extensions since then, particularly in Maharashtra, where we are headquartered. These measures have led to a significant decline in economic activities. Any

instability or prolonged periods of unfavourable market or economic conditions as a result of the COVID-19 pandemic could lead to a significant decrease in the volume and value of our IWS products and services. In light of the ongoing impact of the outbreak of COVID-19, we will continually evaluate our strategy, with a view to growing our business as a sustainable franchise.

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 into large and emerging corporates in India and have acted as their advisors for decades. These relationships have strengthened over time and have enabled us to be the advisor of choice for managing marquee clients. Our expertise and relationships have helped us handle some of the most complex, innovative, challenging and largest transactions in India.

We shall leverage our relationships and expertise built through our investment banking platform and providing clients with products and services across other segments.

Market Environment

Primary Market

The breakup of funds raised in public markets during FY 2019-20 as compared to the FY 2018-19 is as follows:

Capital market	FY 2019-20		FY 2018-19		FY 20 v/s FY 19
	No.	₹ in Crore	No.	₹ in Crore	In %
Initial Public Offering ("IPO")	13	20,350	14	14,674	39%
IPO on the SME Platform	41	421	106	1,620	(74%)
InvIT	1	2,306	3	7,971	(71%)
Rights Issue	13	55,998	8	1,999	2701%
Qualified Institutions Placement ("QIP")	13	51,216	13	10,489	388%
Offer for Sale ("OFS")	26	17,326	28	21,686	(20%)
Total Equity Raised	107	1,47,724	172	58,439	153%
Total Debt raised through Public issue	33	14,745	26	36,715	(60%)
Total Amount Raised	140	1,62,469	198	95,154	71%

(Source: Prime Database as on April 1, 2020)

The Indian equity capital markets have raised a total of ₹ 1,47,724 Crore in FY 19-20 as compared to ₹ 58,439 Crore in FY 18-19, an increase of 153% over one year. Companies and Promoters have predominantly used the Rights Issue, OFS, IPO and QIP routes to raise funds.

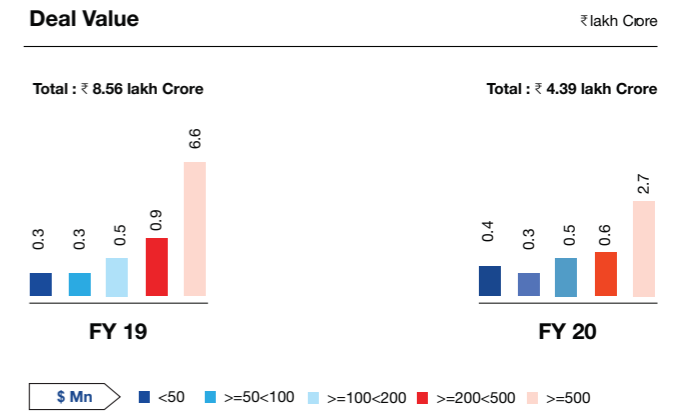
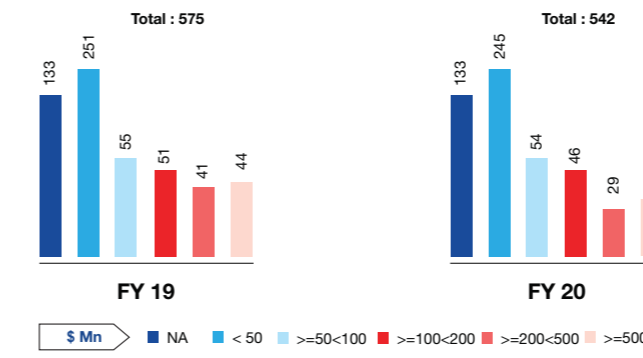
In FY 19-20, JM Financial successfully closed 17 deals, with 4 IPOs, 6 OFS, 3 buyback and 4 QIPs.

FY 19-20 saw lesser number of deals being priced than last year, however the average deal size increased significantly with marquee deals coming to market.

Towards the end of the fiscal year, the Indian equity markets received a big blow due to the global pandemic, COVID-19, with many deals in the pipeline being postponed or pulled due to market volatility, and uncertainties on domestic and global economic activity.

Mergers and Acquisition

During FY 2019-20, 542 deals were announced as compared to 575 deals in FY 2018-19. The total value of the deals announced was ₹ 4.39 lakh Crore for FY 2019-20 (this does not include 133 deals for which deal values were not available) as against ₹ 8.56 lakh Crore for FY 2018-19 (this does not include 133 deals for which deal values were not available).



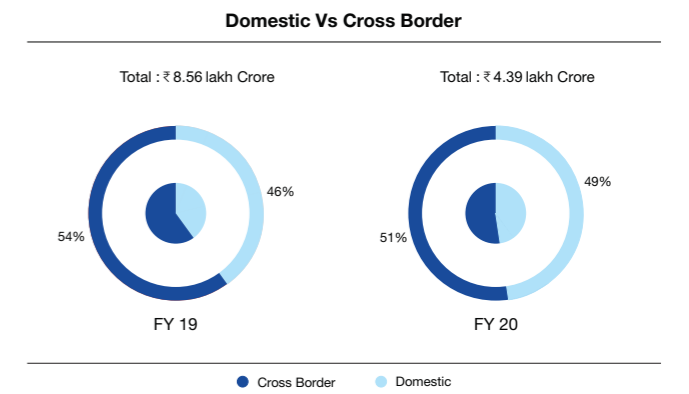
Source: Mergermarket

Notes

1. Deals are considered based on announcement date (excluding lapsed/withdrawn bids).
2. Deals where both target and bidder are outside India are not considered.
3. Deal values are converted from USD to INR based on the average exchange rates for FY 2018-19 and FY 2019-20 obtained from RBI website viz <https://www.rbi.org.in/> and <https://fbil.org.in/>

Domestic v/s Cross-Border Activity

During FY 2019-20, domestic transactions contributed 49% to the overall M&A activity with deal value aggregating ₹ 2.15 lakh Crore compared to 46% in FY 2018-19 and a deal value aggregating ₹ 3.93 lakh Crore.



Source: Mergermarket

Notes

1. Deals are considered based on announcement date (excluding lapsed/withdrawn bids).
2. Deals where both target and bidder are outside India are not considered.
3. Deal values are converted from USD to INR based on the average exchange rates for FY 2018-19 and FY 2019-20 obtained from RBI website viz <https://www.rbi.org.in/> and <https://fbil.org.in/>

Management Discussion and Analysis (Contd.)

Private Equity

In FY 2019-20, private equity deals worth ₹ 214,995 Crore were announced compared to ₹ 201,488 Crore in FY 2018-19 (Source: JM Financial Estimates).

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

Operational Performance of Investment Banking Business

During FY 2020, we concluded the following equity capital market transactions:

- Book Running Lead Managers to the IPO of:
 - Metropolis Healthcare Limited – ₹ 1,204 Crore
 - Spandana Sphoorty Financial Limited – ₹ 1,190 Crore
 - Ujjivan Small Finance Bank Limited – ₹ 1,000 Crore
 - Prince Pipes and Fittings Limited – ₹ 656 Crore
- Book Running Lead Managers to the OFS by:
 - Avenue Supermarts Limited – ₹ 3,428 Crore
 - Reliance Nippon Life Asset Management Limited – ₹ 1,069 Crore
 - Reliance Nippon Life Asset Management Limited – ₹ 1,016 Crore
 - L&T Technology Services Limited – ₹ 639 Crore
 - Xchanging Solutions Limited – ₹ 79 Crore
 - GTPL Hathway Limited – ₹ 27 Crore
- Book Running Lead Managers to the QIP by:
 - Bajaj Finance Limited – ₹ 8,500 Crore
 - Avenue Supermarts Limited – ₹ 4,098 Crore
 - Shree Cement Limited – ₹ 2,400 Crore
 - Yes Bank Limited – ₹ 1,930 Crore
- Buyback:
 - Wipro Limited – ₹ 10,500 Crore
 - Adani Ports and Special Economic Zone Limited – ₹ 1,960 Crore
 - NIIT Limited – ₹ 335 Crore

In the debt public issuance space, we managed 5 public issues during the year.

Mergers & Acquisitions and Private Equity Syndication

We are pleased to report that JM Financial ranked No. 2 in the Indian M&A league table during FY 2020 by Mergermarket based on completed deals, with a total deal value of ₹ 52,809 Crore (US\$ 7.6 Bn)

JM Financial was an advisor to the following marquee transactions during FY 2019-20:

- Exclusive Financial Advisor to Hotel Leela Venture Limited for sale of four owned Leela Hotels located at Bangalore, Delhi, Chennai, Udaipur, property owned at Agra and all management contracts to Brookfield Asset Management.
- Financial and Transaction Advisor to IL&FS on sale of stake in seven wind energy units to ORIX Corporation of Japan.
- Advisor to Reliance Capital Limited on sale of stake in Reliance Nippon Life Asset Management Limited to Nippon Life Insurance Corporation.
- Exclusive Financial Advisor to Baring Private Equity Asia and Exclusive Manager to the Open Offer for acquisition of stake in NIIT Technologies Limited.
- Exclusive Manager to the Open Offer made by Epsilon Bidco Pte. Ltd. (part of the Blackstone group) to the public shareholders of Essel Propack Limited.
- Financial Advisor to Diageo Plc for acquisition of further stake in United Spirits Limited.
- Advisor to 3M (Schweiz) GmbH on Open Offer considerations relating to shareholding in Wendt (India) Limited.
- Exclusive Financial Advisor and Manager to the Open Offer by Adani Logistics Limited to the equity shareholders of Snowman Logistics Limited.
- Exclusive Financial Advisor to Sona BLW Precision Forgings and JM Financial Private Equity on controlling stake sale to Blackstone.
- Exclusive financial advisor to Jaypore E-commerce Pvt Limited (“Jaypore”) and its shareholders for sale of 100% equity stake of Jaypore to Aditya Birla Fashion and Retail Limited.
- Exclusive Financial Advisor to TVS Supply Chain Solutions and DRSR Logistics on investment from Gateway Partners (~₹ 700 Crore).
- Exclusive Financial Advisor to VVDN Technologies on investment from Motilal Oswal Private Equity (~₹ 250 Crore).
- Lead Financial Advisor to Prince Pipes and Fittings on investment from Oman India Joint Investment Fund (~₹ 50 Crore).
- Independent Valuer to provide fair market value of shares of Ammann India P Ltd and issuance of valuation report to AEML and Ammann Group.

Securities Business

Our securities business includes our Institutional Equities Business which serves our institutional clients and our Equity Brokerage Group which caters to individual and corporate clients.

Institutional Equities

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

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

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

Despite yields trending lower which are a function of a) the highly competitive nature of institutional equities business and b) global active asset managers consistently losing assets under management to passive asset managers, to the focus was on judicious management of costs and extracting better operating leverage out of the talent pool and its technology platforms.

Looking ahead we recognize that the diversity of talent residing within the firm’s institutional equities business combined with those that of different businesses within the JM Financial Group have in fact come together ever closer to one another; thus ensuring we continue on our path of progress.

Equity Brokerage Group

We 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 144 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 will continue to focus on strengthening our branch and franchisee network. The firm has made a few hires and is focused on expanding its presence. An enhanced franchisee team has resulted in acquisition of new franchisees.

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

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

₹ in Crore		
Average Daily Volume	FY2019-20	FY2018-19
Cash Market	41,675	35,006
Derivative	13,99,415	9,58,076
Total	14,41,090	9,93,083

(Source: SEBI, NSE, BSE)

The increase in derivative volumes is due to Nifty weekly options started in Feb 2019.

During FY 2019-20, our average daily volume stood at ₹ 11,669 Crore compared to ₹ 5,779 Crore for FY 2018-19.

Wealth Management

The Wealth Management Group has been divided into two (1) Elite Wealth Management (2) Private Wealth Management respectively. We have separate teams to service both the category of clients.

The ‘Elite Wealth Management’ division commenced its operations in October 2019. It focuses on clients with net worth in the range of ₹ 1 Crore to ₹ 50 Crore and is present in six cities. We have a team of 32 wealth relationship managers as of March 31, 2020. It caters to millennials including clients creating new wealth, young entrepreneurs, senior executives of corporates, tech savvy professionals.

The relationship managers focuses on distributing wealth products to the target segment.

Private Wealth Management will continue to follow the asset allocation model and provide a complete range of financial and custody solutions to clients including family office, advisory and execution services. It caters to ultra-high net worth, high net worth individuals, corporates, banks and institutions. We have a team of 74 advisors, focused to meet client requirement across the group by leveraging our wealth management platform. We have obtained the Registered Investment Advisor (“RIA”) license which will enable us to garner new AUA and also provide advisory based services to a large set of clients.

During the year, our Assets under Advice (“AUA”) grew by 7.2% from ₹ 41,886 Crore as on March 31, 2019 to ₹ 44,883 Crore as on March 31, 2020.

Management Discussion and Analysis (Contd.)

Distribution of Financial Products

With a strong network of 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.

In FY 2019-20, we have progressed significantly in digital transactions and launched new processes like FD Online and IPO online. FD Online is a platform for doing paperless Corporate FD investments. Online IPO bidding process is as per SEBI regulations to increase UPI based IPO applications. Online platform for 54 EC Capital Gain bonds investment also went live in FY 2019-20.

Leverage Products

Our portfolio under this segment can be broadly classified into the following: (i) capital markets lending; (ii) corporate lending; (iii) wholesale mortgage (overflow) lending; and (iv) others (such as providing loan against property to our wealth and equity broking clients, purchase pools of assets and lending in retail mortgage lending).

Capital Markets lending

Our capital markets lending caters largely to our wealth and broking clients. Capital market lending includes financing in the area of loan against shares, margin funding, ESOP financing, loan against bonds/ mutual funds, sponsored financing which saw marginal growth during H1 FY20. In H2 FY20, NBFCs got impacted on account of tight liquidity conditions, high cost of borrowing and volatility in the capital markets especially in the last quarter due to COVID-19 pandemic. This resulted in capital market lending business reducing drastically from the levels in FY19. The evolving economic environment due to the COVID-19 pandemic and liquidity scenario and the credit spread between AAA rated and AA rated NBFCs will have an impact on capital market lending business going forward. The capital market loan book as at March 31, 2020 stood at ₹ 465 Crore as compared to ₹ 1,078 Crore as at March 31, 2019.

Corporate Lending

Our corporate lending business provides customized financing solutions under the following broad categories:

Structured Lending: We offer comprehensive financing solutions to operating businesses to refinance existing debt, top-up working capital funding, general corporate purposes and fund growth capital expenditure. We offer efficient financing structures to companies for short tenures structured as a bridge to IPO or private equity infusion; alternately, structured debt financing can be a medium-term solution for such companies to raise capital without equity dilution.

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

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

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

Financial Institutions Funding: We have selectively partnered with financial institutions which have domain expertise by providing them with loans.

We also provide wholesale mortgage lending solutions in partnership with JM Financial Credit Solutions Limited (JMFCSL).

Real Estate Consultancy Services

After launching our new business named "Dwello", which operates within the primary residential real estate space in April 2017, we have been able to quickly build a team of young, professional and trained 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.

With extensive use of technology, data analytics and use of online and social media marketing, Dwello has expanded to different areas within Mumbai and Pune.

Carrying our vision to create a technologically advanced real estate consulting company, Dwello has been able to add value to the home buyers for one of the most important decisions in their lives.

After expanding our reach to almost all the micro-markets in Mumbai and Pune, we are serving the different stakeholders of the real estate market through different models.

Private Equity Fund Management

Private Equity Fund

Market Environment

In FY 2019-20, as per our estimate, the Private Equity (PE) investments were ₹ 214,995 Crore (751 deals) as compared to ₹ 201,488 Crore (707 deals) during FY 2018-19.

Year	Private Equity Investment (₹ in Crore)	Number Of Deals	Average Deal Size (₹ in Crore)	Top Sectors where PE investments were made
2019-20	214,995	751	286	IT/ITES, Infrastructure and Financial Services
2018-19	201,488	707	360	IT/ITES, Financial Services and Real Estate

IT/ITES accounted for 36% of the total PE investments in FY 2019-20. Other sectors which witnessed high activity in terms of deal value were Infrastructure and Financial Services accounting for 26% and 10% respectively of the total PE investments.

Total PE exits were ₹ 62,355 Crore (95 deals) in FY 2019-20 as compared to ₹ 165,814 Crore (102 deals) in FY 2018-19. 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 a 2006 vintage (i.e. Final Close) 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 all of its portfolio companies (including one partial exit).

JM Financial India Fund II ("Fund II") is a 2019 vintage (i.e. Final Close) private equity fund established as a trust under the Indian Trust Act, 1882 and registered with the Securities and Exchange Board of India ("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 sector-agnostic private equity fund. Its primary objective is to achieve superior risk adjusted returns, by investing growth capital in dynamic and fast growing, small to mid-market Indian companies. We believe that the small to mid-market opportunity is relatively less crowded, allowing for attractive investment opportunities in early stage companies that are in their first phase of expansion. Key sectors of interest include Financial Services, Consumer, Infrastructure Services, IT/ITeS and Manufacturing among others. As of date, Fund II has completed five investments and is actively evaluating new

investment opportunities. In addition, Fund II has completed a partial divestment from one of its portfolio companies.

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. The Property Fund has Assets under Management (AUM) of ₹ 155 Crore as of March 31, 2020. The Property Fund continues to focus on exploring exit opportunities for its outstanding portfolio investments. During the year, the Offshore scheme of the Property Fund has received consent from its investors to extend the tenure by another 2 years till January 24, 2022.

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

FY19-20 was a highly volatile year for Indian Debt Markets due to the continuing credit freeze emerging out of twin AAA NBFIs defaults and growth challenges (real GDP slumped for 6 continuous quarters). Fiscal deficit overhang and inflation trajectory capped the rate transmission inspite of a spate of rate cuts, thereby requiring the central bank to infuse continuous liquidity in various forms like LTRO, OMO operations & Operation Twist to keep the 10Y benchmark rate at around ~6.5%. However the markets continued to remain highly polarised for corporate bonds with investors showing heightened risk aversion and cautious approach, thereby limiting appetite in credit papers with consequent elevated spreads. Towards the last quarter, asset quality issues emerged in Private Sector banks leading to coupon deferrals and principal write off in hybrid instruments in one of the largest banks in the sector. Amidst the turbulence, COVID19 hit the markets with massive repercussions on the economy leading to wave of sell off in domestic and foreign investors. The central bank, in response introduced various measures including 3 year LTRO, 75bps rate cut (185bps FY20 YTD) etc. to infuse liquidity and encourage banks to invest in corporate bonds thereby cooling off the spreads especially in AAA / PSU bonds. But the risk aversion led subdued demand persists for corporate bond, especially down the credit curve.

The Institutional Fixed Income Division (IFID) started operations actively in the second half of FY20 with focus on raising debt resources for corporate clients, investment

Management Discussion and Analysis (Contd.)

advisory and active dealing in corporate bonds. The key developments for the desk along with focus areas are as follows:

- 1. Private Placement:** In the private placement space, the team worked extensively in top rated corporates, thereby improving its league table standing.
- 2. Sales and Distribution:** The IFID desk continued empanelment across a marquee list of investors and on boarded many investors across categories. The desk actively traded and acted as a market maker in corporate bonds. This year saw Over the Counter (“OTC”) trade volumes of ~₹ 4,700 Crore across 500 trades with 135 counterparties. The credit team provides credit views and monitoring of the credits that the team offers to the markets both from DCM and Sales perspective.

International Operations

Our subsidiaries/step down subsidiaries in Mauritius, Singapore and USA caters to and service overseas clients/ investors and carry out permitted business activities in these jurisdictions.

Our IWS segment is subject to threats which include

- Short term and long term impact of COVID-19 on the entire business segment
- macro-economic factors such as 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. This creates fluctuations in the business cycles for the players in the consulting space.

Financial Performance of IWS Segment

Particulars	₹ in Crore	
	FY 2019-20	FY 2018-19
Gross Income	1,611.52	1,601.76
Profit before tax	434.60	377.74
Profit after tax before non-controlling interest	312.30	240.93
Profit after tax after non-controlling interest	311.26	239.60
Segment Capital Employed	2,694.43	2,533.22

Mortgage Lending

Impact of COVID-19

The uncertainties of the COVID-19 pandemic shall impact the mortgage lending business. The impact shall be on account of several factors including lack of site visits delaying sales of projects, delays in new project roll outs due to uncertainties in end user demand and in the credit environment, collections, movement of people and minimum staff, progress on construction sites getting impacted due to lack of availability of labour, slowdown in economic activities, valuation of collateral, potential impact on asset quality and moratoriums to be provided, delay in commercial leasing decisions, impact on retail businesses, income and cash flows, reduced fee collections for the schools, moratorium being offered. In light of the ongoing impact of the outbreak of COVID-19, we will continually evaluate our strategy, with a view to growing our business as a sustainable franchise.

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

- **Project Loans:** Our wholesale mortgage financing business is primarily focused on providing project specific funding for ongoing residential and commercial projects which have received key regulatory approvals.
- **Loans against Land:** We offer loans to customers for land acquisition or against land parcels to be used for projects that are not expected to be launched in the near-term. At the time of funding, these land parcels do not have any relevant approvals and the loan repayment is based on the borrower-group’s cash flows.

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

As on March 31, 2020, the total loan book for wholesale mortgage lending stood at ₹ 8,052 Crore as compared to ₹ 10,131 Crore as at March 31, 2019. The financial year saw the sector dealing with the challenges faced due to non-availability of credit due to the liquidity crunch faced by the NBFC sector and the general lack of confidence by the banking sector. In such a time we thought it prudent to de-grow our loan book and bring down leverage to keep us equipped to take advantage of the opportunities to follow subsequently.

The NBFCs with superior credit processes have been able to deal with the cashflow situation and the asset side pressure much better. We have continued to engage with our borrowers on the asset side to ensure the quality of the book is maintained. However, lack of availability of refinancing, slowdown in disbursements of home loans and in general slowdown in the credit availability for the sector continued to pose significant challenges for the sector. We have seen most efforts of borrowers being focused on sales and collections and also have witnessed increase in structured debt/ equity transactions. Our readiness in the previous financial year has helped us use this situation to our benefit and enabled us to underwrite attractive transactions. We ensured that we continue disbursing our commitments in a timely manner to enable delivery of projects on time.

As we step into the next financial year we believe the sector like all other businesses will have to deal with the effects of

the lockdown and will witness extremely slow traction in sales and collection. However given the unprecedented nature of this crisis we intend to work very closely with all our borrowers and find solutions to the situations they are faced with.

Retail Mortgage Lending

Housing Finance Business and loan against property

Our housing finance business commenced operations in 2017 in order to expand group’s presence in retail mortgage space with a focus on affordable housing finance. The business, although still in its nascent stage, has put in place the required building blocks in terms of people, processes and systems for a long term sustainable growth. The business has steadily expanded its operations to 27 branches across seven states in the country. We also provide loan against property (“LAP”) primarily to individual customers against their residential or commercial property. These customers operate primarily in the affordable segment.

FY20 marked multiple milestones for JM Financial Home Loans Limited (“JMFHLL”). JMFHLL turned profitable in second full year of operations i.e. FY2019-20.

Tight liquidity conditions which emerged in 2HFY19 in the aftermath of IL&FS default spilled over to FY20. This led to defaults by some of the large HFCs further exacerbating the liquidity condition in the sector.

While the sector was already reeling from liquidity constraints and lower demand, COVID-19 emerged as a significant risk towards the end of the fiscal year, further clouding the outlook. COVID-19 has led to a sudden halt to most of the economic activities and is likely to have an adverse impact on credit demand and credit behaviour of the borrower.

Notwithstanding the current economic uncertainty, we believe that the long term structural up-trend of housing demand in India remains firmly intact.

Education Institution Loans

India sees continuous improvement in the education space underpinned by a desire to educate the next generation, complemented by rising disposable income and spurred on by government’s sustained effort towards improving enrolment at the pre-primary and primary school levels. With aspiring parents willing to pay for better education outcomes and all around child development, private schools have greater impetus to invest in developing better school infrastructure and facilities in urban, semi-urban and rural centres alike. Greater enrolment in private schools at the pre-primary and primary school level and movement of students from public to private schools at the secondary and higher secondary levels are driving the growth of private schooling in India. A sustained growth in central and international board

Management Discussion and Analysis (Contd.)

affiliated schools is also leading to greater deployment of capital for school infrastructure development.

JMFHLL's focus on building a high quality diversified K12 education institution loans portfolio continues through acquisition of school clients in urban, semi-urban and rural centres across state and national boards.

Our mortgage lending segment is subject to threats which include:

- Short term and long term impact of COVID-19 on the entire business segment;
- macro-economic factors such as 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, regulatory challenges, technology innovations, amongst others;
- Regulatory changes and adverse sector changes including slowdown in the real estate sector and housing

Financial performance of Mortgage Lending Segment

Particulars	FY 2019-20	FY 2018-19
Gross Income	1,350.85	1,290.91
Profit before tax	533.01	619.79
Profit after tax before non-controlling interest	381.21	399.83
Profit after tax after non-controlling interest	178.62	189.78
Segment Capital Employed	3,431.82	3,021.11

Distressed Credit Business

Impact of COVID-19

For the distressed credit business, COVID-19 impact on operating units under restructuring may be due to reasons including temporary closure of plants, additional burden of fixed costs for the lockdown period, cancellation of existing orders, low off take etc. The lock down has also impacted resolution of assets. Due to the overall economic slowdown, there are uncertainties and volatility impacting the credit markets and more so short term liquidity. COVID-19 is also expected to impact the valuations across most sectors. The delay in the cash flow of the underlying companies shall impact the cash flows of the distressed credit business. In light of the ongoing impact of the outbreak of COVID-19, we will continually evaluate our strategy, with a view to growing our business as a sustainable franchise.

Our distressed credit business includes asset reconstruction business.

During the year 2019-20, RBI has from time to time issued several important guidelines aimed at the stressed assets in the economy. RBI introduced revised prudential framework for resolution of stressed assets. The modified framework aims at providing early recognition, reporting and time bound resolution of stressed assets, while providing strong disincentives in the form of additional provisioning for delays in initiation of resolution or insolvency proceedings. The framework also provides incentives for application of the IBC by allowing half the additional provisions to be reversed and the remaining additional provisions may be reversed upon admission of the borrower into the IBC process.

In June 2019, RBI permitted to acquire financial assets from other ARCs, which was hitherto allowed only for the purpose of debt aggregation. With a view to address the concerns relating to transparency and price discovery in bilateral transactions, RBI directed Asset Reconstruction Companies ("ARCs") to acquire financial assets from their lenders, sponsors or group entities through auctions which are conducted in a transparent manner, on arm's length basis and at prices determined by market forces. In January 2020, FPI investments in Security Receipts which were currently exempted from the short-term investment limit was also extended to debt instruments issued by ARCs. These guidelines will have positive impact on the industry in the long run.

Further, Central Government notified the provisions relating to personal guarantors under IBC which will ensure efficacious resolution in matters relating to defaults of loans secured by personal guarantors. The Central Government also notified the provision of chapter IVA of SARFAESI Act, 2002 with effect from January 24, 2020 consisting Section 26B to Section 26E. Section 26E provides for the priority of the secured creditor's dues over the state government dues.

Due to burdening of cases in National Company Law Tribunal (NCLT) for resolutions under IBC, the government is strengthening judicial infrastructure to expedite the resolution process.

During the year, various conceptual and contentious issues were settled through judgments such as treatment of secured and unsecured creditors over sale proceeds, supremacy of Committee of Creditors in the commercial matters, applicability of limitation period and withdrawal of IBC applications. These judgments will boost the confidence of investors in the distressed assets.

During the year FY2019-20, we had a healthy recovery from resolutions aided by restructuring, settlement and sale of

assets. We successfully completed resolution of one large account by one time settlement of debt through sale of assets and has aggregated dues for one large account. We concluded one transaction by way of resolution plan being implemented in NCLT.

During the challenging period, our focus was on recoveries and prudent liquidity and liability management. We have been able to reduce short term borrowings in Commercial Papers to zero and successfully raised resources through long term debt and equity funds which has reduced our gearing from 1.99 times as on March 31, 2019 to 1.77 times as on March 31, 2020.

We are also experiencing resolution delays in key accounts under NCLT process. Moreover, the slow-down of economic activity due to COVID-19 pandemic has also resulted delays in expected recoveries and may impact the industry negatively causing further slowdown in recoveries until the situation improves. Till March 31, 2020, we have acquired total outstanding dues of ₹ 60,363 Crore at a gross consideration of ₹ 17,069 Crore. The outstanding Security Receipts stood at ₹ 11,489 Crore as on March 31, 2020. The contribution of JM Financial Asset Reconstruction Company Limited ("JMFARC") stood at ₹ 3,012 Crore as on March 31, 2020. JMFARC had also made aggregate cash investment till date of ₹ 4,727 Crore, and achieved total recovery till date of ₹ 8,547 Crore.

JMFARC believes that there are sizable opportunities in the acquisition of non-performing assets for increasing its corpus/assets under management. The investment strategy focus going ahead is on acquiring the loans at the right price to meet our Internal Rate of Return (IRR) expectations and then help in the turnaround of the companies by restructuring of debt, streamlining of operations and monetization of non-core assets. We have had 37 exits spread across sectors in over a decade which we believe has helped us in developing strong expertise in resolving distressed assets.

Our distressed credit segment is subject to threats which include:

- short term and long term impact of COVID-19 on the entire business segment
- macro-economic factors such as 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	FY 2019-20	FY 2018-19
Gross Income	413.50	500.59
Profit before tax	85.58	201.46
Profit after tax before non-controlling interest	52.49	131.61
Profit after tax after non-controlling interest	29.85	94.71
Segment Capital Employed*	1,601.29	1,749.28

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

Asset management

Impact of COVID-19

The COVID-19 pandemic and the resultant lock downs are likely to impact our asset management business due to a variety of factors including global slowdown, uncertainties in macro-economic and credit market environment, restriction in the movement of people, distribution activities, volatility and uncertainties impacting the financial and capital markets, uncertainties in business growth, valuation mismatches, underperformance of mutual fund schemes affecting investor sentiment and risk appetite, rating downgrade of companies, defaults by corporates, redemption pressures and flow of funds to mutual funds. In light of the ongoing impact of the outbreak of COVID-19, we will continually evaluate our strategy, with a view to growing our business as a sustainable franchise.

Under our asset management business, we offer a wide range of investment options that cover the entire risk spectrum, catering to the diverse needs of the Institutional and the Non- institutional Investors. The average assets under management (AAUM) of JM Financial Mutual Fund for FY 2019-20 were at around ₹ 6,495 Crore with Equity AAUM around ₹ 4,146 Crore and Debt AAUM around ₹ 2,349 Crore.

Our mutual fund business continues to focus on profitable growth. Our PAT/AAUM ratio stood at around 0.26% for financial year 2019-20.

During the year, we hired Mr. Satish Ramanathan and he has been appointed as Chief Investment Officer – Equity for the Equity Schemes of JM Financial Mutual Fund.

Management Discussion and Analysis (Contd.)

We have recently completed the first close of our maiden JM Financial Yield Enhancer (Distressed Opportunity) Fund I with commitments aggregating to ₹160 Crore.

The average AUM of the mutual fund industry stood at around ₹ 27 trillion for the quarter ended March 31, 2020. Both Equity and Fixed Income markets witnessed extreme volatility in Financial Year 2020, especially in the last quarter, as a result of downgrades in certain key companies followed by fear of lockdown due to COVID-19 pandemic having adverse economic consequences. Indian equity indices S&P BSE Sensex and Nifty 50 declined by 23.63% and 25.85% respectively in FY 2020.

Despite the high volatility and selling pressure by FIIs/FPIs, the mutual fund industry saw good flows from Retail investors in Equity Schemes by way of Systematic Investment Plans (“SIPs”). The SIP contribution hit record highs in FY 2020 and even surpassed SIP flows of FY 2019. Industry initiatives such as customer education, focus on smaller cities and towns as well as focus on inflows through SIP have helped in bringing in stable assets in the mutual fund industry.

Our asset management business is subject to threats which include:

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

Financial performance of Asset Management Business

Particulars	₹ in Crore	
	FY 2019-20	FY 2018-19
Gross Income	62.88	94.61
Profit before tax	22.49	57.01
Profit after tax before non-controlling interest*	16.99	41.56
Profit after tax after non-controlling interest	10.28	24.97
Segment Capital Employed	231.39	214.58

*Includes Profits from Associate

Analysis of financial performance

Consolidated Financial Performance

The consolidated gross income of the Company stood at ₹ 3,453.55 Crore as against ₹ 3,499.49 Crore in the previous year. Profit before depreciation and amortisation expense, finance cost and tax expense during the year stood at ₹ 2,520.42 Crore as against ₹ 2,756.11 Crore, in the previous year. The Profit before and after tax stood at ₹ 1,093.52 Crore and ₹ 544.98 Crore respectively as against ₹ 1,282.79 Crore and ₹ 572.18 in the previous year.

The profit in the current year declined to ₹ 544.98 Crore as against ₹ 572.18 Crore in the previous year primarily due to decline in profits from distressed credit segment to ₹ 29.85 Crore in the current year from ₹ 94.71 Crore in the previous year. Also, during the last quarter, the outbreak of COVID-19 pandemic across the globe and in India contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The management estimated the impact of pandemic on impairment provision on financial assets carried at amortised cost and fair valuation of certain financial assets at fair value. Accordingly, the statement of profit and loss for the year ended March 31, 2020 includes incremental gross impairment provision and fair value loss aggregating ₹ 175.21 Crore, which significantly includes potential impact on account of the pandemic. The adjusted profit after tax (Pre COVID impact) for the current year would have been ₹ 621.08 Crore.

The following table describes consolidated income during the year:

Particulars	₹ in Crore	
	March 31, 2020	March 31, 2019
Interest Income	2,281.27	2,364.94
Fees and Commission Income	646.26	576.83
Brokerage Income	202.70	190.21
Net gain on fair value changes	175.53	223.25
Net gain on derecognition of financial instruments carried at amortised cost	18.02	1.79
Other Operating Income	108.25	122.13
Other Income	21.52	20.34
TOTAL	3,453.55	3,499.49

Interest Income

Interest Income from lending activities continued to be a major contributor to the gross revenue at ₹ 2,281.27 Crore as against ₹ 2,364.94 Crore during the previous year, constituting around 66.06% of the total revenue. Decrease in interest income is due to decrease in loan book during the year.

Fees and Commission Income

Fees and commission earned during the year were ₹ 646.26 Crore as against ₹ 576.83 Crore during the previous year, constituting 18.71% of the total revenue. The increase in fees income is on account of increase in deal closures in investment banking during the year. The increase is partially offset by decline in management fees from asset management business due to reduction in AAUM to ₹ 6,495 Crore in the current year as against ₹ 11,217 Crore in the previous year.

Brokerage Income

Brokerage income earned during the year was ₹ 202.70 Crore as against ₹ 190.21 Crore during the previous year, constituting around 5.87% of the total revenue. The increase in brokerage income is on account of increase in average daily turnover during the year.

Net gain on fair value changes

Net gain on fair value changes stood at ₹ 175.53 Crore as against ₹ 223.25 Crore during the previous year, constituting around 5.08% of the total revenue. This is primarily due to mark-to-market changes on account of fair value of investments in equity shares, mutual funds, security receipts and financial assets under distressed credit business during the year. The decline is primarily on account of fair value loss considering the impact of COVID-19.

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

Net gain on de-recognition of financial assets carried at amortised cost was ₹ 18.02 Crore as against ₹ 1.79 Crore during the previous year, constituting 0.52% of the total revenue. This is primarily due to profit on de-recognition of a loan or a borrowing, which were carried at amortised cost during the year.

Other operating income and other income comprising of revenue from treasury operations and other activities were ₹ 129.77 Crore as against ₹ 142.47 Crore during the previous year, constituting around 3.76% of the total revenue.

The following table describes consolidated expenditure during the year:

Particulars	₹ in Crore	
	March 31, 2020	March 31, 2019
Finance costs	1,385.86	1,446.21
Impairment on Financial Instruments	233.72	35.12
Employee Benefits Expense	395.41	421.61
Depreciation and amortisation expense	41.04	27.11
Other expenses	304.00	286.65
TOTAL	2,360.03	2,216.70

Finance Cost

The decrease in finance cost is on account of decrease in the borrowings during the year. The decrease is partially offset by increase in borrowing rates and due to improved long term: short term mix to 91:9 versus 74:26 of last year which led to increase in the finance cost.

Impairment on Financial Instruments

Impairment on Financial Instruments stood at ₹ 233.72 Crore as against ₹ 35.12 Crore during the previous year. This is on account of provisioning based on expected credit loss model on the loans and trade receivables. The increase is primarily on account of additional provisioning due to uncertainties in the macro economic environment, impact of COVID-19 and due to increase in Stage 2 and Stage 3 assets as compared to previous year.

Employee Benefits Expense

The decrease in employee costs by about 6.21% is mainly on account of reduction in annual performance linked bonus of the employees in the current year as compared to previous year.

Depreciation and Amortisation Expenses

The increase in depreciation and amortisation expenses by about 51.38% is mainly on account of applicability of new accounting standard “Ind AS 116 - Leases” during the year. The depreciation on right-to-use asset during the year stood at ₹ 14.64 Crore.

Management Discussion and Analysis (Contd.)

Other Expenses

Other expenses comprise sub-brokerage, fees and commission and administrative costs. The sub-brokerage, fees and commission mainly relates to secondary market and distribution business. These expenses increased by 4.64% in the current year under review. Administrative costs mainly comprise establishment expenses. These expenses increased by 6.83% primarily attributable to write-offs of investments and other assets in the current year amounting to ₹ 25.47 Crore. The increase was partially off-set by decrease in rent expense on applicability of Ind AS 116 – Leases during the year.

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

Segment Revenue	FY 2019-20		FY 2018-19	
	Amount	% to total	Amount	% to total
Investment banking, wealth management and securities business	1,611.52	46.66%	1,601.76	45.77%
Mortgage Lending	1,350.85	39.12%	1,290.91	36.89%
Distressed Credit	413.50	11.97%	500.59	14.30%
Asset management	62.88	1.82%	94.61	2.70%
Others	79.75	2.31%	72.60	2.07%
Total Segmental revenue	3,518.50	101.88%	3,560.47	101.74%
Less:- Inter segmental revenue	(64.95)	(1.88%)	(60.98)	(1.74%)
Total revenue	3,453.55	100.00%	3,499.49	100.00%

	FY 2019-20		FY 2018-19	
	Amount	% to total	Amount	% to total
Segment Results (Profit Before Tax)				
Investment banking, wealth management and securities business	434.60	39.74%	377.74	29.45%
Mortgage Lending	533.01	48.74%	619.79	48.32%
Distressed Credit	85.58	7.83%	201.46	15.70%
Asset management	22.49	2.06%	57.01	4.44%
Others	17.84	1.63%	26.79	2.09%
Total Results (Profit before tax)	1,093.52	100.00%	1,282.79	100.00%
Segment profit after tax (after non-controlling interest)				
Investment banking, wealth management and securities business	311.26	57.11%	239.60	41.87%
Mortgage Lending	178.62	32.78%	189.78	33.17%
Distressed Credit	29.85	5.48%	94.71	16.55%
Asset management	10.28	1.88%	24.97	4.36%
Others	14.97	2.75%	23.12	4.05%
Total Segment profit after tax (after non-controlling interest)	544.98	100.00%	572.18	100.00%

(₹ in Crore)

Segment Capital Employed	March 31, 2020	% to total	March 31, 2019	% to total
Investment banking, wealth management and securities business	2,694.43	33.34%	2,533.22	32.84%
Mortgage Lending	3,431.82	42.46%	3,021.11	39.17%
Distressed Credit	1,601.29	19.81%	1,749.28	22.68%
Asset management	231.39	2.86%	214.58	2.78%
Others	123.06	1.53%	195.51	2.53%
Total Capital Employed	8,081.99	100.00%	7,713.70	100.00%

Investment Banking, Wealth Management and Securities Business:

The investment banking, wealth management and securities business registered revenue of ₹ 1,611.52 Crore as against ₹ 1,601.76 Crore in the previous year. During the year,

the percentage of segment results to segment capital employed was 16.13% as against 14.91% in the previous year. This segment contributed 57.11% to our consolidated profit after tax.

Mortgage Lending:

This segment registered a growth of 4.64% in the revenue over the previous year. Percentage of segment results to segment capital employed in this segment was 15.53% as against 20.52% in the previous year. This segment contributed 32.78% to our consolidated profit after tax.

Distressed Credit:

This segment registered revenue of ₹ 413.50 Crore as against ₹ 500.59 Crore in the previous year. Percentage of segment results to segment capital employed in this segment was 5.34% as against 11.52% in the previous year. This segment contributed 5.48% to our consolidated profit after tax.

Asset management:

The asset management business registered revenue of ₹ 62.88 Crore as against ₹ 94.61 Crore in the previous

year. During the year, the percentage of segment results to segment capital employed was 9.72% as against 26.57% in the previous year. This segment contributed 1.89% to our consolidated profit after tax.

Standalone Financial Performance:

On a standalone basis, the Company earned a gross income of ₹ 303.07 Crore during the year as against ₹ 270.51 Crore in the previous year. The profit before tax stood at ₹ 156.45 Crore as against ₹ 115.70 Crore in the previous year and the profit after tax stood at ₹ 127.31 Crore as against ₹ 111.30 Crore in the previous year. The profit in the current year increased primarily on account of increase in fee income from ₹ 120.38 Crore in the previous year to ₹ 219.45 Crore in the current year due to increase in deal closures in investment banking during the year. The increase was off-set by decrease in dividend received from subsidiaries from ₹ 110.37 Crore in the previous year to ₹ 35.53 Crore in the current year.

Key Financial Ratios:

Ratios	Consolidated		Standalone	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Interest Coverage Ratio	1.76	1.62	19.16	6.72
Current Ratio	1.92	1.27	4.07	5.41
Debt Equity Ratio	1.47	1.94	-	-
Net Debt Equity Ratio	1.04	1.70	-	-
Cost to Net Total Income Ratio	32.35%	32.49%	40.00%	48.49%
Net Profit Margin	22.53%	23.92%	42.01%	41.14%
Return on Equity (ROE)*	10.24%	11.88%	5.04%	4.48%
Return on Assets (ROA)*	3.47%	3.42%	4.63%	4.18%

Ratios where there has been significant change (i.e. change of 25% or more as compared to the immediately previous financial year) from FY 2018-19 to FY 2019-20:

Interest coverage ratio:

On a standalone basis, Interest coverage ratio as on March 31, 2020 stood at 19.16 as against 6.72 as on March 31, 2019. The reduction is primarily on account of reduction in finance cost and increase in profit after tax during the year. The profit after tax stood at ₹ 127.31 Crore as against ₹ 111.30 Crore in the previous year and the finance cost stood at ₹ 7.81 Crore as against ₹ 19.56 Crore in the previous year.

liquid investment in mutual funds (including redemption proceeds receivable) as on March 31, 2020 stood at ₹ 2,499 Crore compared to ₹ 900 Crore at the previous year end. On a standalone basis, the current ratio as on March 31, 2020 stood at 4.07 as against 5.41 as on March 31, 2019. The reduction is primarily on account of increase in current liabilities during the year.

Net Debt Equity Ratio:

On a consolidated basis, the net debt equity ratio as on March 31, 2020 stood at 1.04 as against 1.70 as on March 31, 2019. 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).

Current Ratio:

On a consolidated basis, the current ratio as on March 31, 2020 stood at 1.92 as against 1.27 as on March 31, 2019. The increase is primarily on account of reduction in short term borrowings and increase in liquid investments in mutual funds as on March 31, 2020. The Group's short-term borrowing as on March 31, 2020 stood at ₹ 1,035 Crore compared to ₹ 3,682 Crore as at the previous year end. The Group's

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

Management Discussion and Analysis (Contd.)

Resource mobilisation

Since the IL&FS default in September 2018, the Indian NBFC sector has been facing many challenges to raise funds primarily due to risk aversion of investors. This resulted in spreads for NBFCs widening significantly in FY20, especially for non AAA rated papers.

The risk aversion of banks was evident given the strong liquidity in the banking system of which increased to levels of close to approximately ₹ 3 lakh Crore during the Q4 FY 19-20.

FY 2019-20 witnessed the 10 year G-Sec rates fall from 7.35% to 6.31% and repo rate from 6.25% to 4.40% respectively. In addition to banks, the next largest source of funding for NBFCs were unable to provide funding to NBFCs primarily due to the new SEBI rules that required Mutual Funds ("MFs") to reduce exposure to NBFCs from 25% of their exposure to 20%. In addition, the total AUM of MFs as on March 31, 2020 has fallen to ₹ 22,26,203 Crore which is approximately 6% down from March 31, 2019.

The Group is focused on further improving the ALM and maintaining appropriate cash liquidity on its balance sheet.

There was a conscious effort to reduce dependence on CP borrowing and with a disciplined approach the same was brought down from ~23% of borrowing in FY 2018-19 to ~6% in FY 2019-20.

The focus has been to align asset and liability maturities with addition of more long term resources such as bank lines, public issue of NCDs, private placement of NCDs, Market linked debentures ("MLDs") etc.

Considering the challenges being faced by the economy and the NBFC sector; we were focused on being more liquid, nimble in doing short term asset deals and de-growing the balance sheet. This helped us in further improving our ALM practices and deleveraging the balance sheet. JM

Financial Products Limited, a subsidiary company launched multiple tranches of public issue of NCDs and garnered retail subscription throughout the year thereby diversifying the sources of borrowing.

The Consolidated debt outstanding at the financial year ended March 31, 2020 stood at ₹ 11,756 Crore versus ₹ 13,991 Crore a year earlier (a decrease of approximately ₹ 2,235 Crore).

During the year, the Group continued the efforts of diversifying the sources and maturities for the borrowing profile at the consolidated level. The long-term borrowing stood at ₹10,721 Crore versus ₹10,309 Crore a year earlier. The Company improved the long term: short term ratio to 91:9 versus 74:26 of last year.

The Group's short-term borrowing as on March 31, 2020 stood at ₹ 1,035 Crore compared to ₹ 3,682 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 under JM Financial Products Limited and raised a cumulative amount of ₹ 640 Crore in three tranches.

Just when all the threats in the economy were being played out with IL&FS default crisis, HFC default, ALM mismatches and risk aversion, the month of March of FY 2019-20 was hit by the COVID-19 pandemic. The nation-wide lockdown and all the businesses will play out over the next few quarters. Being part of the NBFC and the lending universe; we will be facing our share of upheaval too. The market dislocation due to COVID-19 lockdown has made the financial system extremely vulnerable. The GOI and RBI have announced a slew of measures including those on moratorium, liquidity infusion and support. The Group will continue to focus on raising long term resources.

CREDIT RATING

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

Company	ICRA	CARE	CRISIL	India Ratings
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	-
JM Financial Capital Limited	AA/Stable	-	AA/Stable	-
JM Financial Services Limited	AA/Stable	-	AA/Stable	-
JM Financial Limited	AA/Stable	-	-	-
JM Financial Institutional Securities Limited	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 legislative and regulatory environment, due to increasing globalisation, integration of world markets, newer and more complex products & transactions and an increasingly stringent regulatory framework. 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.

The Group 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 processes. 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 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.

Management Discussion and Analysis (Contd.)

Various risks associated with the businesses of JM Financial Group are discussed in detail below:

Key Risks	Description/Impact of Risks	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.</p> <p>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).</p> <p>As a part of its operations, the Group makes investments in securities and other financial instruments from time to time. We are exposed to potential changes in the value of financial instruments held by us caused by above factors. Any decline in the price of 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.</p>

Key Risks	Description/Impact of Risks	Risk Mitigation
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>
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 arises out of a change in laws and regulation governing our businesses. 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 made 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. Formulation of the policies as well as their 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>

Management Discussion and Analysis (Contd.)

Key Risks	Description/Impact of Risks	Risk Mitigation
Competition Risk	<p>The industry in which the Company operates is growing at a rapid pace and is exposed to tremendous competition at the national as well as international level. Strong growth prospects combined with liberalization of financial services sector have prompted the entry of newer foreign and domestic financial services companies.</p> <p>We operate in a highly competitive market and face significant competition from other players in the financial services industry and from companies seeking to attract our customers' financial assets. Entry of new players has increased the competition faced by us. It may also lead to attrition of our key personnel.</p>	<p>Diversified and innovative products 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 Group 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>
Risks pertaining to COVID-19 pandemic	<p>The COVID-19 pandemic represents the biggest test of the post-crisis financial system to date. The pandemic constitutes an unprecedented macro-economic shock, pushing the economy into a recession of uncertain magnitude and duration. The financial system faces the dual challenge to sustain the flow of credit amidst declining growth and to manage heightened risks. COVID-19 has increased the risk across the Group such as credit risk, market risk, liquidity risk, operational risk, competition risk, reputation risk, regulatory and compliance risk, business continuity risk.</p>	<p>We assess financial risks and vulnerabilities related to COVID-19 on an ongoing basis. Given the increased risks that the pandemic poses, JM Financial Group is holding regular calls of its senior committees to discuss these risks and to share experiences of members on the steps they are taking to address them.</p> <p>We are examining the potential financial stability risks that may lie ahead as the impact of COVID-19 on the economy unfolds. Going forward, we intend to monitor the resilience of the critical financial nodes so as to identify any emerging issues in a timely manner. We also intend to identify and assess in a forward-looking manner the specific vulnerabilities that may materialise during this major global economic downturn.</p> <p>From a medium-term perspective, we intend to examine how likely far-reaching changes in the financial system associated with the COVID-19 crisis may affect the nature of financial stability risks. We will focus on monitoring current risks to financial stability, and in particular the impact of COVID-19 on the resilience of the financial system.</p>

Internal control systems and their adequacy

We have adequate internal control systems to commensurate with the nature of business and size of operations for ensuring:

- orderly and efficient conduct of business,
- adherence to 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 frequent internal audits. The internal control system is supplemented by an extensive program of internal audit and reviews by the senior management. We have appointed independent internal audit firms for the Company and all our operating subsidiary companies to assess and improve the effectiveness of risk management, control 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 / 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 / the Board of the respective companies and corrective measures are recommended for implementation. Audit Committee of the Board / the Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures that 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 (Contd.)

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND PHILANTHROPIC GIVING

At JM Financial, Corporate Social Responsibility (CSR) and Philanthropy have always been a reflection of our unwavering commitment to society. This commitment gets effectuated in reaching out to the most socio-economically backward communities and intervening at the grassroots, with a dream of translating hopes into capacities and realities. Our journey started in 2001 with JM Financial Foundation, our Group's CSR and Philanthropy unit, through which we continue to implement long-term projects and support social causes. Our CSR initiatives, their budgets and expenditures are executed and administered by JM Financial Foundation as outlined in the CSR Policy, adopted by JM Financial Limited and all other JM Financial Group entities.

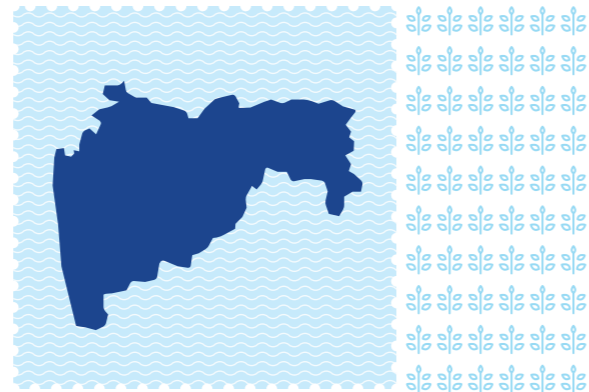
In conformity with our CSR Policy and taking into account the applicable provisions of the Companies Act, 2013, the CSR Committees of the JM Financial Group entities have approved and contributed a total amount of ₹ 24.13 Crore in the Financial Year 2019-20 (₹ 20.02 Crore in FY 2018-19) to JM Financial Foundation for expenditure towards all 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 in 75 offices across 12 states and 2 union territories in the country.

JM Financial CSR – Delivering on our promise

This year, JM Financial deepened its CSR commitment to its *Integrated Rural Transformation Programme*, with a stronger emphasis on delivering on our core objectives. Designed with a vision of three to five years, our CSR projects have thus far ensured interventions borne out of a dialogue with the community, maturing into social change being desired in Maharashtra, Bihar and Jharkhand. Our projects have extended our intent to over 241 villages across six blocks of three districts in the aforementioned states. Our interventions derive not just their source, but also their channel and flow from the local communities themselves. With this organic approach, we have been able to deliver through the following ongoing projects.

Long-term CSR Projects



MAHARASHTRA

Integrated Village Development Project

Under the aegis of Integrated Rural Transformation Programme, in the state of Maharashtra, we have been working in seven large and small villages of Mokhada block in Palghar district. Herein, our ultimate objective has entailed the achievement of comprehensive rural change for over 1,108 marginalized and remote households. The project has been undertaken in a Public Private Partnership (PPP) model between the Office of the Collector and District Magistrate, Palghar, JM Financial Foundation and Deepak Foundation; basis a detailed needs assessment conducted in the previous year, to gauge gaps, weaknesses, and requirements along with the available resources in the region. In all our initiatives under this project, convergence with government welfare schemes and access to public entitlements is a key source of strengthening target families.

Through our *Agriculture and Allied Activities* we have trained a total (cumulative) of 369 farmers in the areas of cluster farming, floriculture with jasmine cultivation, Systematic Rice Intensification (SRI), vermicomposting, soil health and testing and crop management for vegetables, cashews and mangoes. Combined with this, 171 of these farmers have participated in four learning and exposure visits, which helped them learn about Wadi (agri-hortiforestry model) farming, jasmine cultivation through observation of other jasmine cultivators and government schemes regarding farm equipment and inputs.



Farmers training through exposure visit to jasmine cultivation plots

In order to help materialize their learnings, 133 farmers have been facilitated with 10,900 cashew saplings under MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act 2005) – Kalpavruksh Lagvad Yojana (a component under MGNREGA that encourages horticulture through labour payment to practising farmers). These saplings are now planted in 54.07 acres (23.55 lakh sq. ft.). In addition, 23 farmers have been supported with 886 cashew saplings and 19 farmers have been supported with 494 mango saplings (two fruits encouraged in this region owing to rocky terrain and good market connectivity), which have been planted around small water conservation pits facilitated through this project. A total of 513 farmers' soil samples have been tested at the Krishi Vigyaan Kendra located in Kosbad, Dahanu, and with the recommendations disseminated through the reports, almost 45 per cent have been applying them in their vegetable, paddy and SRI (Systematic Rice Intensification) paddy plots. Jasmine cultivation has been undertaken by 80 farmers with 16,000 saplings planted by each of them across 10 acres (4.36 lakh sq. ft.), under the Zilla Parishad Cess Fund Scheme (Agriculture dept. Zilla Parishad, Palghar), through our project's facilitation to public entitlements. Linking the Zilla Parishad 50%-50% Subsidy Scheme, the project has facilitated kitchen garden kits to be provided to 90 farmers, using which farmers have grown, consumed, as well as sold fenugreek, radish, and spinach – a practice that is largely not followed in this region owing to low access and low awareness. To encourage organic methods of farming, 20 farmers have been identified, trained and provided with portable vermicompost beds, each with a capacity of producing 700-800 kg of vermicompost every cycle (90 days per cycle). These beds have been installed by farmers on their respective farm plots, with continuous guidance in the form of training and monitoring. In connection with the Zilla Parishad 50%-50% Subsidy Scheme, 51 farmers have planted 1,400 kg of paddy seeds on 42.5 acres (18.51 lakhs sq. ft.), and have reaped a harvest of 25.19 metric tonnes this year, as compared to the 21.1 metric tonnes harvested in the previous Kharif (Monsoon crop) season. The increase in

369 farmers

trained in alternate agriculture and scientific farming practices

harvest is a product of our well-planned and result-oriented field visits to individual farmers' plots and handholding on farmer-specific challenges. In addition to this, using the SRI method of paddy cultivation taught to them, 20 farmers harvested 5.32 metric tonnes of rice across 18.79 acres (8.18 lakh sq. ft.), as compared to 3.48 metric tonnes harvested in the previous *Kharif* season.



Paddy sowing through Systematic Rice Intensification method at village Beriste (Umberpada)

Water conservation – Palghar district receives an average of 2,458 mm rainfall annually. However, simple techniques of rainwater conservation have not been practised by the community, making Palghar a rain deficit region in the last few years. Therefore, this year, as part of our project plan, 1,073 Continuous Contour Trenches (CCTs) were dug up on 12.08 acres (5.26 lakhs sq. ft.) of 10 farmers' sloping farmlands, along with support from other villagers. As a result, moisture levels have been maintained, with each CCT storing 600 to 800 litres of rainwater, and the cashew and mango saplings planted on the CCT peripheries have shown 89 per cent survival. The community has also gotten encouraged to conserve water through smaller and simpler methods, instead of looking forward to only modern concrete structures. The behavioural change in conserving monsoon water for increasing water table levels year on year is our ultimate objective and therefore CCTs are also planned in the coming few years prior to the monsoon.

Management Discussion and Analysis (Contd.)



Continuous Contour Trenches at Ase Gram Panchayat after the first showers

Self Help Groups (SHG) capacity building is one of our most significant tools for community development and women empowerment. This year, we have facilitated the development of 21 new SHGs in addition to the 18 developed in the previous year. We have trained 166 (cumulative) SHG members in the areas of SHG norms and governance, records keeping and SHG management.

Through convergence with the Krishi Vigyaan Kendra at Dahanu (one of the blocks in Palghar district), two of our SHGs have received two millet processing units which have helped them earn by processing and selling *varai* (barnyard millets) and *nagli* (finger millets). Alongside, three of our SHGs applied for and received a revolving fund of ₹ 15,000/- each under Ajeevika – Maharashtra State Rural Livelihoods Mission (MSRLM), as an impetus to their entrepreneurial plans, with the fund amount being returnable to the said department at 0 per cent interest after a year.



Millet processing unit in use by Kulaswamini Swayamsahayta Bachat Gat SHG at village Beriste (Teliumberpada)

Under the thrust area of **Improving village infrastructure**, the project has resulted in a positive outcome for pre-school learning and development through Anganwadi construction and renovation. In convergence with the Integrated Child Development Services (ICDS) Department, the project has facilitated the construction of two new Anganwadis, as a result of which, about 84 children will attend their pre-school in an appropriate infrastructure as opposed to a temporary room in the current conditions.

Increasing access to public entitlements – One of the initiatives under this project was to set up and run helpdesks at the village or Gram Panchayat level, with the sole objective of increasing awareness among the community about their rights and entitlements as citizens, as laid down by the Government. These helpdesks are meant to help the community learn, handhold them to apply for various schemes, help submit the official applications replete with supporting documents required and ensure that they get the benefits of the available schemes. This year, JM Financial Foundation's two helpdesks at Ase Gram Panchayat and Beriste Gram Panchayats have facilitated government welfare schemes' benefits to 1,849 farmers and individuals against the 3,713 enquiries received at the helpdesks, with a total convergence value of ₹ 80.59 Lakh. The support extended by the two helpdesks to farmers and their families has contributed to narrowing the gap between rights and entitlements and the ultimate beneficiaries who should be reaping the benefits of the same. This year, our work through the helpdesks has received recognition in the form of a third helpdesk which will now reach out to all the villages across Mokhada block. The set up and functioning of the new helpdesk has been facilitated at the block level, with the support of the Project Officer – Integrated Tribal Development Project, Tehsildar and Block Development Officer, Mokhada.



Our helpdesk at Beriste Gram Panchayat

Building infrastructure for quality education

Identifying the need for better quality education through improved infrastructure for the poorest of poor tribal

children across Mokhada block, JM Financial has undertaken a second initiative this year in Mokhada block, at the Mahatma Jyotiba Phule Ashramshala, Aase. (An Ashramshala is a semi-aided residential school meant for the education of children from Scheduled Tribe backgrounds). The said Ashramshala provides a learning and residential avenue for 362 students in grades 1 to 10, hailing from extremely low income households in a radius of 40 – 50 km around Ase Gram Panchayat in Mokhada. At the time of our first few field visits, this Ashramshala was in an absolutely dilapidated state which would've risked students, especially the girls dropping out after a certain stage, and going back to their far-flung homes with no better prospect of education. Therefore, it was important to arrest the deterioration of the school and hostel building, and provide a well-built infrastructure where children feel safe, live in healthy conditions and learn better. With this as our objective, JM Financial has undertaken infrastructure construction and upgradation for the Ashramshala whereby the following will be accomplished:

- Renovation of the existing school building, for six classrooms for grades 5 to 10, one staff room and one Science laboratory.
- Construction of new school building for grades 1 to 4 (Primary section), since up until now, grades 1,2 and 4 were being taught in the boys' hostel and grade 3 was being taught in the girls' hostel.
- Creation of new toilet blocks for boys and male staff, comprising two toilets, two bathrooms and three urinals.
- Creation of new toilet blocks for girls and female staff, comprising two toilets, two bathrooms and three urinals.
- Construction of four rainwater storage tanks with a capacity of 30,000 litres each.



Ashramshala school building under refurbishment

The complete development and refurbishment is expected to help ensure that students, especially girls get a respectable and decent learning environment, enabling them to develop into wholesome individuals.

Eye-care initiative

The communities across our seven villages of Mokhada block approached JM Financial with complaints of unhealthy eye conditions, with some of the residents showing signs of an immediate need to undergo cataract surgeries. We received requests to conduct an eye camp since no public body or other institution had taken such an initiative in the past in the region. The risk of poor vision conditions worsening was higher, especially in case of senior citizens, deprived of any medical attention. Therefore, an eye camp was conducted on January 14, 2020 during which 421 people were screened. Of these screenings, 215 were detected with vision problems and 119 showed signs of cataract issues. About 38 of the cataract patients underwent eye surgeries between January 15 and 19, 2020 and the remaining 81 couldn't be operated on owing to other health issues such as high blood pressure and excessive sugar. Additionally, eight patients were operated on for issues of Dacryocystectomy, Pterygia, discharge and swelling.



BIHAR

Over the last three years in the state of Bihar, JM Financial has concentrated its CSR efforts in one of the 115 Aspirational Districts identified by the NITI Aayog (National Institution for Transforming India Aayog – an institution created in 2015 to work on a shared vision of national development priorities, with special focus on the lesser served sections of the society), i.e. Jamui. Herein, we have been working with an approach of intensive development across 15 villages and extensive development across over 240 villages in three blocks – Chakai, Jhajha and Sikandra. Our focus has largely been on strengthening interwoven aspects of rural life, including but not limited to agriculture and allied activities, livestock development, enhancement of education outcomes and women empowerment. All our projects are designed to be implemented over 3 to 5 years ultimately aiming to achieve increased incomes, behaviour change and an enriched quality of living.

Management Discussion and Analysis (Contd.)

Project Bachpan

Initiated in August 2017, Project Bachpan was borne out of a need visible most starkly in the villages of this region – that is, little children deprived of nutrition and the learning that starts early for all. The primary objective with which the project took shape was to ensure that these tiny tots receive the care and holistic development in a conducive environment. With five pre-school learning centers running six days a week across five villages – Dhanimatari, Dhawatanr, Korasi, Lachhuar and Sabal Bigha, Project Bachpan has completed over 2.5 years since its inception, wherein it has impacted children positively, and more so in the case of Dhanimatari and Dhawatanr.



Our Bachpan Learning Center at Village Dhanimatari

Over the last year, 120 children in the age group of 3 to 6 years have acquired pre-numeracy, pre-literacy and fine-tuned motor skills through interactive child-centric teaching and learning methods and material. Through three years, a total of 140 children attending the Bachpan Learning Centers have been provided with one-time nutritious meals cooked voluntarily by their mothers, often using vegetables grown at the centers, in nutrition gardens developed for the purpose. With the end of the academic session in March 2020, 45 of the children of age 6 years will be enrolled into grade 1 of a public school. Simultaneously, new children for enrolment will be identified by the teachers through a door-to-door assessment, ensuring that only the most deserving children from the weakest of families get the platform provided through the project.



Guided play to enhance focus and pattern recognition skills at our Bachpan Learning Center

Shri Vardhman Mahila Griha Udyog

Shri Vardhman Mahila Griha Udyog was initiated in December 2017 with the primary objective of providing women from across the 15 villages of Sikandra block with a dignified means of earning their livelihoods. Working hitherto as unprotected firewood gatherers and daily agricultural labourers, 16 of these women were taken to Palitana, Gujarat in November 2017, to get trained in *Khakhra* (a whole-wheat snack) making, basis the simple skill that they possessed, that is – roti making. The market for this product was evaluated to be available and booming in the said geography, owing to the large number of pilgrims and tourists visiting the area every year. Through 20 days of training, our women members (*didis*) had learned to roll and vend perfect, hand-made *Khakhras*.



Our didis at their training in Bhavnagar, Gujarat for khakhra rolling and vending in 2017

Today, the Udyog (i.e. the production unit) has been operational for over two years and has been independently taking care of its own operations and management with an empowered set of *didis* (workers), aspiring to create a niche for themselves. This year, taking care of all their own operational expenses, the women members have produced and sold 4,037.60 kg of *Khakhra* and earned a total output-based earnings (basis attendance and *khakhras* rolled) of

₹ 4,49,066/- (average ₹ 1,900/- to ₹ 3,300/- earned per member per month) up until February 2020. The Foundation continues to handhold the Udyog and stand strong to support them, financially and through capacity building. The larger dream for this project, is to diversify in material and form and leave it working with full autonomy and financial strength over the next few years.



Our didis beaming with their gifts on completing two years at the Udyog

Adarsh Gram Development Project

The Adarsh Gram (Model Village Development) Project has been undertaken to facilitate comprehensive rural development using available natural resources, village capacities and public schemes to convert 15 identified remote villages into self-reliant, model villages. Initiated in 2018, the project has completed two years with rigorous focus and seamless efforts at working with the community of marginal and small farmers, enabling them to realize their potential and linking them to higher income-generation practices. Through this project, JM Financial works towards comprehensive rural growth through the thematic areas of livelihoods and alternate agriculture, water and sanitation and enhancing education.

Livelihoods and alternate agriculture – Our approach to enhancing agricultural practices continues to hinge on farmers' education, awareness, encouragement and adoption. Given the geographic spread, differing resource availability and demography, it becomes necessary for the project to continue with this approach until a large part of the community can be considered trained and as having adopted the scientific practices towards multi-cropping and crop diversity. Over the past year, our farmer extension education sessions have reached out to a cumulative total of 3,073 farmers in the subjects of paddy varieties and their cultivation, Systematic Rice Intensification (SRI), nutrition gardens and their benefits, vermi-composting and orchard development. Our farmer trainees also get to observe the practices taught, through practical observation at a 2.5 acres (1.09 lakhs sq. ft.) plot, known as *Kisaan Pathshala*, curated and cultivated to

demonstrate the model possibilities on the same soil, going beyond the staple rice, pigeon pea, wheat and potatoes. These possibilities include 19 vegetable varieties, 10 flower varieties, 14 medicinal plants, pulses, oilseeds, and 17 fruit varieties alongside bio-fertilizers made with household kitchen items and a poly-house nursery to demonstrate the benefits of cultivating plants in controlled conditions.



Farmers training session at the Kisaan Pathshala

Basis the exposure provided to the farmers through extension education and the *Kisaan Pathshala*, our farmers have adopted some of the practices, and their plots are regularly visited and monitored for guidance and support. A total of 26 farmers piloted the SRI method of paddy cultivation on 2.34 acres (1.02 lakhs sq. ft.) of their individual farmlands, which has helped them reap more significant benefits than the traditional method of paddy cultivation followed by them last year.

Paddy cultivation outputs
Traditional sowing (2018) vs. SRI method (2019)

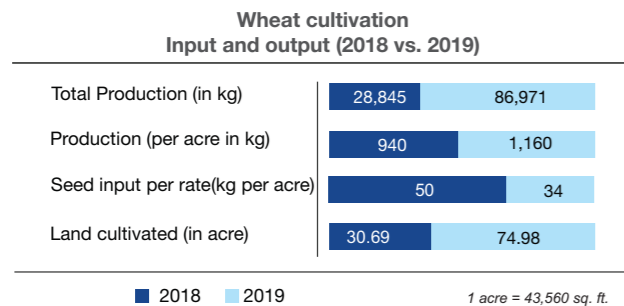
	2018	2019
Production expense	₹74,043.00	₹30,687.00
Production (in kg)	9,043	4,412
Seed input per acre	13.13	0.19
Seed input (in kg)	880	20.6
Land cultivated (in acre)	67	4

■ 2018 ■ 2019 1 acre = 43,560 sq. ft.

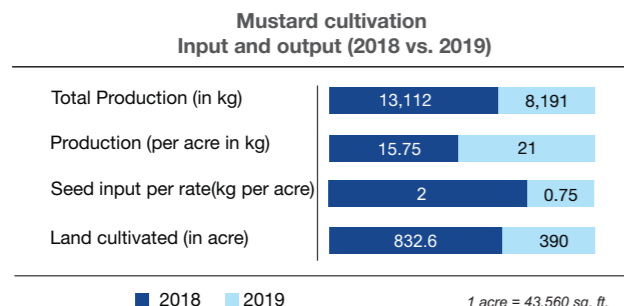
	2018	2019
Land cultivated (in acre)	67	4
Seed input (in kg)	880	20.6
Seed input per acre	↑ 13.13	↓ 0.19
Production (in kg)	9,043	4,412
Production expense	↑ ₹ 74,043.00	↓ ₹ 30,687.00

Management Discussion and Analysis (Contd.)

Apart from SRI cultivation, the paddy seeds provided to the farmers under our project helped realise a good yield. About 374 farmers were given 3,000 kg of good quality, high-yielding paddy seeds, of which 166 farmers have reported a total production of 1,38,710 kg rice. Last Rabi (winter crop) season, we had also provided our farmers with Foundation Wheat and Foundation Mustard seeds which resulted into a bumper production as illustrated below:



	2018	2019
Land cultivated (in acre)	↓ 30.69	↑ 74.98
Seed input rate (kg per acre)	↑ 50	↓ 34
Production (per acre per kg)	↓ 940	↑ 1,160
Total Production (in kg)	↓ 28,845	↑ 86,971



	2018	2019
Land cultivated (in acre)	↑ 832.6	↓ 390
Seed input rate (kg per acre)	↑ 2	↓ 0.75
Production (per acre per kg)	↓ 15.75	↑ 21
Total Production (in kg)	13,112	8,191

Our technical trainings and practical demonstrations have also led 126 farmers to take up vermicomposting through vermi-beds provided under our project and 101 farmers to develop nutrition gardens outside their houses, ensuring that they are able to afford their own vegetables without a high additional cost. Lastly, in what would be considered first in the region, 34 farmers have developed their own basic orchards with the help of 440 lemon plants, 336 guava plants along with some mango, jackfruit and custard apple plants provided to them

by the project. Similarly, a community orchard has also been developed in partnership with 11 farmers on their land with 281 lemon plants, 324 guava plants and 22 mango plants. This community orchard has been developed in our smallest village (with 44 households) that is known even in the region to be the most backward, deprived village with tribal families residing there.



→ A fully prepared vermi-bed on an individual farmer's plot

Under water and sanitation, six *dobhas* (a traditional method of water conservation involving digging of huge pits, modelled with non-casting material) have been developed on six farmers' farm plots, as a pilot.



→ One of our dobhas at village Hariharpur, Sikandra block

In the area of enhancing education, our six Vardhman Gyaan Kendras (learning centers) continue to operate six days a week, providing learning support to 175 students in grades 1 to 4 and 125 students in grades 8 to 10. Through regular parents- teacher meetings, teacher-student sessions and routine tests, our students continue to be guided by locally appointed teachers, helping them to achieve improved outcomes at their school and to strengthen their academic bases.



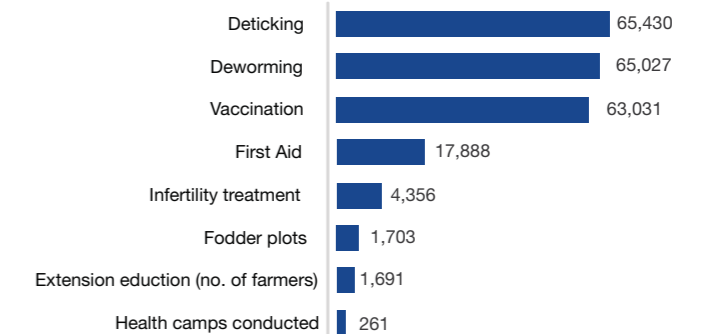
→ Prize distribution to the children of Vardhman Gyan Kendra junior and senior after their Annual Sports Day at village Lachchuar, Sikandra block

This year, our project has also heightened its efforts towards increasing public access to government schemes and entitlements. As a result of our initiative in figuring the gaps in access, spreading awareness about government schemes and in helping farmers and their families to apply for the same, 527 individuals from the community have been linked to government schemes, amounting to a total convergence of ₹ 93.80 Lakh (up until March 2020). The schemes most linked to our farmers include Pradhan Mantri Awas Yojana, Swachh Bharat Mission, Mahatma Gandhi National Rural Employment Guarantee Act (2005), input subsidy for drought hit Panchayats and PM Kisaan Nidhi Samman Scheme.

Integrated Livelihoods Development Centers

JM Financial's extensive development approach manifested into the Integrated Livelihoods Development Centers (ILDCs) project that was initiated in January 2018 in Chakai, Jhajha and Sikandra blocks of Jamui district, Bihar, with the sole objective of enhancing livelihoods through development and improved management of livestock. The 21 cattle veterinarian clinics, i.e. the ILDCs are located across the said three blocks, whereby livestock healthcare services are provided by the 21 rural youths trained for and under the project as para-veterinarians, addressed as – *Gopals*. Under their model of functioning and being available for the cattle rearers round the clock, the *Gopals* have, through the project, since inception, provided the following livestock management services:

LIVESTOCK MANAGEMENT SERVICES PROVIDED BY 21 ILDCs - JAN 2018 TO MAR 2020



In terms of livestock development services, our project intervention has led to the birth of 2,333 calves (1,148 female and 1,185 male) borne of 14,050 Artificial Insemination (AI) services starting January 2018 to March 2020. These calves are of Sahiwal (1,240 calves), Holstein Friesian (386 calves), Jersey (341 calves), Murrah Buffalo (203 calves), Gir (147 calves) and Red Sindhi (16 calves) breeds. Additionally, 1,050 calves are expected to be delivered between March and December in 2021 from the aforementioned AIs. If an individual intends to buy a mature female calf, she/he would have to pay close to ₹ 30,000/- to the seller, in order to own the calf in our Indian scenario. Therefore, our project has through its livestock development services led to the creation of ₹ 3.44 Crore worth livestock assets for our farmers. This year, the project has also converged with the Government Animal Husbandry department and provided vaccinations to cattle worth ₹ 88,855/- and medicines worth ₹ 12,276/-. Four of our *Gopals* have also participated in a rigorous 5-days' training on animal nutrition and dairy farm management, facilitated by the Dairy Development Department, Jamui.



→ Farmers training sessions on livestock management near Ghutwe ILDC - by Gopal Fazal Imam, block Chakai

Management Discussion and Analysis (Contd.)

Shri Vardhman Dugdhalaya

As an offshoot of the ILDC Project, and with an objective to scale up and intensify the outcomes of the project, this year, JM Financial has undertaken a dairy development initiative, viz. – Shri Vardhman Dugdhalaya. The project has been commissioned with the principle objective of enhancing unreached local cattle-owning farmers' livelihoods through a dairying initiative. Here too, the progress and welfare of marginal and small farmers lies at the core of our objective. The birth of the project can be accredited to the increased milk yield from the ILDC project, scope to link this untapped increase to the market and to farmers' demands for getting a fair chance and price for their yield. A detailed qualitative and quantitative assessment was conducted by technical consultants with expertise in the field of dairy development, in the months of August and September 2019, whereby we identified and mapped three crucial, inter-related aspects:



The aforementioned assessment was conducted with a sample size of 25 villages and 30 dairying households selected through random sampling, 30 Milk Collection Centers' in-charges, three large dairies and various government officials. Tools used for this assessment included 75 Focus Group Discussions (FGDs), 50 semi-structured interviews and meetings.



→ Focus Group Discussions to evaluate milk production potential in Patamber village, Sikandra block

Basis our findings from the study, a small-scale dairying initiative was planned to be undertaken through milk aggregation, innovation and forward linkages. As an outcome of this, 10 Milk Collection Centers (MCCs) were identified to be commissioned to and run by 10 MCC Sahayaks (MCC in-charges) in 10 villages. These 10 MCCs were formally linked to a 1,000 litres' capacity Bulk Milk Cooling (BMC) unit at the block level. Inaugurated on January 25, 2020, by and in the presence of Shri Arun Kumar Thakur – Deputy Development Commissioner, Jamui, along with other government officials from Sikandra block and Jamui district, the Project has completed 49 days of regular milk collection, aggregation and linkage operations up till March 20, 2020. A team of six members (comprising Project Manager, Accountant-cum-MIS Executive, BMC operator, BMC caretaker, Milk van driver and Milk van helper) has been implementing the project at the ground level. The milk is collected daily in two shifts – morning and evening, aggregated at the BMC and delivered to a private dairy's chilling plant in the neighbouring district. The entire process is completed in four hours in each shift, since timing is critical to ensure the quality of milk supplied. In the initial two months, our Sahayaks have collectively supplied 20,906.26 litres of milk, with an average supply of 426.66 litres daily across the 10 MCCs. Against the total supply, the 10 Sahayaks have earned a total commission of ₹ 20,906.26/- while our farmers have earned a total sum of ₹ 7,08,900/-. In the coming months, we hope to optimize the milk collection and bring it to a point where the project can venture into milk chilling and value-added products such as paneer (cottage cheese), ghee (clarified butter) and butter.



→ Our Bulk Milk Cooling (BMC) unit at Sikandra block on the day of the project inauguration

Eye-care initiative

An eye-camp was held at Khaira block of Jamui district, Bihar on February 4, 2020. The camp saw 132 registrations come in from five extremely remote, tribal villages that are otherwise deprived of any medical healthcare services – preventive as well as curative. Of the total registrations, 54 were prescribed spectacles and 27 were detected with cataract, of which 15 underwent cataract surgeries.



→ Vision check in progress at the eye camp



JHARKHAND

JM Financial has been working in Jharkhand since 2017, in a district also identified by the NITI Aayog as one of the 115 Aspirational Districts, namely – Giridih. The emphasis in this district has been purely on strengthening public healthcare systems and community outreach with preventive and curative care. What started as a State-led initiative to invite an organization that could support a public healthcare system in a sensitive area has paved the way for two healthcare projects that have garnered community faith and discernibly improved health-seeking tendencies and practices in the region.

Project First Referral Unit (FRU)

The FRU Project had been undertaken in a PPP (Public Private Partnership) model with the Jharkhand Rural Health Mission Society, Deepak Foundation and JM Financial Foundation. The primary objective of the project was to strengthen comprehensive maternal and child healthcare services at the Community Health Centre (CHC) in Dumri block of Giridih district, enabling it to service three blocks. Since inception, the project has proved to be a successful PPP model in the district, for providing round the clock continuous maternal and child healthcare services. With the deployment of experienced healthcare staff and through continuous training, the project has established linkages for referral support with primary, secondary and tertiary care facilities. Networking & coordination with frontline healthcare workers (Accredited Social Health Activists (ASHAs), Anganwadi workers & Auxiliary Nurse Midwives (ANMs) has paved the way for the project to reach out to communities to encourage institutional delivery and influence their behaviour positively for healthy pregnancies and safe delivery of babies. Additionally, an ambulance supported by us has helped the FRU in timely response to patient emergencies and travel from remote villages to the FRU along with referrals from the Unit to other, bigger government facilities.

This year, the FRU has treated 23,142 OPD cases, comprising 15,832 paediatric cases and 7,302 gynaecological cases. A total of 1,666 babies have taken birth in safe conditions at the FRU, of which 342 were categorized to be high-risk and 348 were low birth-weight. Our New Born Stabilization Unit (NBSU), the only one in the rural blocks, has saved 254 babies from post-birth fatalities and complications. This NBSU has been a boon to the region, where mothers are anaemic and often give birth to babies that are at a high risk of contracting birth-linked complications.



→ Our trained nurses closely monitoring critical babies at the FRU

Management Discussion and Analysis (Contd.)

The project works in continuous convergence with government schemes and programmes, such as Janani Suraksha Yojana, Janani Shishu Suraksha Karyakram, universal immunization drives, Pradhan Mantri Surakshit Matritva Abhiyaan and a full range of family planning services. The project also reaches out to the community whereby, through the year, the FRU's Counsellor has conducted 44 field visits in 33 villages, spreading awareness among women, adolescents and their families on the full range of maternal and childcare services made available at the FRU.



Community awareness visits by the FRU team

Mobile Health Unit

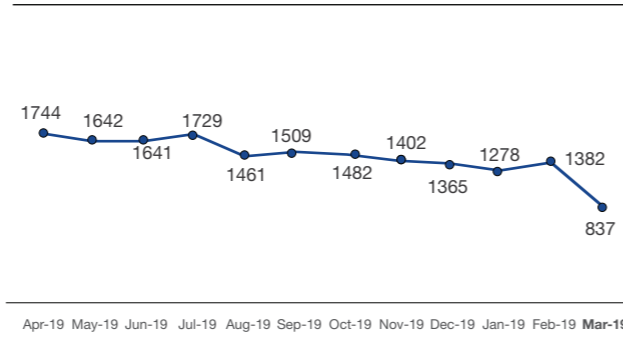
The CSR project with the Mobile Health Unit (MHU) has been initiated and implemented to serve 24 villages of Dumri and Pirtand blocks of Giridih district, to enable the community to overcome four major challenges of healthcare – accessibility, affordability, low awareness and incorrect attitude. To this effect, the MHU has been providing doorstep services through six days (of consultations within the community). Through this, the households located in remote, scattered villages on hilly terrains have gained an access to primary healthcare, over 50 types of essential medicines, five types of pathological investigations and one-on-one as well as group counselling services by a trained community counsellor.



Community counselling sessions conducted round the year by the MHU team

The MHU, equipped with seven staff members and supported by incentivized community mobilizers has, since 2017 been providing services through a pre-determined monthly clinic at pre-designated community halt points including quality consultation, branded medicines, a well communicating counsellor, engaging activities, real time app-based patient record software and government recruited frontline workers.

OPD CASES TREATED (FY 19-20)



Of the aforementioned OPD cases, 538 cases have been treated through referrals. Given below are some of the significant cases attended to by our MHU:

Patient Name and Age: Chhotu Sav; 75 years

Sex: Male

Village: Rasunatunda

Month of MHU visit: June 2019

Ailment/Complaint: **Severe Abscess formation** – Shri Chhotu Sav came to the MHU with an abscess on his left lateral muscle formed about 45 days prior to his visit. He admitted that he had an infection on one of his toes about three years ago, which had been amputated.

MHU treatment: The doctor in the MHU prescribed antibiotics with anti-inflammatory medication and referred the patient to the FRU for drainage of the wound. Alongside,

Patient Name and Age: Shrimati Khushboo Devi; 22 years

Sex: Female

Village: Balutunda

Month of MHU visit: September 2019

Ailment/Complaint: **Chronic Wound** – Shrimati Khushboo Devi came to the MHU complaining of a wound on the right foot with a history of snakebite.

MHU treatment: The doctor in the MHU retrieved her treatment history from her and prescribed antibiotics, anti-inflammatory enzymes and topical ointments. The patient was referred to the FRU and called for a follow up visit.

Besides treatment, the MHU has worked upon preventive healthcare by providing counselling services and extended healthcare education to 8,645 (cumulative) community beneficiaries.

Eye-care initiative

JM Financial organized an eye-camp at Giridih district of Jharkhand, reaching out to the community residing in 18 scattered villages. A total of 495 community residents registered for a screening at the camp, of which, 144 were prescribed spectacles, 140 were detected as suffering from cataract and 360 individuals were prescribed medication for eye and vision ailments. With our follow-up and facilitation, 48 of the detected cataract patients underwent surgeries.

Fight against COVID-19

The outbreak of the Novel Corona Virus (COVID-19) has emerged as a global challenge, which has been declared as a pandemic by the World Health Organization (WHO). The virus poses a significant threat to all, and especially to India, where the population as well as population density are the second largest, world-over. Globally, there were over 8 lakh people who'd been affected by the virus, and over 39,000 fatalities resulting into deaths, as on March 31, 2020. India, at this time, had 1,400 plus positive cases; and in the weeks to come, the situation had the potential of getting worse. The Government of India along with public service institutions were at a continuous war to combat the increasing spread of the infection. Given the national calamity, it was most imperative for these combating efforts to be continued, lest we risk severe community spread. To contribute to these efforts, JM Financial extended its support by way of –

- One life-saving ventilator for the Thane Municipal Hospital and two ventilators installed at the Palghar Civil Hospital, for use in the COVID-19 isolation wards

- JM Financial Foundation and the Group employee volunteers' led support towards the purchase and contribution of 28,000 protective face masks for the Mumbai Police personnel, on duty during the lockdown, across eight police stations in the western suburbs of the city
- Contribution to the Chief Minister Relief Fund – COVID-19, Karnataka and Chief Minister's Relief Fund, Gujarat
- Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES)
- COVID-19 relief and rehabilitation initiative undertaken by the CII Foundation
- Supporting Bhaskar Foundation in feeding 1,400 families of migrant workers
- Distribution of ration kits to 1,600 poorest of the poor families in backward and tribal communities of Sikandra, Chakai and Jhajha blocks of Jamui district, Bihar
- Providing for ration kits to be given to 1470 families in some of the most unreached slums in Mumbai and 2,000 families in the Sundarbans region of 24 Parganas, West Bengal, in collaboration with International Association of Human Values, Magician Foundation (India), Phool Versha Foundation and World Wide Fund (WWF) for Nature
- Contribution towards 2,000 Police Thank You Kits to the Gujarat Police, comprising soaps, sanitizers, masks and a "thank you" note for their relentless efforts at controlling the situation.
- Commitment to setting up and running a 200-bed isolation unit at a suburban hospital in Mumbai in partnership with other corporates and the Municipal Corporation of Greater Mumbai

This year and in the years to come, we see ourselves intensifying our efforts in the given thrust areas, keeping marginalized and underserved communities in Aspirational Districts at the center of our intent and actions. While statistics may encourage our deliverables, urging us to work still more intensively, real change that is desirable and eternal would be visible in quality over quantity, in the most essential aspects of rural life – agriculture, health, education and public access to government entitlements, which may ultimately lead us to real and sustainable impact.

Our partner organizations for our CSR projects undertaken are Deepak Foundation, Jan Pragati Sansthan, Better World

Management Discussion and Analysis (Contd.)

Foundation and JK Trust Bombay. We thank all our partner non-profit organizations, respective state, district and block level government authorities for being an integral part of our CSR thought, action and impact. They have been instrumental in JM Financial initiating work in the given regions and in sustaining efforts so far.

Philanthropic causes supported by JM Financial Foundation

Independent of our CSR, JM Financial has been engaged in philanthropic initiatives through the JM Financial Foundation.

Facilitating Education

We extended infrastructure support for the construction of classrooms in a rural school in Chilewadi, Satara, Maharashtra. We have also offered aid in the form of study material and uniforms for 687 students. In Bhavnagar, Gujarat, scholarships have been provided for 45 college-going students. In keeping up with past tradition, we continued support to ensure inclusive education and therapy to children with special needs. Entrepreneurial training was also provided for 45 disadvantaged youths.



→ Distribution of uniforms to tribal students



→ Therapy for children with special needs

Healthcare

We supported the rehabilitation of 216 lesser-privileged physically disabled persons through the provision of wheelchairs, callipers, and artificial limbs. Medical treatment for the poor and the needy in the form of critical surgeries and camps, continue on an ongoing basis, benefitting over 6000 patients. Support was also extended to an institution that works on the revival of Ayurveda as an alternate medicine.



→ Support for critical surgeries

Promotion of Sports

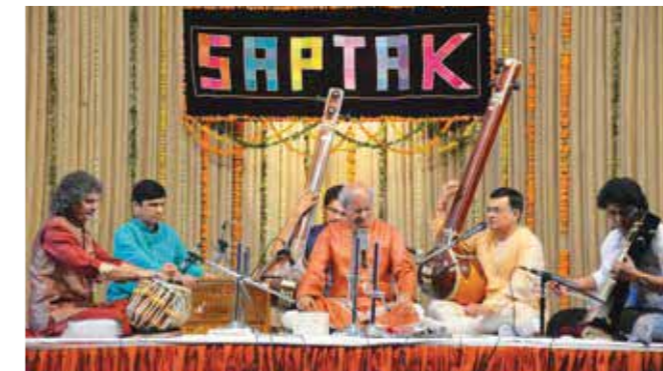
JM Financial has been supporting a premier institute with an aim to promote sports. About 63 athletes were provided high quality training, sports science support, travel expenses, special diets, sports equipment and medical treatment when required.



→ Trained sportspersons win medals in global events

Promotion of Music & Culture

We consider it to our responsibility to revive various forms of Indian art to retain our tradition and culture. To that end, we continue to extend support to several institutions that promote classical music, poetry, dance and drama, thus contributing to the revitalization of India's majestic heritage.



→ Promoting India's rich heritage

Employees Volunteering

JM Financial group employees across all locations come forth and contribute their time and resources, towards giving through -

- DaanUtsav – the Joy of Giving Week held in October every year. Employees enthusiastically participate in blood donation, sale of festive items made by differently abled individuals and generously donate clothes, stationary and other utility items.

- 'Gifting Warmth' was an initiative where 1900 blankets were distributed to destitute individuals on the streets to combat the extreme winter.



→ Providing blankets to protect against the biting cold

- Contribution of books, magazines, articles for the preparation of learning material for visually impaired students.
- Financial support on a periodic basis towards the lesser privileged, aged members of society through the SPONSOR A GRAN programme of HelpAge India.

Management Discussion and Analysis (Contd.)

Human Resources

At JM Financial, we attribute our growth and success to our human capital.

Talent is our most valuable asset and we believe that the ultimate identity and success of our Group 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 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



We believe that the credibility and reputation of the Firm is shaped by the collective conduct of individual employees and the tagline affirms these three beliefs at its foundation to supplement the Group values.

- Pragmatic
- Professional
- Progressive

Engagement Surveys – Great Place To Work

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

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

This year, five entities, including two of our retail segments (Dwello and Home Loans) participated in the Great Place To Work survey. JM Financial Group has been accredited as Great Place to Work-Certified™ by the Great Place to Work Institute for all five participating entities in 2020.

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, 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 2019-20 comprised 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 also focuses on a Management Internship Program, which aspires to establish not only its brand at campuses but also build a relationship with potential candidates that it can recruit as full time resources from the

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

Rewards and Recognition

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.

Employee Engagement

New Introductions:

Say No to Plastic at Work: This year, we encouraged employees to stop using plastic bottles, plastic cups etc and instead carry their own water bottles and mugs. 'Reduce by Reusing' was the motive.

Monday Mantra: One of our businesses, Home Loans started sharing with employees, short motivational stories with meaningful morals, every Monday morning.

JM Financial Swachh Office Abhiyaan: This year, we started the Swachh Office Abhiyaan, where employees were encouraged to keep their desks and surroundings at office clean.

Appreciation Week: Employees were encouraged to show their appreciation to those colleagues across teams, who they feel have helped or supported them throughout the year through iCheer – an internal email platform. An overwhelming number of 5000+ iCheers were sent across the organization during this period.

Self-Defence Workshops: These workshops were organized for both men and women, where employees were taught various techniques to defend themselves in dire situations.

Giant Jenga: This game was arranged to help employees de-stress and interact with fellow colleagues.

Other Initiatives:

Annual Business Meet: This year, the meet was initiated for Dwello and Home Loans, 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.

HR Business Partners visited branches to update employees on existing or updated HR policies and practices and address and resolve employee concerns.

Essence: This year, we launched 'Essence', which is an HR newsletter. Essence was shared group-wide, providing information to employees regarding the engagement activities, trainings conducted, achievements of employees, years of completion of services, JM Financial in news, some frequently asked questions, employee's speak, tell the tale (book review) etc.

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 Diwali, Christmas, International Yoga Day, Father's Day, Mother's Day, Family Day, Friendship Day, Independence Day, Earth Day, Navratri, Children's Day, Boss Day, Republic Day, Women's Day, Holi etc. A lot of fun-filled and team building activities were planned for employees to participate.

Health and Awareness

Health and Awareness sessions, including physical therapies and health camps and tests such as Eye Check-up and Bone Strength Test were conducted to ensure that our employees take efforts to maintain a work-life healthy balance.

Yoga sessions were conducted by a Yoga trainer, twice a week, to help employees focus on mental and physical health.

Session on 'Sustainable Living' was conducted to help employees understand the importance of sustainability and with the intent of sharing the importance of a positive lifestyle.

A Ted Talk on 'The Happy Secret to Better Work' by Shawn Achor, was screened for all employees in the office premises.

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.

Management Discussion and Analysis (Contd.)

JM Financial Sports Club had the men's team participate in 5-a-side Monsoon Soccer Tournament. Bowling Championship 2019 was held in October, 2019. JM Financial Cricket Championship 2019-20 was held in December, 2019. A total of 336 employees participated in this event. Tele games were organised on the final day of Cricket Championship for employees and their families. JM Financial Football Tournament was held in February, 2020. A total of 120 employees participated in this event.

Performance Management

We follow a comprehensive performance evaluation process for annual reviews, which was digitalized and a structured performance evaluation calendar was launched.

Employees across levels benefit from the development oriented approach of this system.

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

Trainings were provided to new joiners, in order to help them get equipped with the appraisal process and the system.

Compensation and Benefits

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

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

JM Financial also offers various benefits designed to meet the needs of our employees. These benefits are an integral part of our Group 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.

This year, we launched our very own e-learning platform – iLearn – a one stop destination to all our training requirements.

iLearn is a blend of:

Online technical and behavioural courses (Online Trainings) which are hosted on the platform. Courses were decided basis the training requirement of employees. These training modules are micro video based lessons, which focus on retention.

External faculty trainings (Classroom Trainings) are conducted and employees are given opportunities to develop their skills.

We have promoted open programs conducted by employees of the organization, who share their knowledge and expertise on subject matters (Knowledge Community).

Employees are also sent for seminars and job related trainings, arranged by specialized centres (Seminars and Workshops).

In order to create awareness, market the platform and ensure that employees undergo trainings, we executed a marketing campaign called 'Learning Premier League', flavour of the campaign being similar to Cricket. Employees were encouraged to browse the open platform and take up courses of their choice. We felicitated the 'Learner of the Tournament' and encouraged other employees to keep learning.

We have successfully achieved a total of 418 man days of trainings (Classroom Trainings, Knowledge Community and Seminars and Workshops) and 4,757 course enrolments for Online Trainings, as on March 31, 2020.

Wellbeing and Safety

For us, the health and safety of all our employees is of utmost concern and priority.

During the Covid-19 situation, measures were taken to ensure that employees and their families are safe.

Employees were constantly being communicated and updated about the developments of the pandemic, Government guidelines, dos and don'ts and measures that the Firm had taken.

All offices were fumigated, sanitary equipment was made available, work from home facility was provided, IT infrastructure was provided and HR Business Partners were constantly in touch with the employees to ensure their safety.

While employees 'Worked from Home', they were also encouraged to 'Learn from Home'.

Four online courses on the learning and development platform – i-Learn were assigned to each employee, depending on the role he catered to.

The total employee strength of JM Financial Group stood at 2,058 as on March 31, 2020. The financial year 2019-20 has been one of the highest recruitment year in the history of JM Financial Group.

The COVID-19 pandemic has been unprecedented and required immediate action to be taken across the group. We activated the business continuity plan and a large part of our employees are working from home or remotely. There have

been multiple advisories sent to all employees along with the activation of the crisis management team for health related assistance needed during the interim period. In addition, several precautionary measures have been taken for the essential staff working out of the offices including fumigation, temperature check, sharing masks, sanitizers, etc. The aforesaid is in addition to the promoting learning from home for ensuring employee focus on self-development.

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

Corporate Governance

Corporate Governance is undergoing a paradigm shift where there is voluntary collaboration among corporations, shareholders and other stakeholders to achieve long term value and resist short termism. The road map for corporate governance framework codes and principles for company boards and investors are expanding and there is a need to have a comprehensive framework. Corporate Governance is beyond the realm of law, it stems from the culture and mind set and cannot be regulated by legislation alone.

In India, Securities and Exchange Board of India (SEBI) is strengthening the corporate governance framework by introducing various stricter norms.

Philosophy of JM Financial on Corporate Governance

Corporate Governance at JM Financial has been a continuous journey. We believe that good corporate governance is an enforced structure that works for the benefit of each stakeholder by ensuring that the Company adheres to accepted ethical standards, best practices and formal laws.

Our business goals are aimed at the overall well-being and welfare of all our stakeholders. With the application of good corporate governance practices such as compliance with the applicable laws, adherence to ethical standards for effective management, distribution of wealth and discharge of social responsibility for all, the Company has been consistently preparing itself by generating long term economic value for its shareholders and at the same time respecting the interests of various stakeholders and the society as a whole.

JM Financial continues to lay a strong emphasis on appropriate and timely disclosure and transparency in its business dealings. Our ethical behaviour and good conduct go a long way in maintaining the best governance practices, 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. The Company also engages itself in a credible and transparent manner with all its stakeholders which help them to understand its long-term strategies.

The Company has strengthened its governance practices by implementing and executing various processes, procedures and policies that not only governs the compliance but ensures adherence to the best corporate practices. The good corporate governance practices as stipulated in legislations

such as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), the Companies Act, 2013 (the "Act") and all other applicable rules and regulations are being followed by the Company.

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

1. Board of Directors

The Board of Directors (the "Board") of the Company comprises highly skilled professionals bringing a wide range of expertise and experience in functioning of the Board. The competitive Board as ours ensure that the decisions taken are in the best interest of the stakeholders and the Company. The Board helps the Company in adhering to the high standards of corporate governance practices.

Composition of the Board

The composition of the Board has an optimum combination of executive, non-executive and independent directors keeping in mind gender diversity. The strength of independent directors on the Board stands at 75%. The Company has a Managing Director (executive) and a non-executive director, who is a promoter of the Company. Independent directors on the Board meets the requirements of Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The composition of the Board is in compliance with the requirements as stipulated under Regulation 17 of the Listing Regulations. The Board periodically evaluates the strength and its composition.

Out of a total of 8 (eight) directors, 6 (six) directors are independent directors including 1 (one) woman director. The remaining 2 (two) directors are non-independent directors; 1 (one) Managing Director and other non-executive director, who is also the Chairman of the Board.

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 other directors.

The members of the Company had passed special resolutions, through postal ballot, approving the holding of office and continuing to hold office as directors of the Company, who had attained/were likely to attain the age of 75 years as was required under Regulation 17(1A) of the Listing Regulations. Additionally, the said independent directors having attained/attaining the age of 75 years

viz., Mr. E A Kshirsagar, Mr. Darius E Udawadia, Dr. Vijay Kelkar, Mr. Paul Zuckerman and Mr. Keki Dadiseth were also re-appointed for another term of 3 (three) years with effect from July 3, 2019, since their first term of 5 (five) years as independent directors expired on July 2, 2019.

Ms. Jagi Mangat Panda, an independent director of the Company, was re-appointed as such for another term of 5 (five) years with effect from March 31, 2020, the approval of which was given by the shareholders of the Company at the Thirty-Fourth Annual General Meeting.

All the independent directors of the Company have provided the declarations 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 and Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended and the Regulation 16(1)(b) and Regulation 25(8) of the Listing Regulations.

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.

Skills/Expertise/Competencies of the Board

The Board members have varied skills/expertise/competencies which enable them to satisfactorily discharge their duties as directors apart from understanding the nature of industry in which the Company operates. This also helps them to effectively contribute in functioning of the Company.

Pursuant to Schedule V(C) of the Listing Regulations, we are providing below the skills/expertise/competencies possessed by the directors.

<p>Mr. Nimesh Kampani Non-Executive Chairman</p> <p>Skills: Mr. Nimesh Kampani's expertise is in the areas of financial advisory including investment banking, mergers, acquisitions & restructuring, corporate finance and capital markets.</p>	<p>Mr. Vishal Kampani Managing Director</p> <p>Skills: Mr. Vishal Kampani's expertise is in the areas of institutional securities business including investment banking and institutional equities, fund based businesses comprising lending activities & asset reconstruction, alternative asset management including management of real estate and private equity fund.</p>	<p>Mr. E A Kshirsagar Independent Director</p> <p>Skills: Mr. E A Kshirsagar is a specialist in areas of corporate strategy and structuring, disinvestments-central/state/private sector, feasibility studies for a variety of industries and the impact of legislations on businesses. He also has wide and varied experience in handling finance related functions.</p>
<p>Mr. Darius E Udawadia Independent Director</p> <p>Skills: Mr. Darius E Udawadia has spent over five decades in active law practice and has vast experience and expertise, inter-alia, in corporate laws & governance, mergers, acquisitions and takeovers, corporate restructuring, foreign collaboration, joint ventures, project and Infrastructure finance international loans and finance related transactions and instruments, real estate and conveyance.</p>	<p>Dr. Vijay Kelkar Independent Director</p> <p>Skills: Dr. Vijay Kelkar is an economist by profession and has an extensive knowledge in the finance sector.</p>	<p>Mr. Paul Zuckerman Independent Director</p> <p>Skills: Mr. Paul Zuckerman has an extensive knowledge in the field of economics and finance.</p>
	<p>Mr. Keki Dadiseth Independent Director</p> <p>Skills: Mr. Keki Dadiseth possesses wealth of knowledge and expertise in the field of business and finance.</p>	<p>Ms. Jagi Mangat Panda Independent Director</p> <p>Skills: Ms. Jagi Panda has more than two decades of experience in the media and broadcasting industry.</p>

Report on Corporate Governance (Contd.)

Memberships of other Boards

None of the directors of the Company hold directorships in more than 20 (twenty) companies including in more than 10 (ten) public companies. In accordance with the Listing Regulations, none of the directors of the Company has held directorships in more than 8 (eight) listed companies and independent directorships in more than 7 (seven) listed companies during the financial year 2019-20. The Managing Director of the Company does not hold directorship as an independent director in any other listed company. Also, none of the director is serving as a member of more than 10 (ten)

committees or as the chairman of more than 5 (five) 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 our directors in other public companies including the names of the listed entities as on March 31, 2020 is given below as required under the Listing Regulations:

Name of the director	Category in the Company	Number of directorships in other public companies*				Number of committee positions held in other public companies** (excluding the Company)		No. of equity shares held in JM Financial Limited as on March 31, 2020
		Listed#	Name of the Listed Company	Category of Directorship	Unlisted	Chairman	Member	
Mr. Nimesh Kampani	Non-Executive Chairman	1	Chambal Fertilisers Chemicals Limited	Non-Executive - Independent Director	3	1	2	12,57,50,000#
Mr. E A Kshirsagar	Independent Director	2	Batliboi Limited	Non-Executive - Independent Director	1	3	3	Nil
			Hawkins Cookers Limited	Non-Executive - Independent Director				
Mr. Darius E Udawadia	Independent Director	1	ABB India Limited	Non-Executive - Independent Director	1	1	3	Nil
Mr. Paul Zuckerman	Independent Director	-	-	-	-	-	-	Nil
Dr. Vijay Kelkar	Independent Director	-	-	-	2	-	1	Nil
Mr. Keki Dadiseth	Independent Director	3	Britannia Industries Limited	Non-Executive - Independent Director	-	1	3	11,400
			Godrej Properties Limited					
			Piramal Enterprises Limited					
Ms. Jagi Mangat Panda	Independent Director	1	Ortel Communications Limited	Managing Director	4	-	2	Nil
Mr. Vishal Kampani	Managing Director	-	-	-	8	-	3	1,15,00,000

* 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.

@ Includes only equity listed entities.

Board meetings and board procedure

During the financial year 2019-20, the Board met 6 (six) times on the following dates and the time period between the two meetings did not exceed 120 days:

May 2, 2019, July 19, 2019, September 20, 2019, October 23, 2019, December 19, 2019 and January 23, 2020.

The Board meetings are usually held at the registered office of the Company and the facility to participate in the meetings through video conference is also provided to the Board members, if any member of the Board is required to attend the meeting through video conference due to his/her inability to attend the meeting

in person. The required quorum was present at all the above meetings.

The Board meetings are pre-scheduled and tentative dates of the board and committee meetings are informed well in advance to facilitate the directors to plan their schedule. The Board meetings are held at regular intervals to consider, discuss and approve inter alia, the unaudited/audited standalone and consolidated financial results/statements of the Company, to decide on business policy/strategy of the Company, risk management, competitive scenario, etc.

The details of attendance of the directors at the Board meetings held during the financial year 2019-20 and at the last annual general meeting are given below:

Name of the director	No. of Board Meeting(s) held	No. of Board Meeting(s) attended	Whether attended the Annual General Meeting held on July 19, 2019
Mr. Nimesh Kampani	6	6	Yes
Mr. E A Kshirsagar	6	6	Yes
Mr. Darius E Udawadia	6	4	Yes
Mr. Paul Zuckerman	6	6	Yes
Dr. Vijay Kelkar	6	6	Yes
Mr. Keki Dadiseth	6	6	Yes
Ms. Jagi Mangat Panda	6	6	Yes
Mr. Vishal Kampani	6	6	Yes

The information as stipulated in Part A of Schedule II of the Listing Regulations, are regularly forming part of the Board agenda.

The agenda for the Board/Committee meetings are circulated in advance to all the Board members along with the background note and relevant information to enable the Board to take informed decisions. The agenda is being circulated in electronic mode through a software which complies with high standards of security and integrity. The directors opting for physical copy of the agenda are provided hard copies.

The senior executives/management of the Company and its subsidiaries are invited to attend the meetings of the Board and Committees, to make a presentation on plans, performance, operations, financial performance, risk management, regulatory environment of the Company and its subsidiaries and for other issues and matters which the Board wants to be apprised of on a periodic basis. Additionally, 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.

The draft minutes of the Board and Committee meetings are circulated amongst the directors/members for their perusal and comments within fifteen days from the date of the conclusion of the meeting 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 generally signed by the Chairman of the Board/Committee at the next meeting.

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 Company and the Group from time to time. A detailed note on risk management process is given in the risk management section of Management Discussion and Analysis Report. Two meetings of the Risk Management Committee were held during the financial year, the details of which forms part of this Report.

Separate Meeting of Independent Directors

During the financial year 2019-20, a separate meeting of the independent directors of the Company was held on March 20, 2020 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.

Familiarisation Program for Independent Directors

The Company's Policy of conducting the familiarisation program and details of such familiarisation programme imparted to independent directors during the financial year 2019-20, is placed on the website viz., www.jmfl.com.

The Company's familiarisation program aims to familiarise the independent directors about functioning, operations and business of the Company including the

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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 effectively. 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.

Code of Conduct

The Company has adopted the Code of Conduct (the "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 Code is placed on the website of the Company viz., www.jmfl.com. The declaration signed by the Managing Director to this effect forms part of this Report.

2. Committees of the Board:

The Board has formulated the following Committees to take informed decisions in the best interests of the Company. These Committees monitor the activities falling within their respective terms of references. Specific terms of references 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
- Risk Management Committee
- Allotment Committee

A. Audit Committee

The Audit Committee has been established by the Board of Directors of the Company consisting of 5 (five) 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 members of the Committee are financially literate and very learned, experienced and well known in their respective fields.

The Committee is chaired by Mr. E A Kshirsagar, an independent director, who is a qualified Chartered Accountant. He was present at the last Annual General Meeting held on July 19, 2019 to address the queries, if any, of the shareholders.

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.

Mr. Keki Dadiseth, a non-executive and independent director, was inducted on the Committee on May 2, 2019.

During the financial year 2019-20, the Audit Committee met 4 (four) times on May 2, 2019, July 19, 2019, October 23, 2019 and January 23, 2020. The required quorum was present for all the Audit Committee meetings and the gap between two meetings did not exceed a period of 120 days.

The Audit Committee had reviewed the information stipulated in Part C of Schedule II of the Listing Regulations during its above meetings.

The attendance of the members of the Committee at the above meetings were as under:

Name of the member	Position	No. of Meeting(s) held	No. of Meeting(s) Attended
Mr. E A Kshirsagar	Chairman	4	4
Dr. Vijay Kelkar	Member	4	4
Mr. Paul Zuckerman	Member	4	4
Mr. Darius E Udawadia	Member	4	3
Mr. Keki Dadiseth	Member*	3	3

* Inducted as a member of the Committee by the Board on May 2, 2019.

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

- 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;
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval for all payments to the statutory auditors for any other services rendered by them;
- 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:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments, if any, made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of all related party transactions;
 - Modified opinion(s), if any, in the draft audit report.
- Review with the management, the quarterly financial statements before submission to the Board for its approval;
- Review with the management, the statement of uses/application of funds raised through an issue, the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or right issue and making appropriate recommendations to the Board to take steps in this matter;
- Approval or any subsequent modification of transactions of the Company with its related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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;
- 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- Approval for appointment of the Chief Financial Officer;
- 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;
- 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;
- Such other functions as may be entrusted to it by the Board of Directors from time to time.

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The Chairman of the Audit Committee apprises the Board of Directors about significant discussions and decisions taken at the Audit Committee meetings.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (the "NRC") is constituted as required under Section 178 of the Act and the applicable rules made thereunder and in accordance with Regulation 19 of the Listing Regulations. The NRC consists of 4 (four) non-executive directors of which 3 (three) are independent directors. The required quorum was present at the NRC meeting held on April 18, 2019 during the financial year 2019-20.

The Committee is chaired by Dr. Vijay Kelkar, an independent director. He was present at the last Annual General Meeting held on July 19, 2019 to address the queries, if any, of the shareholders.

The matters considered by the Committee during the year, inter alia, included determination of performance linked discretionary bonus and annual compensation of the Managing Director, grant of stock options to eligible employees, performance evaluation of individual directors, the Board as a whole and the Board Committees. The attendance of the members of the Committee at the said meeting was as under:

Name of the member	Position	No. of Meeting(s) held	No. of Meeting(s) attended
Dr. Vijay Kelkar	Chairman	1	1
Mr. E A Kshirsagar	Member	1	1
Mr. Nimesh Kampani	Member	1	1
Mr. Darius E Udawadia	Member	1	-

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, 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 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").

Criteria for Performance Evaluation of Directors

Policy on Performance Evaluation and Remuneration of the Directors (the "Policy") has been framed for 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 2019-20 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;
- Understanding 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

The Corporate Social Responsibility (the "CSR") Committee is constituted in accordance with Section 135 of the Act and applicable rules thereto and consists of 3 (three) non-executive directors of which, 2 (two) are independent directors. The Committee is chaired by Mr. Nimesh Kampani.

During the financial year 2019-20, the CSR Committee met once on October 1, 2019. The Committee, inter alia, reviewed the CSR projects that have been undertaken through the Company's implementing agency(ies) and also considered, approved and recommended to the Board, the amount to be spent on the CSR activities along with the CSR projects for the financial year 2019-20. The details of the attendance of the members of the Committee at the said meeting were as under:

Name of the member	Position	No. of Meeting(s) held	No. of Meeting(s) attended
Mr. Nimesh Kampani	Chairman	1	1
Mr. Paul Zuckerman	Member	1	-
Mr. Keki Dadiseth	Member	1	1

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 and implementing agency viz., JM Financial Foundation is provided in Annexure C to the Directors' Report.

D. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee (the "SRC") is constituted in accordance with Section 178 of the Act and Regulation 20 of the Listing Regulations. The SRC comprises 3 (three) directors, of which 2 (two) are independent directors and 1 (one) is non-executive director. The Committee is chaired by Dr. Vijay Kelkar and he was present at the last Annual General Meeting held on July 19, 2019 to address the queries, if any, of the shareholders. The required quorum was present at all meetings conducted during the financial year 2019-20.

Mr. Prashant Choksi, Group Head – Compliance, Legal & Company Secretary also acts as the Compliance Officer and the Secretary to the Committee.

During the financial year 2019-20, the SRC met 4 (four) times on May 2, 2019, July 19, 2019, October 23, 2019 and January 23, 2020. The details of attendance of the members of the Committee at the said meetings were as under:

Name of the member	Position	No. of Meeting(s) held	No. of Meeting(s) Attended
Dr. Vijay Kelkar	Chairman	4	4
Mr. Nimesh Kampani	Member	4	4
Ms. Jagi Mangat Panda	Member	4	4

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 Share 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.

Nature and number of Grievances

During the financial year 2019-20, 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	9	9	Nil
Non-receipt of physical copy of Annual Report	1	1	Nil
Non receipt of shares after transfer	1	1	Nil
Loss of share certificate and Issue of Duplicate Share Certificate	1	1	Nil
Total	12	12	Nil

All the grievances received were duly resolved in a timely manner.

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Requests for transmission of shares held in physical form are approved by the Managing Director and/or Company Secretary as per the authority delegated by the Board to them for speedy disposal of transmission cases.

E. Risk Management Committee

The Risk Management Committee (RMC) is constituted in accordance with Regulation 21 of the Listing Regulations and comprises of 5 (five) Members, of which 2 (two) 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.

During the financial year 2019-20, the Risk Management Committee met 2 (two) times on October 23, 2019 and December 19, 2019. The details of attendance of the members of the Committee at the said meetings were as under:

Name of the member	Position	No. of Meetings held	No. of Meetings attended
Mr. Darius E Udwardia	Chairman	2	2
Mr. Paul Zuckerman	Member	2	2
Mr. Vishal Kampani	Member	2	2
Mr. Adi Patel	Member	2	2
Mr. Darius Pandole	Member	2	2

The Board has defined the roles and responsibilities of the RMC. The responsibilities entrusted to the RMC by the Board, inter alia, are as under:

- 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.

F. Allotment Committee

The Allotment Committee of the Board comprises Mr. Nimesh Kampani, a non-executive director, Mr. Darius E Udwardia and Mr. Keki Dadiseth, independent directors of the Company. The Committee is chaired by Mr. Nimesh Kampani. Mr. Keki Dadiseth joined the Allotment Committee with effect from September 20, 2019.

During the financial year 2019-20, the Allotment Committee met 5 (five) times on May 29, 2019, July 19, 2019, September 20, 2019, December 19, 2019 and March 20, 2020. The details of attendance of the members of the Committee at the said meetings were as under:

Name of the member	Position	No. of Meetings held	No. of Meetings Attended
Mr. Nimesh Kampani	Chairman	5	5
Mr. Darius E Udwardia	Member	5	4
Mr. Keki Dadiseth	Member*	3	3

*Appointed as a member of the Committee with effect from September 20, 2019.

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. It also considers and approves requests for issue of duplicate share certificates, issue of new share certificates upon rematerialisation, etc.

Secretarial Standards

The Company is in compliance with SS – 1 i.e., Secretarial Standard on meetings of the Board of Directors and SS – 2 i.e., Secretarial Standard on general meetings issued by the Institute of Company Secretaries of India.

3. Disclosure in relation to remuneration of directors

a. Remuneration of the Managing 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

The above compensation structure is also reviewed by the NRC and approved by the Board of Directors.

Remuneration of the Managing Director, Mr. Vishal Kampani

In accordance with the terms of the employment agreement entered into by the Company with Mr. Vishal Kampani, the Company has paid the following remuneration to Mr. Kampani during the financial year 2019-20:

(Amount in ₹)	
Salary	1,56,00,000
Perquisites	45,17,481
Total	2,01,17,481

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 the meetings of the Board during the financial year 2019-20.

Mr. Vishal Kampani is also the Managing Director of JM Financial Products Limited ("JM Financial Products"), a material subsidiary of the Company. As per the terms of his employment contract, Mr. Kampani also draws remuneration from the said subsidiary. As per the prevailing terms, 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	1,56,00,000
Perquisites	13,11,022
Performance Bonus	7,00,00,000
Total	8,69,11,022

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.

b. Remuneration Policy for Non-executive Directors

The non-executive director and the independent directors receive remuneration by way of sitting fees for attending meetings of the Board and/or Committees thereof, as decided by the Board from time to time subject to the limits specified under the Act. The non-executive director and the independent director(s) also receive commission as may be determined by the Board subject to the limits specified under the Act.

The Company follows transparent process for determining the remuneration of non-executive directors including the independent directors. The 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/Committee members. Besides this, the Board also takes into consideration the external competitive environment, track record, individual performance of such directors and performance of the Company as well as the industry standards in determining the remuneration of the non-executive director and the independent director(s).

Considering the above, an aggregate amount of ₹ 1,24,00,000 is proposed to be paid as commission to the independent directors of the Company for the financial year 2019-20. The details of sitting fees/commission paid/payable to the directors are given below:

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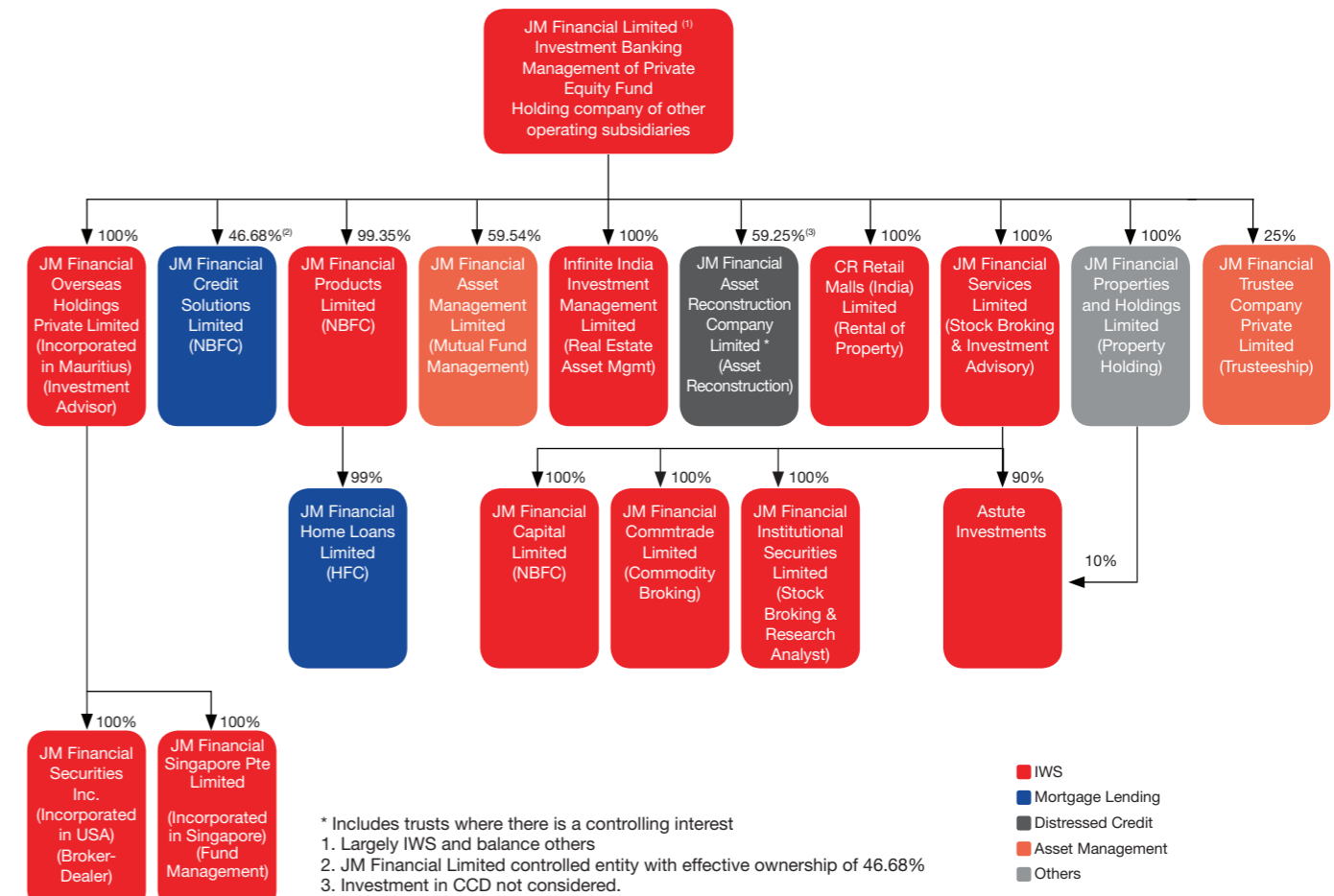
Name of director	Sitting fees paid during the financial year 2019-20							Commission	
	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Allotment Committee Meeting	Stakeholders' Relationship Committee Meeting	Corporate Social Responsibility Meeting	Risk Management Committee Meeting	Paid for FY 2018-19	Proposed to be paid for FY 2019-20
Mr. Nimesh Kampani	6,00,000	-	20,000	25,000	40,000	20,000	-	-	-
Mr. E A Kshirsagar	6,00,000	2,00,000	20,000	-	-	-	-	22,00,000	22,00,000
Mr. Darius E Udawadia	4,00,000	1,50,000	-	20,000	-	-	20,000	20,00,000	20,00,000
Mr. Paul Zuckerman	6,00,000	2,00,000	-	-	-	-	20,000	20,00,000	20,00,000
Dr. Vijay Kelkar	6,00,000	2,00,000	20,000	-	40,000	-	-	22,00,000	22,00,000
Mr. Keki Dadiseth	6,00,000	1,50,000	-	15,000	-	20,000	-	20,00,000	20,00,000
Ms. Jagi Mangat Panda	6,00,000	-	-	-	40,000	-	-	20,00,000	20,00,000

Notes: The above does not include the following:

- Sitting fees of ₹ 1,00,000/- paid to the independent directors for attending the independent directors' meeting held on March 20, 2020.
- As per the practice followed by the Company, the commission for the financial year 2019-20 will be paid to non-executive directors after the financial statements are adopted by the members at the Thirty Fifth Annual General Meeting of the Company.
- Mr. Keki Dadiseth serves as a senior advisor, in his professional capacity, in one of our Company's private equity fund, namely JM Financial India Trust II, for which he was paid professional fees of ₹ 4,00,000/- during the financial year 2019-20.
The payment of the said professional fees to the independent director as above does not affect his independence of judgement, as the services rendered by him is in his professional capacity.
Other than the above, no payments have been made to any of the independent directors by the Company except for reimbursement of expenses, if any.

4. Subsidiary and Associate Companies:

As on March 31, 2020, the Company had the following subsidiary and associate companies.



In terms of Regulation 16(1)(c) of the Listing Regulations, the material subsidiaries of the Company as on March 31, 2020 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, 2020:

Name of the material unlisted* subsidiaries	Name of the Independent Directors
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 exchanges but their 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.

5. General Body Meetings:

- The details of Annual General Meetings ("AGM") held during the last 3 (three) years and the special resolutions passed thereat are as under:

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Date of AGM	Venue	Time	Whether Special Resolution passed	Summary of Special Resolutions
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.
July 19, 2019	J. K. Banquets Hall, Industry Manor, 1/B - 1&2, Ground Floor, Appasaheb Marathe Marg, Near Century Bhavan, Prabhadevi, Mumbai 400 025	3.30 p.m.	Yes	<ul style="list-style-type: none"> Re-appointment of Ms. Jagi Mangat Panda (DIN 00304690), as an independent director of the Company, not liable to retire by rotation, for a further term not exceeding 5 (five) consecutive years from March 31, 2020 to March 30, 2025. Issue of Redeemable Non-Convertible Debentures for an amount aggregating up to ₹ 2,500 Crore.

ii. Special Resolutions passed through Postal Ballot

During the financial year 2019-20, special resolutions in respect of the following matters were passed with the requisite majority through postal ballot on February 12, 2020 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.	Authorisation to the Board of Directors to issue securities, for an aggregate amount of up to ₹ 850 Crore (Rupees Eight Hundred Fifty Crore Only).	73,33,52,451 (99.94%)	4,16,227 (0.06%)
2.	To increase investment limits by the Foreign Portfolio Investors (FPIs) from 24% to 40% of the paid-up equity share capital of the Company.	73,37,34,596 (99.99%)	6,737 (0.01%)

For the above purpose, the Company had provided the facility to its members to cast their votes electronically through the e-voting platform of KFin Technologies Private Limited ("KFinTech") 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 resolutions mentioned above were passed by the shareholders with the requisite majority in favour of the Company.

The Company has adhered to 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 above postal ballot process.

Resolutions, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

6. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for financial year 2019-20, prepared in accordance with the Listing Regulations, forms part of this Annual Report.

7. Disclosures

A. Policies Determining Material Subsidiaries and Related Party Transactions

Pursuant to Regulation 16 of the Listing Regulations, the Board has adopted the policy for determining material subsidiaries and the same is available on the website of the Company www.jmfl.com.

The policy on related party transactions, pursuant to Regulation 23, is also available on the Company's website at www.jmfl.com.

B. Disclosure on Material Related Party Transactions

During the financial year 2019-20, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Policy on material related party transactions, duly approved by the Board, is uploaded on the website of the Company. Majority of the related party transactions are between the Company and its subsidiaries.

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

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted the code of conduct for prevention of insider trading to regulate the 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 Code also regulate the trading in securities by the directors and employees of the Company.

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. The Code is uploaded on the Company's website at www.jmfl.com.

E. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Regulation 22 of the Listing Regulations and Section 177 of the Act, the Company has established Vigil Mechanism/Whistle Blower Policy for the directors and employees 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 Chairman of the Audit Committee, Mr. E A Kshirsagar has confirmed that there were no cases of Whistle Blower during the financial year 2019-20.

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

Report on Corporate Governance (Contd.)

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. The said policy is available on the Company's website at www.jmfl.com.

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, 2020, the Company has foreign exchange receivable which is equivalent of ₹ 9,79,78,847/- and the foreign exchange payable as on March 31, 2020 was ₹ Nil.

G. Certification about Directors

None of the directors 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. A Certificate to this effect, duly signed by a Practising Company Secretary is appended to this Report.

H. Total fees paid to Statutory Auditors

The particulars about the total amount of fees paid to the Statutory Auditors of the Company and its subsidiaries, during the financial year 2019-20, is stated in Notes to financial statements, which forms part of the 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 the financial year 2019-20 and adequacy of internal control systems for financial reporting for the said year, which is appended to this Report.

J. Details of Utilization of Funds Raised through Qualified Institutional Placement

The funds raised by the Company through Qualified Institutions Placement (QIP) in the year 2018 (FY 2017-18) have been utilised for the purposes for which they were raised.

K. Disclosures related to the sexual harassment of women at workplace (Prevention, prohibition and redressal) Act, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. 'Prevention of Sexual Harassment' Policy, which is in line with the statutory requirements along with a structured reporting and redressal mechanism in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is in place.

The Company has not received any complaints relating to sexual harassment of women during the financial year 2019-20. No complaints were pending as at end of the financial year 2019-20.

L. Auditors' Certificate on Corporate Governance

Pursuant to the Listing Regulations, the Auditors' Certificate on Corporate Governance Report, forms part of this Report.

8. 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 are also published in English newspaper (Business Standard) and a Marathi daily (Sakal). The quarterly/annual results, press releases, earnings calls on the financial results and the presentation made to the Institutional Investors/Analysts are also uploaded on the website of the Company at www.jmfl.com. The Company also emails the quarterly results to those shareholders who have registered their email-ids with their Depository Participant(s) or with it.

B. Dividend Intimations

The Company sends intimation to all its shareholders about the dividend credited to their bank accounts or pay orders issued to them, 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 to their bank accounts 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, Directors' Report, Auditors' Report and other important information is circulated to the shareholders of the Company prior to the AGM. The Annual Report of the Company is also available on its website www.jmfl.com and also on the website of BSE www.bseindia.com and NSE www.nseindia.com.

E. Reminder to Shareholders

Individual reminders are sent each year to those shareholders whose dividend amounts have remained unclaimed from the date they become due for payment, before transferring the monies thereof to the Investor Education and Protection Fund ("IEPF"). The information on unclaimed dividend is also uploaded on the website of the Company.

A separate reminder, in accordance with IEPF Rules, is also sent to those shareholders who have not claimed/encashed their dividends for more than 7 (seven) consecutive years and whose shares are liable to be transferred to IEPF Authority.

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 uploaded on 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 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.

I. Investor Calls/Conference

The Company arranges investors calls/conferences for discussing financial position of the Company from time to time.

J. Institutional Investors/Analysts Presentations and Media Releases

Presentations and media releases on financial position of the Company as well as its material subsidiaries and important events/material developments of the Company are submitted to the stock exchanges and are also hosted on the Company's website for information of investors at www.jmfl.com.

9. Accounting Standards followed by the Company

The Financial Statements of the Company have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

Report on Corporate Governance (Contd.)

10. Compliance with mandatory/non-mandatory requirements Declaration

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.

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 2019-20.

Place: Mumbai
Date: May 6, 2020

Vishal Kampani
Managing Director
DIN – 00009079

General Shareholders' Information

The information pertaining to JM Financial Limited (the “Company”) which is useful for its shareholders is provided in this Section. The said information is provided as per Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “Listing Regulations”).

A. Thirty Fifth Annual General Meeting

The Company has decided to hold its Thirty Fifth Annual General Meeting (the “AGM”) on **Thursday, July 30, 2020 at 3.30 pm** through Video Conferencing (“VC”) and/or Other Audio Visual Means (“OAVM”). The shareholders may note that the Ministry of Corporate Affairs, vide its General Circular No. 14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020 and No.20/2020 dated May 5, 2020, has permitted the companies to conduct their AGMs, through VC/OAVM during the calendar year 2020 on account of the threat posed by COVID-19.

Guidelines for participation in the Company’s Thirty Fifth Annual General Meeting are laid out in the Notice convening the meeting and have also been uploaded on the website of the Company viz. www.jmfl.com.

Day: **Thursday**

Date: **July 30, 2020**

Time: **3.30 pm**

Mode of conducting the meeting: **Video Conferencing/Other Audio Visual Means**

B. Financial Calendar (Financial Year 2020-21)

Particulars	Period
Financial Year	April 1 to March 31
Tentative calendar for consideration of Unaudited/Audited Financial Results*	
First quarter ending June 30, 2020 (Unaudited)	On or before August 14, 2020
Second quarter and half year ending September 30, 2020 (Unaudited)	On or before November 14, 2020
Third quarter and nine months ending December 31, 2020 (Unaudited)	On or before February 14, 2021
Fourth quarter and financial year ending March 31, 2021 (Audited)	On or before May 30, 2021

* The above dates are subject to change basis the relaxation, if any, granted by Securities Exchange Board of India (“SEBI”) in the wake of COVID-19.

C. Closure of register of members

The register of members of the Company shall remain closed from **Tuesday, May 19, 2020 to Friday, May 22, 2020** (both the days inclusive) for the purpose of determining the shareholders entitled for dividend.

D. Dividend payment date

The dividend, if declared by the shareholders at the Thirty Fifth Annual General Meeting scheduled on Thursday, July 30, 2020, will be paid on and from Saturday, August 1, 2020, to those shareholders 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 18, 2020**, in respect of shares then held by them in dematerialised form; and those whose names appear in the register of members at the close of business hours on **Monday, May 18, 2020**, in respect of shares then held by them in physical form.

General Shareholders' Information (Contd.)

The shareholders, who have so far not registered/updated their bank account details and their Permanent Account Number (PAN) are requested to register/update the same in the following manner:

For shareholders holding the shares in:

Physical mode	Demat (electronic) mode
In case of PAN Card, email the scanned copy of self-attested PAN card to the Company at ecommunication@jmf.com or to the Registrar and Transfer Agents ("RTA") at einward.ris@kfintech.com .	Register/update the Bank account details in demat account of the shareholders with their respective depository participants.
In case of bank account details, email the scanned copy of the letter duly signed by all the shareholder(s), including all the joint holders, if any, with the bank account details/updated details to the Company at ecommunication@jmf.com or to einward.ris@kfintech.com (the RTA).	
(The above letter should be accompanied by scanned copy of cancelled cheque of the first shareholder's bank account having his/her name printed on the same with a self-attested copy of the bank passbook/statement). Scanned copy of the first page of the passbook/statement should also be attached.	

In accordance with the Ministry of Corporate Affairs circular dated May 5, 2020, the dividend will be directly credited to the bank accounts of respective shareholders, only in case the bank account details are available with the Company or its RTA. In case, if the details of the bank account are not available, then the Company shall upon normalisation of the postal services, dispatch the dividend pay order to such shareholders by post.

E. Dividend

Details of dividend 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	106.15
2014-15 (Final Dividend)	July 30, 2015	August 3, 2015	78,82,64,374	0.80	
2015-16 (Interim Dividend)	February 3, 2016	February 16, 2016	78,88,19,970	0.60	114.45
2015-16 (Final Dividend)	August 2, 2016	August 4, 2016	78,95,89,017	0.85	
2016-17 (Interim Dividend)	January 23, 2017	February 6, 2017	79,37,49,788	0.65	119.28
2016-17 (Final Dividend)	July 24, 2017	July 27, 2017	79,63,67,733	0.85	

Financial Year	Date of declaration	Date of payment	Number of Shares	Dividend per share (₹)	Total amount of dividend (₹ in Crore)
2017-18 (Interim Dividend)	January 19, 2018	February 5, 2018	79,76,74,467	0.70	148.10
2017-18 (Final Dividend)	July 18, 2018	July 20, 2018	83,87,05,025	1.10	
2018-19 (Interim Dividend)	January 23, 2019	February 6, 2019	83,99,31,463	0.50	84.00
2018-19 (Final Dividend)	July 19, 2019	July 22, 2019	83,99,31,463	0.50	

Unclaimed dividend

Any dividend remaining unclaimed by the shareholders for a period of 7 (seven) consecutive years, shall be transferred to Investor Education and Protection Fund ("IEPF") as per Section 124 of the Companies Act, 2013 (the "Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, (the "IEPF Rules").

During the year, the Company received 244 requests from the shareholders for claiming their dividend and the same were duly addressed.

In order to reduce the unclaimed dividend amount, the following measures were taken by the Company during the year:

- Periodic reminders to the shareholders to claim their dividend;
- Periodic reminders to the shareholders to register their bank account details;
- Direct credit of dividend to the account of shareholders, in case of revalidation request;
- General notice by way of an advertisement in newspapers to claim the dividend.

Shareholders, who are yet to claim the dividend for the financial year 2012-13 and/or for any subsequent financial years, are requested to immediately claim the same, as the mandatory period of 7 (seven) consecutive years for transfer of such unclaimed dividend to IEPF is due in September, 2020. Details and schedule of unclaimed dividend to be transferred to IEPF for subsequent years, is given below:

Sr. No.	Financial year	Type of Dividend	Dividend per share (₹)	Date of declaration	Due date for transfer of unclaimed dividend to IEPF	Amount Unclaimed (in ₹)
1.	2012-13	Final	0.50	July 31, 2013	September 3, 2020	17,70,622.50
2.	2013-14	Interim	0.45	January 29, 2014	March 4, 2021	16,00,742.50
3.	2013-14	Final	0.55	July 3, 2014	August 6, 2021	17,42,084.30

General Shareholders' Information (Contd.)

Sr. No.	Financial year	Type of Dividend	Dividend per share (₹)	Date of declaration	Due date for transfer of unclaimed dividend to IEPF	Amount Unclaimed (in ₹)
4.	2014-15	Interim	0.55	January 28, 2015	March 4, 2022	15,73,044.55
5.	2014-15	Final	0.80	July 30, 2015	August 31, 2022	19,00,960.80
6.	2015-16	Interim	0.60	February 3, 2016	March 10, 2023	19,16,298.60
7.	2015-16	Final	0.85	August 2, 2016	September 6, 2023	25,24,317.25
8.	2016-17	Interim	0.65	January 23, 2017	February 27, 2024	18,11,912.70
9.	2016-17	Final	0.85	July 24, 2017	August 27, 2024	23,11,403.30
10.	2017-18	Interim	0.70	January 19, 2018	February 22, 2025	11,71,986.20
11.	2017-18	Final	1.10	July 18, 2018	August 23, 2025	17,21,296.50
12.	2018-19	Interim	0.50	January 23, 2019	February 28, 2026	13,12,045.00
13.	2018-19	Final	0.50	July 19, 2019	August 21, 2026	13,07,659.00

Details of the shareholders whose dividend has remained unclaimed up to final dividend 2017-18 as on the date of the Thirty Fourth AGM held on July 19, 2019, have 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.

Shares in respect of which dividend is unclaimed

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

The shares in respect of which the dividend has not been claimed for 7 (seven) consecutive years from the financial year 2012-13, (barring the shares that have already been transferred by the Company to IEPF in October 2019 and March 2020) are due to be transferred by the Company in the name of IEPF Authority in September, 2020.

Transfer of dividend/shares to IEPF/IEPF Authority

The details of transfer of unclaimed dividend amount to IEPF by the Company for the financial year 2011-12 and financial year 2012-13 are given below:

Date of transfer	Financial year to which relates	Amount (in ₹)
October 10, 2019	Unclaimed dividend for the financial year 2011-12	20,09,814.00
April 7, 2020	Unclaimed (interim) dividend for the financial year 2012-13	14,26,414.40

The details of shares transferred by the Company to IEPF Authority during the financial year 2019-20 are given below:

Date of transfer	Financial year to which it relates	Number of shares
October 11, 2019	Shares in respect of the dividend not claimed by the shareholders for the consecutive period of 7 (seven) years - financial year 2011-12	53,667
March 31, 2020	Shares in respect of the dividend not claimed by the shareholders for the consecutive period of 7 (seven) years - financial year 2012-13	22,648

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 dividend/shares from IEPF/IEPF Authority by following the procedure prescribed in IEPF Rules.

In case of any queries/clarification for claiming the dividend/shares from IEPF/IEPF Authority, shareholders may contact the nodal officer, viz., Mr. Prashant Choksi, Group Head - Compliance, Legal & Company Secretary of the Company at ecommunication@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 2020-21)
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-I, 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.)

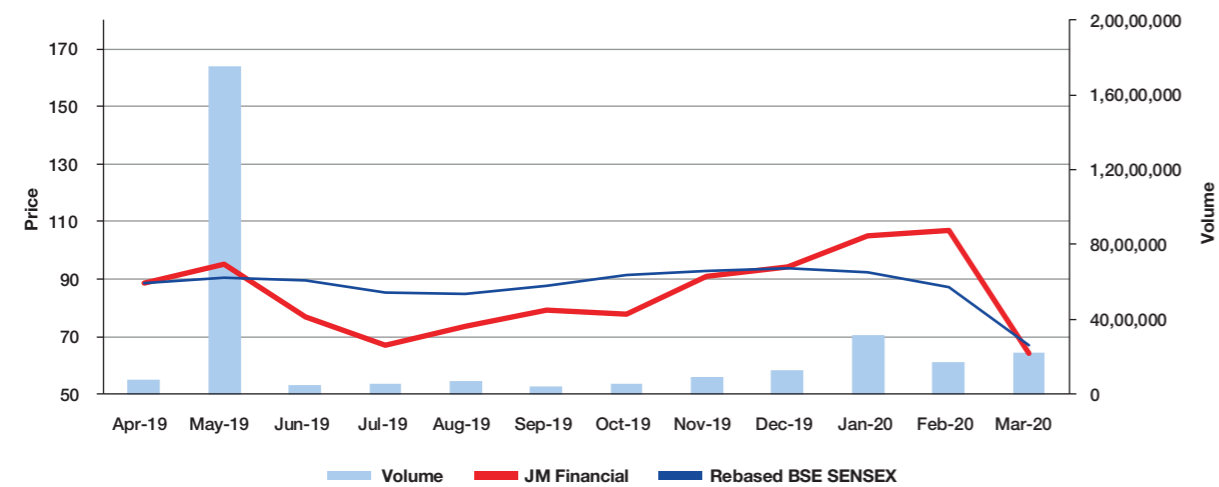
G. Market Price Data

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-19	94.70	95.70	85.45	88.70	7,39,151
May-19	90.00	98.40	77.70	95.10	1,74,97,867
Jun-19	93.55	95.40	76.60	76.90	4,97,988
Jul-19	76.90	79.30	66.00	66.80	5,27,122
Aug-19	68.85	74.90	61.45	73.40	7,33,146
Sep-19	72.00	88.15	69.50	79.05	3,87,044
Oct-19	78.50	79.10	68.00	77.95	5,79,485
Nov-19	81.00	100.00	80.45	90.70	9,06,652
Dec-19	90.70	98.00	81.50	94.20	12,42,911
Jan-20	93.95	110.00	87.10	105.25	31,70,745
Feb-20	105.80	126.00	95.85	106.75	17,03,113
Mar-20	112.00	116.90	59.90	64.35	21,85,717

Source: www.bseindia.com

The performance of the equity share price of the Company in comparison with BSE Sensex is given below:

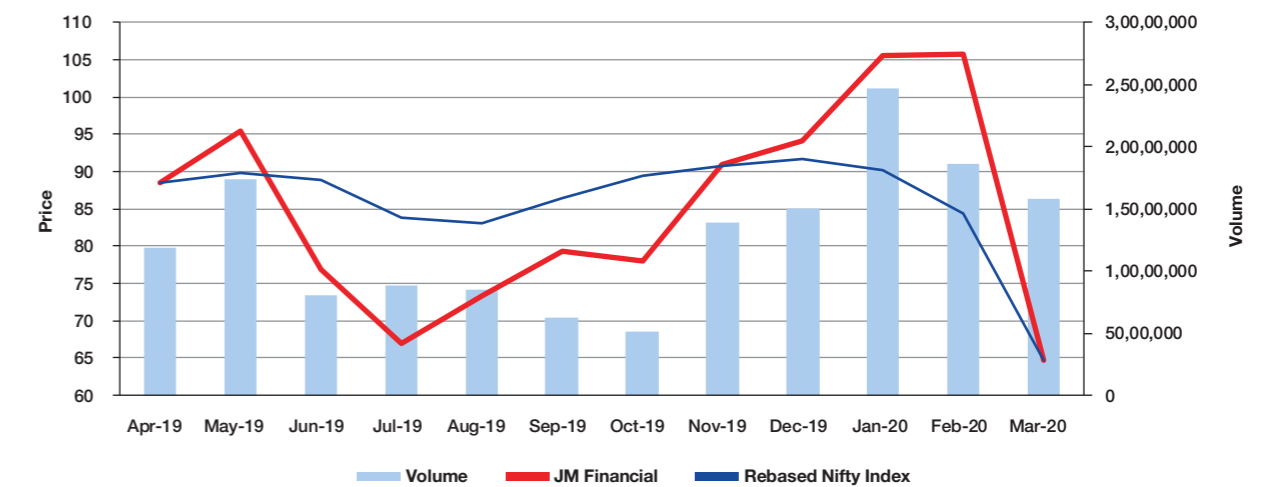


Details of monthly open, high, low and close prices and volume of equity shares of the Company traded on NSE are given below:

Month	Open (₹)	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month
Apr-19	94.80	95.50	85.20	88.50	1,18,60,039
May-19	89.70	98.00	77.35	95.50	1,73,43,604
Jun-19	94.50	95.60	76.50	76.80	80,30,066
Jul-19	77.00	79.45	66.00	66.95	88,84,708
Aug-19	66.60	75.00	61.60	73.30	84,58,344
Sep-19	71.45	88.35	69.40	79.25	63,03,206
Oct-19	79.25	79.80	69.55	78.00	51,15,936
Nov-19	81.15	100.50	80.00	90.85	1,39,02,564
Dec-19	89.55	98.00	81.40	94.20	1,49,94,534
Jan-20	94.40	110.10	87.00	105.50	2,47,27,647
Feb-20	104.90	124.70	95.85	105.70	1,85,85,971
Mar-20	111.40	117.00	60.40	64.75	1,57,95,015

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

KFin Technologies Private Limited (KFintech) is the Company's Registrar and Transfer Agents. KFintech is a SEBI registered Category I – Registrar to an Issue and Share Transfer Agents. For any queries relating to the equity shares of the Company, the shareholders/investors may contact the RTA at following addresses.

Hyderabad Office	Mumbai Office
Registered Office KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Phone: 040- 67162222 Fax: 040- 2300 1153	Investor Relations Office KFin Technologies 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@kfintech.com • Toll Free no.: 1800-3454-001 • Website: www.kfintech.com	

I. Share transfer/transmission process

Transfer of shares in electronic form are effected through the depositories with no involvement of the Company. The summary of demat transactions are noted by the Board of Directors of the Company on a periodical basis.

As the shareholders may be aware, SEBI, vide its press release dated March 27, 2019 has made it mandatory for the listed entities to permit re-lodgement of transfer deed(s) provided the transfer was lodged on or before March 31, 2019 and the transfer application was returned due to deficiency in the documents.

Shareholders are requested to dematerialise their shares held in physical mode, pursuant to SEBI Notification dated June 8, 2018 in order to avoid inconvenience for transfer of shares in future. Shareholders who wish to understand the procedure for dematerialisation of shares may contact the Company or its RTA or visit the following link of the depositories:

NSDL website: <https://nsdl.co.in/faqs/faq.php>

CDSL website: <https://www.cdslindia.com/investors/open-demat.aspx>

J. Share Transfer /Transmission audit

The Company has appointed a firm of Practicing Company Secretary to conduct the audit on half yearly basis to ensure that the requests for the transmission of shares, issue of duplicate shares, dematerialisation, rematerialisation of shares of the Company are processed within the stipulated time period subject to lodgement of all the necessary documents by the concerned shareholders.

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 by the shareholders.

The quarterly audit of the Company's share capital is carried out by a Practicing Company Secretary with the object of reconciling 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 of share capital audit received from the concerned Practicing Company Secretary is submitted to BSE and NSE and is also placed at the meetings of the Board of Directors on a quarterly basis.

L. Distribution of shareholding

Distribution of Shareholding as on March 31, 2020 is given below:

Category	Shareholders		Equity shares	
	Number	Percentage (%)	Number	Percentage (%)
1-5000	52,903	97.21	2,37,71,343	2.83
5001- 10000	662	1.22	52,05,472	0.62
10001- 20000	355	0.65	52,48,546	0.62
20001- 30000	127	0.23	31,75,119	0.38
30001- 40000	66	0.12	23,73,307	0.28
40001- 50000	40	0.07	18,47,714	0.22
50001- 100000	80	0.15	59,81,974	0.71
100001 & Above	191	0.35	79,36,21,172	94.34
Total	54,424	100.00	84,12,24,647	100.00

M. Categories of shareholders as on March 31, 2020

Category	No. of equity shares	Percentage of the total paid-up equity share capital (%)
Shareholding of Promoters and Promoters' Group:		
Promoters	34,22,84,100	40.69
Promoters' Group and Persons acting in concert including relatives	17,97,24,158	21.36
Total (A)	52,20,08,258	62.05
Public Shareholding		
Individuals	8,21,87,399	9.77
Financial Institutions	1,68,062	0.02
Bodies Corporate	1,02,28,848	1.22
Mutual Funds	3,41,37,151	4.06
Alternate Investment Fund	8,93,677	0.11
NBFC	1,01,614	0.01
Qualified Institutional Buyers	4,79,028	0.06
Trusts	39,400	0.00
IEPF	13,82,624	0.16
Foreign Shareholding		
Non-resident Indians	1,37,09,057	1.63
Foreign Portfolio Investors	17,58,89,086	20.91
Foreign Nationals	443	0.00
Total (B)	31,92,16,389	37.95
Total (A) + (B)	84,12,24,647	100.00

General Shareholders' Information (Contd.)

N. List of top ten public shareholders as on March 31, 2020

Sr. No.	Name of the Shareholder	No. of Shares	Percentage (%)
1.	Baron Emerging Markets Fund	2,25,28,302	2.68
2.	Valiant Mauritius Partners Offshore Limited	2,23,55,503	2.66
3.	SAIF India VI FII Holdings Limited	1,51,21,775	1.80
4.	TIMF Holdings	1,42,88,022	1.70
5.	The Wellington Trust Company National Association	1,37,07,769	1.63
6.	Valiant Mauritius Partners Limited	1,21,79,990	1.45
7.	Mr. Vikram Shankar Pandit	1,16,46,939	1.38
8.	Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund	1,09,50,498	1.30
9.	Reliance Capital Trustee Company Limited	86,21,827	1.02
10.	BNP Paribas Arbitrage – ODI	78,40,369	0.93

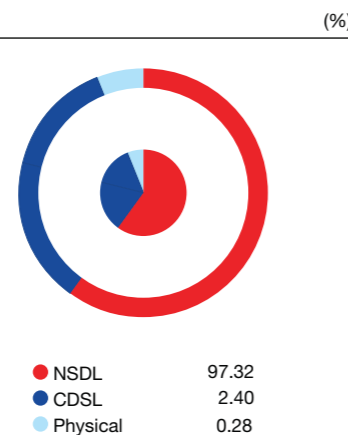
O. Dematerialisation of shares and liquidity

Out of the total of 84,12,24,647 equity shares outstanding as on March 31, 2020, 83,88,64,005 equity shares representing 99.72% of the Company's total equity shares are held by 53,915 shareholders in dematerialised mode. The remaining 23,60,642 equity shares representing 0.28% of the Company's total equity shares held by 509 shareholders are in physical mode.

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 form with respective depositories and in physical form as on March 31, 2020 is as under:

Particulars	No. of Shareholders	No. of Shares	% of the total shares
Held in dematerialised form with NSDL	26,465	81,87,14,046	97.32
Held in dematerialised form with CDSL	27,450	2,01,49,959	2.40
Held in physical form	509	23,60,642	0.28
Total	54,424	84,12,24,647	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 concerned shareholders/investors.

P. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion and likely impact on equity capital

The Company has not issued any 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+ from ICRA Limited and CRISIL A1+ from CRISIL Limited for its Commercial Papers program. The Company also enjoys [ICRA]AA from ICRA for Non- Convertible Debenture program and [ICRA]AA for Line of Credit. The Company does not have any fixed deposit programme or scheme or proposal involving mobilization of funds in India or abroad.

R. Registered Office of the Company/correspondence address

JM Financial Limited
 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi,
 Mumbai – 400 025
 Tel: 91-22-66303030
 Fax: 91-22-66303223
 Email: ecommunication@jmfl.com
 Website: www.jmfl.com

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of JM Financial Limited having CIN L67120MH1986PLC038784 and having registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Nimesh Nagindas Kampani	00009071	12/06/1987
2.	Mr. Eknath Atmaram Kshirsagar	00121824	28/05/2004
3.	Mr. Darius Erach Udwardia	00009755	01/06/2006
4.	Mr. Paul Sebastian Zuckerman	00112255	29/10/2007
5.	Dr. Vijay Laxman Kelkar	00011991	19/03/2010
6.	Mr. Keki Bomi Dadiseth	00052165	30/10/2012
7.	Ms. Jagi Mangat Panda	00304690	31/03/2015
8.	Mr. Vishal Nimesh Kampani	00009079	03/02/2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE: MUMBAI
 DATE: May 6, 2020

For N. L. Bhatia & Associates
 Practicing Company Secretaries
 UIN: P1996MH055800
 UDIN: F001176B000209758

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

Independent Auditors' Certificate on Corporate Governance

To The Members of
JM Financial Limited

- This certificate is issued in accordance with the terms of our engagement letter reference no. AAD/3464/20190804 dated August 13, 2019.
- 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, 2020, 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

- 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

- 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.
- 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.
- 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.

- 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

- 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, 2020.
- 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)

G. K. Subramaniam
 Partner

(Membership No. 109839)
 UDIN: 20109839AAAAAFM9436

Mumbai, dated: May 6, 2020

Certificate

To the Board of Directors of JM Financial Limited

Certified that for the financial year 2019-20;

- A. We have reviewed financial statements and the cash flow statement for the financial year 2019-20 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there

have been no deficiencies in the design or operation of such internal controls of which we are aware.

- D. We have indicated to the auditors and the Audit Committee that there were:
- no significant changes in internal control over financial reporting during the year;
 - no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements,
 - 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
DIN – 00009079

Place : Mumbai
Dated : May 6, 2020

Manish Sheth
Chief Financial Officer

Business Responsibility Report

In terms of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the "Listing Regulations"), this Business Responsibility Report of the Company for the financial year 2019-20 forms part of the Annual Report.

This Business Responsibility Report (BRR) of the Company 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 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 also available on its website at www.jmfl.com.

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L67120MH1986PLC038784
2	Name of the Company	JM Financial Limited
3	Registered Office address	7 th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025
4	Website	www.jmfl.com
5	E-mail id	ecommunication@jmfl.com
6	Financial Year reported	April 1, 2019 to March 31, 2020
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)

JM Financial Limited (the "Company") is a SEBI Registered Category I Merchant Banker and Manager of the Private Equity Funds. The Company is engaged in assisting the corporates in fund 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.

The Company continues to own substantial/controlling equity interest in various subsidiary companies, which are engaged in diverse businesses, such as;

- Investment Banking, Wealth Management and Securities (IWS) which includes fee and fund based activities for our clients;
- Mortgage Lending which includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP);
- Distressed credit which includes the asset reconstruction business; and
- Asset Management which includes the mutual fund business.

- 9 Total number of locations where business activity is undertaken by the Company

National Locations:

As on March 31, 2020, the Company and its subsidiaries have their presence in 75 offices across 12 states and two union territories in the country.

International Locations:

The overseas subsidiaries of the Company have presence in

- Mauritius;
- Singapore; and
- United States of America.

Business Responsibility Report (Contd.)

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 (As on March 31, 2020)

1	Paid up Capital (INR)	₹ 84,12,24,647
2	Total Turnover (INR)	Standalone: ₹ 303.07 Crore
3	Total profit after taxes (INR)	Standalone: ₹ 127.31 Crore
4	<p>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax.</p> <p>The Company has spent ₹ 0.33 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 (the "Act").</p> <p>During the year, the Company gave corpus donation of ₹ 0.33 Crore to JM Financial Foundation as CSR expenditure for the financial year 2019-20 with instructions to disburse the amount on the CSR projects covered under Schedule VII to the Act as approved by the CSR Committee of the Company.</p>	
5	<p>List of activities in which expenditure in 4 above has been incurred.</p> <p>The CSR activities include health, education, and other sectors covered under Schedule VII to the Act.</p>	

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes; the Company has 15 (Fifteen) subsidiary companies as on March 31, 2020.
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(ies)	Yes; all the above 15 (Fifteen) subsidiary companies do participate in the Business Responsibility initiatives undertaken by the Company.
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	Name: Mr. Vishal Kampani Designation: Managing Director DIN: 00009079
b.	Details of the Business Responsibility head	Mr. Manish Sheth Designation: Group Chief Financial Officer DIN: Not applicable since he is not a Director of the Company. Telephone Number: 022 6630 3030 Email id: manish.sheth@jmf.com

2. Principle-wise (as per NVGs) BR policy/policies

National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles detailed below:

- P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3: Businesses should promote the well-being of all employees.
- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5: Businesses should respect and promote human rights.
- P6: Business should respect, protect, and make efforts to restore the environment.
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8: Businesses should support inclusive growth and equitable development.
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

Business Responsibility Report (Contd.)

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
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, inter-alia, to all the employees of the Company.

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 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 takes initiatives to reduce consumption of energy and also

makes continuous efforts to ensure that there is an optimum utilisation of the available resources (like paper, water, 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://jmfl.com/Investor-Relations/Code_of_Conduct_Directors_Senior_Management_Personnel.pdf
Whistle Blower Policy	https://jmfl.com/Investor-Relations/whistle_blower_policy.pdf
Corporate Social Responsibility Policy	https://jmfl.com/Investor-Relations/CSR_Policy.pdf
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://jmfl.com/Investor-Relations/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Upsi.pdf

3. Governance related to 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.

Though BR performance is an ongoing process, the Board of Directors/Committee of the Board assess the same 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., <https://jmfl.com/investor-relation/financial-results.html>.

non-negotiable. We are committed to act professionally, fairly and with integrity in all our dealings. We have developed various policies and processes, which among others, include the following to facilitate transparency in all our dealings while maintaining ethical behaviour.

- Code of Conduct for Directors and Senior Management – It covers issues, inter alia, relating to ethics and bribery. The said policy is available on the website of the Company at www.jmfl.com.
- Code of Conduct, applicable to all the employees within the Group, which governs the conduct of the employees, including the following, among other areas:
 - Ethics at work place;
 - Rules about giving and receiving of gifts and other benefits in the course of business relationship to/from clients, suppliers and others; and
 - Employee trading policy, which also deals with insider trading regulations.

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.

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?

Good governance is an integral part of JM Financial Group. Integrity is imbibed in our working culture and is

Business Responsibility Report (Contd.)

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company had received 12 complaints from its investors/shareholders mainly relating to the shares and dividend, which have been satisfactorily resolved. The Company has more than 50,000 shareholders, majority of whom (99.72%) are holding the shares in dematerialised mode.

The Company or its subsidiaries did not receive any complaints from their employees. The concerns, if any, raised have been appropriately dealt with and resolved to the satisfaction of the employees.

The Company and its subsidiaries have a fair and transparent mechanism to deal with the complaints, if any, from their customers or other external stakeholders. The respective business leaders efficiently and satisfactorily deals with the complaints, if any, received from the customers and other stakeholders. On these lines, the complaints of the customers and other stakeholders have been effectively resolved by the management to their satisfaction.

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

Since, JM Financial is an integrated financial services group, the questions mentioned in this principle are not applicable to it.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

As mentioned earlier, JM Financial is an integrated financial services group. Hence, 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

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable, though we place emphasis in saving energy and water in all our offices located throughout the country.

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 in investing our efforts towards employees' wellbeing. Building and enhancing the talent pool has always been a top priority initiative. We have adopted various policies, procedures, manuals and conducted various training programs, throughout the year, for the protection and welfare of the employees.

Work-Life Balance: JM Financial promotes work-life balance. If an employee is working over the weekend, it is the concerned 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.

Leaves: 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/s can be carried forward to December of the succeeding year. The leave categories are:

- Earned Leave: Annual leaves
- Sick Leave: 7 working days and is need based
- Marriage Leave: 5 working days, within 3 months of the date of marriage

- Maternity Leave: Paid Maternity Leave of 6 calendar months
- Paternity Leave: 5 working days
- Compassionate Leave: In case of death of any immediate family member, 3 working days of paid Compassionate Leave is extended to all employees, within 15 days of that event.
- 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.

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. Several occasions were celebrated including Diwali, Christmas, International Yoga Day, Father's Day, Mother's Day, Family Day, Friendship Day, Independence Day, Earth Day, Navratri, Children's Day, Boss Day, Republic Day, Women's Day, Holi, etc.

Employee Engagement Activities: The idea of engagement activities is to enable employees know each other better and encourage team building. Several motivational activities such as 'Say No to Plastic at Work', 'Swachh Office Abhiyaan', 'Appreciation Week', 'Self Defence Workshops', 'Giant Jenga', etc. were planned for employees to participate.

Other Initiatives:

Annual Business Meet: This year, the business meet was initiated for Dwello and Home Loans, 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.

Health and Awareness: Health and Awareness sessions, including physical therapies and health camps and tests such as Eye Check-up and Bone Strength Test were conducted to ensure that our employees take efforts to maintain a work-life healthy balance. Yoga sessions were conducted by a Yoga trainer, twice a week, to help employees focus on mental and physical health. Session on 'Sustainable Living' was conducted to help employees understand the importance of sustainability and with the intent of sharing the importance of a positive lifestyle. A Ted Talk on 'The Happy Secret to Better Work' by Shawn Achor, was screened for all employees in the office premises.

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.

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 by active engagement in sports. This creates the sense of belonging. JM Financial Sports Club had the men's team participate in 5-a-side Monsoon Soccer Tournament. Bowling Championship 2019 was held in October, 2019. JM Financial Cricket Championship 2019-20 was held in December, 2019. Tele games were organised on the final day of Cricket Championship for employees and their families. JM Financial Football Tournament was held in February, 2020.

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.

This year, we launched our very own e-learning platform – iLearn – a one stop destination to all our training requirements. iLearn is a blend of:

- Online technical and behavioural courses (Online Trainings) which are hosted on the platform. Courses were decided basis the training requirement of employees. These training modules are micro video based lessons, which focus on retention.
- External faculty trainings (Classroom Trainings) are conducted and employees are given opportunities to develop their skills.
- We have promoted open programs conducted by employees of the organization, who share their knowledge and expertise on subject matters (Knowledge Community).
- Employees are also sent for seminars and job related trainings, arranged by specialized centres (Seminars and Workshops).

Business Responsibility Report (Contd.)

Wellbeing and Safety: For us, the health and safety of all our employees is of utmost concern and priority. During the Covid-19 situation, measures are taken to ensure that employees and their families are safe. Employees were constantly being communicated and updated about the developments of the pandemic, Government guidelines, dos and don'ts and measures that the Firm had taken. All offices were fumigated, sanitary equipment was made available, work from home facility was provided, IT infrastructure was provided and HR Business Partners were constantly in touch with the employees to ensure their safety. While employees 'Worked from Home', they were also encouraged to 'Learn from Home'.

1. Please indicate the total number of employees.

As of March 31, 2020, we had 2,058 permanent employees across all our business verticals and entities.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

Apart from the total number of permanent employees as stated above in point no.1, the Group had 617 temporary/contractual/casual employees as on March 31, 2020.

3. Please indicate the number of permanent women employees.

The Group had 450 permanent women employees as on March 31, 2020.

4. Please indicate the number of permanent employees with disabilities.

As on March 31, 2020, the Group had one permanent 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 2019-20	No. of complaints pending as on March 31, 2020
1	Child labour / forced labour / involuntary labour	Not Applicable	
2	Sexual Harassment	None	
3	Discriminatory employment	Not Applicable	

8. What percentage of your work force mentioned below were given safety and skill up-gradation training in the last year?

The details of training provided during the financial year are as below:

Safety Training:

(a)	Permanent Employees	All the employees were imparted safety training
(b)	Permanent Women Employees	
(c)	Casual/Temporary/Contractual Employees	
(d)	Employee with Disability	

Skill Upgradation:

(a)	Permanent Employees	41%
(b)	Permanent Women Employees	49%
(c)	Casual/Temporary/Contractual Employees	100%
(d)	Employee with Disability	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 Company and its subsidiaries engage 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 Company has used (and uses) social research and field assessment tools to identify the most disadvantaged, vulnerable and marginalised stakeholders. The Company engages with these communities through its Corporate Social Responsibility (CSR) initiatives and projects. For every project undertaken, the target communities are identified and mapped through systematically undertaken assessments, based on random sampling and/or universal methods.

The findings from these assessments are mostly vetted at the Gram Panchayat, block and often at the district level, in order to ensure that the interventions planned to bring about social change, positively impact those who need it the most.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, marginalised stakeholders?

The Company engages with disadvantaged, marginalized stakeholders across different geographies through its CSR and philanthropy. Initiatives under the two, are undertaken typically in the form of long-term projects, derived from three most crucial factors drawn from the community itself:

- Gaps and needs
- Available resources
- Aspirations

The said projects, designed with the enlisted three background factors, are implemented by the JM Financial Group through JM Financial Foundation – its implementing agency for CSR and philanthropic initiatives and projects. Projects that are long-term as well as cause-based philanthropic giving are at times self-implemented and often, 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 by the Company and the JM

Financial Group are elaborated under the Corporate Social Responsibility section of the Management Discussion and Analysis Report forming part of the Directors' 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 is 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 Group viz., outside vendors, consultants, suppliers or clients are also expected to comply with principles of human rights in all respects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

During the financial year 2019-20, 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 Company and its subsidiaries to which the same is applicable.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes.

Business Responsibility Report (Contd.)

JM Financial Group constantly endeavors to reduce its impact on the environment and identify ways to optimize resource consumption. To ensure the minimum impacts, it has undertaken initiatives like reduction of paper usage, maintenance of data and records electronically, reduction in usage of plastic bottles for drinking purpose, etc. Further, the Group strives towards imbuing 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 measure leading to energy conservation. 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?

JM Financial Group makes conscious efforts towards managing and conserving valuable environmental resources in various ways, however there is no direct project related to clean development.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc., Y/N. If yes, please give hyperlink for web page etc.

JM Financial Group promotes ecological sustainability. Some of the initiatives taken by the Group are 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 2018-19 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 conferencing 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 of in an appropriate manner.

The above actions of the Group has contributed and continue to contribute towards saving environment by reduction in usage of resources.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The 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 as at the end of the financial year 2019-20.

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 is a member of various industry bodies and trade associations such as:

- Confederation of Indian Industry;

- Bombay Chambers of Commerce and Industry;
- Federation of Indian Chambers of Commerce and Industry;
- IMC Chamber of Commerce & Industry;
- The Chamber of Tax Consultants;
- Association of Investment Bankers of India;
- Association of Mutual Funds of India;
- Association of ARCs in India;
- Financial Intermediaries Association of India;
- Young Presidents' Organisation;
- Indian Private Equity & Venture Capital Association;
- The Associated Chambers of Commerce & Industry of India;
- The Council of EU Chambers;
- Association of National Exchanges Members of India; and
- BSE Brokers' Forum

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. Several employees of the Group including senior management are members of various committees constituted by regulators and industry bodies.

JM Financial Group supports and participates actively with various industry associations and forums and 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 and its contributing subsidiaries have drafted, published and implemented a CSR Policy,

in line with the Section 135 of the Act. This Policy provides a structure for the Group to approach and deliver on its CSR, delineates the kind of activities and/or interventions that can be implemented, keeping the purpose of the Company and its CSR at the core. Our activities and interventions are undertaken by the Group under the aegis of Integrated Rural Transformation Programme, and implemented in the form of long-term projects, entrenched in community resources, needs and desires. The said projects have been implemented in remote, tribal and marginalized geographies of Maharashtra, Bihar and Jharkhand.

Targeting over 1,100 marginal and small farmers across seven villages of Mokhada block in Palghar district, Maharashtra, the Group has implemented the Integrated Village Development Project for comprehensive and holistic rural development. The project has been undertaken through a Public Private Partnership (PPP) model, with the Office of the District Collector, Palghar and Deepak Foundation. Through an outlook of five years, the project has brought about positive outcome in the areas of agriculture and allied activities, water conservation, capacity building of Self-Help Groups (SHG) and increasing community access to Government schemes and entitlements.

Jamui district in Bihar has been identified as one of the 115 aspirational districts by the NITI Aayog (National Institution for Transforming India Aayog); and in this district, the Company has undertaken intensive and extensive development programmes in three blocks – Chakai, Jhajha and Sikandra. Under intensive development, four projects have been implemented in Sikandra block which aim at –

- Holistic development for pre-school children (age 3 to 6 years) through five child-centric learning centers across five villages, under Project Bachpan. The project has imparted pre-literacy, pre-numeracy and motor skills in this year.
- Providing women with a safe and dignified means of livelihood with Shri Vardhman Mahila Griha Udyog. The Udyog membership comprises some women who have been trained in making and selling Khakhra (a whole-wheat snack) prior to the commencement of the project. In FY 2019-20, these women have collectively earned a total output-based income of ₹ 4.49 Lakh.
- Integrated development for over 3,500 households across 15 villages under the Model Village Development Project. This project works in

Business Responsibility Report (Contd.)

the thematic areas of livelihoods and alternate agriculture, water and sanitation and enhancement of education outcomes.

- Enhancing livelihoods of cattle-holding farmers across 10 villages through a dairying initiative – Shri Vardhman Dugdhalaya. Inaugurated in January 2020, this project is currently engaged in collection and supply of raw milk from 10 Milk Collection Centers (MCCs) set up under the initiative, across the above-stated 10 villages. Over time, the project also aims at selling chilled milk and value-added products.

Under the extensive development approach, the Group through its implementing agency(ies) has reached out into over 240 villages through the conceptualization and implementation of an Integrated Livelihoods Development Centers (ILDC) project across the aforementioned three blocks of Jamui. By way of this project, we provide curative and preventive primary healthcare and livestock management services round the clock, through the setting up and operations of 21 ILDCs. We also facilitate livestock breed development for the cattle-owning farmers, and both types of services are provided by 21 local youth trained to be para-veterinarians, by and under the project.

In the neighbouring state of Jharkhand, the Group through its implementing agency(ies) has undertaken and implemented two projects focussed solely on the provision of public healthcare services in Dumri and Pirtand blocks of Giridih district (another Aspirational District). We have partnered with the Jharkhand Rural Health Mission Society (JRHMS) and Deepak Foundation to strengthen and sustain comprehensive maternal and child healthcare facilities and services at the government-run First Referral Unit (FRU) in Dumri block. This year, the FRU has treated 23,142 OPD cases and delivered 1,666 babies safely. In addition to the FRU, in order to reach out to the most remote and scattered villages of Dumri and Pirtand block, the Company has been working through a Mobile Health Unit (MHU), to provide preventive, curative and diagnostic medical services to the community in 24 villages, at their doorstep.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The projects under the Integrated Rural Transformation Programme are undertaken by the Group through JM Financial Foundation – its CSR and Philanthropy unit. At

the grassroots, this Foundation implements the projects through both modes – by itself as well as in partnership with other grassroots organizations and government bodies. Emulating the Company and our Group's vision and efforts, our employees also participate in the CSR projects by contributing their time, skills and resources.

3. Have you done any impact assessment of your initiative?

All the projects mentioned above are and have been undertaken after structured assessments of community needs, aspirations and resources. Regular evaluations, course corrections and outcome assessments are undertaken on monthly, quarterly and annual basis. Impact assessments are undertaken at the end of each project year, to document the deliverables achieved in the year, and to plan the course of action in the year/years ahead.

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 ₹ 24.13 Crore for the financial year 2019-20, 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 ₹ 0.33 Crore for the financial year 2019-20 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.

Through each of our projects, we ensure community ownership from the outset to the conclusion. They are drafted basis community needs and interventions/activities undertaken with a perspective of sustainability, visible in the efforts put into connecting community to Government schemes and public entitlements. Our projects are designed and implemented with the fundamental idea that we (through our projects) are present at the grassroots only as facilitators, and it is the community, which at every step has to take ownership with what leads to our collective action, what happens on ground and the impact of the two.

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.

No material consumer cases/customer complaints are pending as at end of the financial year 2019-20.

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 its 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, 2020, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows 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, 2020 and its profit, total comprehensive income, its cash flows 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. Revenue recognition (refer note 22 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 Discussions 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

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 flows 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.
- 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

Independent Auditors' Report (Contd.)

(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.

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 Statement of Cash Flows 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, 2020 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 30.1).
 - 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 Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN 20109839AAAAFK9297

Mumbai, dated: May 6, 2020

Report on Internal Financial Controls Over Financial Reporting 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, 2020 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.

Independent Auditors' Report (Contd.)

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, 2020, 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 Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, dated: May 6, 2020

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 of 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, 2020 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, 2020 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (₹ in crore)
The Income Tax Act, 1961	Income Tax/ Penalty	Commissioner of Income Tax (Appeal)	F.Y. 2009-10 to 2016-17	13.72
Finance Act, 1994	Service Tax	Customs Excise and Service Tax Appellate Tribunal	F.Y. 2012-13 to 2014-15	8.66

- (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 Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, dated: May 6, 2020

Standalone Balance Sheet

as at March 31, 2020

₹ in Crore

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial Assets			
Cash and cash equivalents	4	14.73	7.19
Bank balances other than cash and cash equivalents	5	7.20	8.10
Trade receivables	6	22.35	10.04
Loans	7	-	36.00
Investments	8	2,528.44	2,388.79
Other financial assets	9	20.97	13.54
Total Financial Assets		2,593.69	2,463.66
Non-Financial Assets			
Current tax assets (Net)	10	168.10	180.17
Property, plant and equipment	11	76.85	4.91
Other intangible assets	11	0.25	0.36
Other non-financial assets	12	4.25	8.01
Total Non-Financial Assets		249.45	193.45
Total Assets		2,843.14	2,657.11
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	13		
i. Total outstanding dues of micro enterprises and small enterprises		0.03	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		3.69	3.03
Borrowings (other than debt securities)	14	0.72	1.29
Other financial liabilities	15	103.35	30.56
Total Financial Liabilities		107.79	34.88
Non-Financial Liabilities			
Provisions	16	11.28	10.76
Deferred tax liabilities (net)	17	122.42	125.63
Other non-financial liabilities	18	28.37	3.89
Total Non-Financial Liabilities		162.07	140.28
EQUITY			
Equity share capital	19	84.12	83.99
Other equity	20	2,489.16	2,397.96
Total Equity		2,573.28	2,481.95
Total Liabilities and Equity		2,843.14	2,657.11
The accompanying notes form an integral part of the financial statements	1 to 47		

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

G.K.Subramaniam
 Partner
 Membership No: 109839

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 06, 2020

Prashant Choksi
 Company Secretary

Manish Sheth
 Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

₹ in Crore

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income:			
Revenue from operations			
Interest income	21	15.95	22.68
Fees and commission income	22	219.45	120.38
Net gain on fair value changes	23	21.15	6.61
		256.55	149.67
Other income	24	46.52	120.84
Total Revenue		303.07	270.51
Expenses:			
Finance costs	25	7.81	19.56
Fees, sub brokerage and other direct expenses		30.63	28.91
Impairment on financial instruments	26	2.32	(1.32)
Employee benefits expense	27	66.83	74.12
Depreciation and amortisation expense	11	12.18	1.86
Other expenses	28	26.85	31.68
Total expenses		146.62	154.81
Profit before tax		156.45	115.70
Tax expense	29		
Current tax		32.16	6.66
Deferred tax		(3.11)	(2.59)
Tax adjustment of earlier years (net)		0.09	0.33
Total tax expense		29.14	4.40
Profit for the year		127.31	111.30
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		(0.39)	(0.06)
(ii) Income tax on above		0.10	0.02
Total Other Comprehensive (loss) (net of tax)		(0.29)	(0.04)
Total Comprehensive Income		127.02	111.26
Earnings per equity share (EPS)	33		
(face value of ₹1/- each)			
Basic EPS (in ₹)		1.51	1.33
Diluted EPS (in ₹)		1.51	1.32
The accompanying notes form an integral part of the financial statements	1 to 47		

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

G.K.Subramaniam
 Partner
 Membership No: 109839

Place : Mumbai
 Date: May 06, 2020

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

Cash Flow Statement

for the year ended March 31, 2020

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
Profit before tax	156.45	115.70
Adjustment for:		
Depreciation and amortisation expense	12.18	1.86
Impairment on financial instruments (net)	-	0.93
Loss on forfeiture of shares (refer note 8.1)	10.00	-
Amortisation of deferred employee compensation (ESOP)	2.62	6.35
Finance cost on leased obligations	7.26	-
Loss on sale of assets	0.08	0.15
Net gain on fair value changes	(21.15)	(6.61)
Interest income	(0.43)	(2.06)
Dividend income	(39.33)	(114.03)
Operating profit before working capital changes	127.68	2.29
Adjustment for:		
Decrease/(Increase) in Loans and Advances	36.00	(36.00)
(Increase)/Decrease in Trade Receivables	(12.31)	20.31
(Increase)/Decrease in Other Financial Assets	(2.53)	9.75
(Increase) in Other Non-Financial Assets	(0.84)	(5.63)
Increase/(Decrease) in Trade Payables	0.67	(5.90)
Increase in Provisions	0.15	0.10
(Decrease) in Other Financial Liabilities	(1.72)	(2.75)
Increase/(Decrease) in Other Non-Financial Liabilities	24.48	(7.25)
Cash generated from / (used in) operations	171.58	(25.08)
Direct taxes (paid) (net)	(20.17)	(12.24)
Net cash generated from / (used in) operating activities	151.41	(37.32)
B Cash flow from investing activities		
Purchase of investments in subsidiaries and associate	(183.46)	(1,023.38)
Purchase of investments in other than subsidiaries and associate	(930.26)	(271.62)
Proceeds from sale of investments	985.22	1,336.99
Purchase of fixed assets	(0.14)	(2.34)
Proceeds from sale of fixed assets	#	0.03
Interest income	0.43	2.06
Movement in bank balances other than cash and cash equivalents	0.90	(3.36)
Dividend received from subsidiaries	35.53	110.37
Dividend received from others	3.80	3.66
Net cash (used in) / generated from investing activities	(87.98)	152.41

Cash Flow Statement (Contd.)

for the year ended March 31, 2020

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
C Cash flow from financing activities		
Proceeds from Issue of shares on exercise of options	0.13	0.20
(Repayment of) / Proceeds from Borrowings other than Debt Securities (net)	(0.49)	0.43
(Repayment of) leased obligations	(12.17)	-
Dividend paid (including tax on dividend)	(43.36)	(139.81)
Net cash (used in) financing activities	(55.89)	(139.18)
Net increase / (decrease) in cash and cash equivalents	7.54	(24.09)
Cash & cash equivalents at the beginning of the year	7.19	31.28
Cash & cash equivalents at the end of the year	14.73	7.19

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).

Denotes amount below ₹ 50,000/-

The accompanying notes form an integral part of the financial statements - 1 to 47

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

G.K.Subramaniam
Partner
Membership No: 109839

Place : Mumbai
Date: May 06, 2020

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

Statement of Changes in Equity

for the year ended March 31, 2020

A. Equity share capital

₹ in Crore

	Balance as at April 01, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
Equity Share Capital	83.79	0.20	83.99	0.13	84.12

B. Other Equity

₹ in Crore

	Share application money pending allotment	Reserves and Surplus							Total
		Statutory reserve	Capital reserve	Securities premium reserve	General reserve	Capital redemption reserve	Stock option outstanding	Retained earnings	
Balance as at April 01, 2018	#	59.44	4.16	1,232.03	201.83	12.89	26.27	870.62	2,407.24
Addition/Reduction during the year									
Profit for the year	-	-	-	-	-	-	-	111.30	111.30
Other comprehensive income	-	-	-	-	-	-	-	(0.04)	(0.04)
	-	-	-	-	-	-	-	111.26	111.26
Employee Stock Options (Net)	(#)	-	-	11.22	-	-	8.05	-	19.27
Dividends	-	-	-	-	-	-	-	(134.25)	(134.25)
Tax on dividend	-	-	-	-	-	-	-	(5.56)	(5.56)
Balance as at March 31, 2019	-	59.44	4.16	1,243.25	201.83	12.89	34.32	842.07	2,397.96
Addition/Reduction during the year									
Profit for the year	-	-	-	-	-	-	-	127.31	127.31
Other comprehensive income	-	-	-	-	-	-	-	(0.29)	(0.29)
	-	-	-	-	-	-	-	127.02	127.02
Share application money received during the year	#	-	-	-	-	-	-	-	#
Employee Stock Options (Net)	-	-	-	9.96	-	-	(2.41)	-	7.55
Dividends	-	-	-	-	-	-	-	(42.00)	(42.00)
Tax on dividend	-	-	-	-	-	-	-	(1.37)	(1.37)
Balance as at March 31, 2020	#	59.44	4.16	1,253.21	201.83	12.89	31.91	925.72	2,489.16

Denotes amount below ₹ 50,000/-

The accompanying notes form an integral part of the financial statements 1 to 47

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

G.K.Subramaniam
 Partner
 Membership No: 109839

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 06, 2020

Prashant Choksi
 Company Secretary

Manish Sheth
 Chief Financial Officer

Significant Accounting Policies

and notes to the Financial Statements

1 Corporate Information

JM Financial Limited (“the Company”) was incorporated as a Private Limited Company under the name of J.M. Share and Stock Brokers Private Limited on January 30, 1986 under the Companies Act, 1956. Subsequently, the Company became a deemed Public Limited Company (as per the then prevailing laws) upon its promoter, J. M. Financial & Investment Consultancy Services Private Limited becoming a deemed Public Limited Company on June 15, 1988, by virtue of the Companies (Amendment) Act, 1988 read with the Companies Act, 1956. On September 15, 2004, the name of the Company was changed to JM Financial Limited, Public Limited Company as per Companies Act, 1956, as amended.

The Company is engaged in the holding company activities, advisors in equity and debt capital markets, management of capital markets transactions, mergers & acquisitions, advisory, private equity syndication, corporate finance advisory business and administration & management of private equity funds.

2. Significant Accounting Policies

2.1 Basis of preparation and presentation of financial statements

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the “Act”) (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Historical Cost Convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of

the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”.

Amounts in the financial statements are presented in Indian Rupees (₹) in crore rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee (₹) to two decimal places.

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 / amortisation is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful Life
Property, Plant & Equipment	
Office premises	60 years
Leasehold improvements	10 years or lease period whichever is lower
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Motor Vehicles	5 years
Intangible Assets	
Computer Software	5 years

Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of Profit and Loss when the asset is derecognised.

Impairment losses on non-financial assets

As at the end of each year, the Company reviews the carrying amount of its non-financial assets that is PPE and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

Significant Accounting Policies

and notes to the Financial Statements

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings, trade payables and other financial liabilities.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial 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.

Significant Accounting Policies

and notes to the Financial Statements

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 'Financial Instruments: Presentation' and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects or initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply

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prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that the financial assets is deemed to be impaired.

Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss. At each reporting date these historical default rates are reviewed.

Derecognition of Financial Assets

A financial assets is derecognised only when:

- The Company has transferred the right to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligations to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Write-off

Loans and 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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company or a contract that will or may be settled in the its's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the it's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for

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trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an assets is included in the 'Finance Costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

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 acquired under finance lease are capitalised at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. These assets are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

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Operating Lease

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

- the use of an identified asset,
- the right to obtain substantially all the economic benefits from use of the identified asset, and
- the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-to-Use asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right-to-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right-to-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease

payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 15 "Other Financial Liabilities" and right-to-use asset has been presented in Note 11 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the right-to-use asset arising from the head-lease.

2.8 Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement Profit and Loss in the period in which they arise.

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2.9 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.10 Employee benefits

Defined contribution obligation

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined benefit obligation

The liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company recognizes current service cost, past service cost, if any and interest cost in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the period in which they occur in the OCI.

Short-term benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.11 Share-based payment arrangements

Equity-settled share-based payments to employees of the Company are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments to employees is recognised as deferred employee compensation and is expensed in the Statement of Profit and Loss over the vesting period with a corresponding increase in stock option outstanding in other equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in other equity.

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.

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Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.13 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the

expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements.

2.15 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.16 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items

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which are not available for general use as on the date of Balance Sheet.

2.17 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3 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 factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The followings are the critical judgements and estimations that have been made by the management in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements and / or key source of estimation uncertainty at the end of

the reporting period that may have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement and valuation processes

Some of the Company's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset, the company used market observable data to the extent it is available information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in note 39.

Revenue

Revenue from investment banking services (mainly includes lead manager's fee, selling commission, underwriting commission, fees for mergers, acquisitions and advisory assignments and arranger's fees for mobilising debt funds) is recognised when the services for the transaction are determined to be completed or when specific obligation are determined to be fulfilled as set forth under the terms of the engagement. The variety and number of the obligations within the contracts can make it complex and requires management judgements to determine completion of the performance condition associated with the revenue.

Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profits and all tax bases of assets and liabilities the company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

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4 Cash and Cash Equivalents

	₹ in Crore	
	As at March 31, 2020	As at March 31, 2019
Cash in hand	#	#
Balances with banks:		
In current accounts	14.73	2.34
In deposit accounts (refer note 4.1)	-	4.85
Total	14.73	7.19

Denotes amount below ₹ 50,000/-

4.1 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.

5 Bank Balances other than Cash and Cash Equivalents

	₹ in Crore	
	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
In deposit accounts (refer note 5.1)	-	1.21
In earmarked accounts (refer note 5.1 and 5.2)	7.20	6.89
Total	7.20	8.10

5.1 Balances with banks in deposit accounts earns interest at fixed rate based on daily bank deposit rates for a period ranging from one day to 365 days.

5.2 Balances with banks in earmarked account pertains to unclaimed dividend and bank fixed deposits.

6 Trade Receivables

	₹ in Crore	
	As at March 31, 2020	As at March 31, 2019
Unsecured:		
Considered good	22.35	10.04
Considered doubtful	-	4.94
	22.35	14.98
Less: Impairment loss allowance (Refer note 39)	-	(4.94)
Total	22.35	10.04

6.1 No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6.2 Trade receivables are generally on credit terms of 30 to 90 days and generally no interest is charged on overdue balances.

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7 Loans

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Unsecured:		
Inter Corporate Deposits	5.00	5.00
Loans to related parties (refer note 7.1 and 37)	-	36.00
	5.00	41.00
Less: Impairment loss allowance	(5.00)	(5.00)
Total	-	36.00

7.1 The loans are given in India and to other than public sectors.

8 Investments

₹ in Crore

	As at March 31, 2020			
	Quantity (Nos.)	At cost	FVTPL	Total
I TRADE INVESTMENTS				
Unquoted				
a) Investment in equity shares of ₹10/- each (fully paid up unless stated)				
In subsidiaries:				
JM Financial Services Limited	5,00,00,000	107.50		107.50
JM Financial Properties and Holdings Limited	30,00,000	3.00		3.00
Infinite India Investment Management Limited	16,00,000	2.38		2.38
JM Financial Products Limited	54,09,68,650	553.86		553.86
JM Financial Credit Solutions Limited	13,19,431	529.40		529.40
JM Financial Credit Solutions Limited (Partly paid up ₹ 2/- each)	19,837	10.00		10.00
Less: forfeiture of shares (refer note 8.1)	(19,837)	(10.00)		(10.00)
	-	-		-
JM Financial Asset Management Limited	3,17,52,500	134.07		134.07
JM Financial Asset Reconstruction Company Limited	20,41,97,279	372.74		372.74
CR Retail Malls (India) Limited	2,00,00,000	43.74		43.74
JM Financial Overseas Holdings Private Limited, Mauritius of US\$ 1 each	1,20,00,000	60.27		60.27
In associate company:				
JM Financial Trustee Company Private Limited	25,000	0.03		0.03
b) Investment in preference shares of ₹10/- each (fully paid up)				
In subsidiaries:				
JM Financial Properties and Holdings Limited (10% Optionally Convertible Preference Shares)	9,50,50,000	95.05		95.05
JM Financial Institutional Securities Limited (0.01% Optionally Convertible Preference Shares)	70,00,000	7.00		7.00

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₹ in Crore

	As at March 31, 2020			
	Quantity (Nos.)	At cost	FVTPL	Total
JM Financial Services Limited (6% Compulsorily Convertible Preference Shares)	75,00,000	50.25		50.25
c) Investment in Debentures				
In subsidiaries:				
JM Financial Asset Reconstruction Company Limited (12% Compulsorily Convertible Debentures of face value of ₹ 373/- each)	49,16,104	183.37		183.37
		2,142.66		2,142.66
II OTHER INVESTMENTS				
a) Investment in equity shares (fully paid up)				
Quoted				
NEL Holdings Limited (formerly knowns as Nitesh Estates Limited) of ₹10/- each	12,30,442		0.08	0.08
			0.08	0.08
Unquoted				
National Stock Exchange of India Ltd of ₹ 1/- each	21,26,674		176.93	176.93
Bran Engineering Private Limited of ₹ 10/- each	1,80,000		#	#
Teracom Limited of ₹ 10/- each	2,60,000		#	#
			176.93	176.93
b) Investments in preference shares				
Unquoted				
VCK Forex Services Private Limited of ₹ 100/- each (6% Redeemable Non-Cumulative Preference Shares)	5,00,000		#	#
c) Investment in venture capital fund/alternative investment fund units				
Unquoted:				
Urban Infrastructure Opportunity Fund of face value of Rs 27,930/- each	983		0.11	0.11
Paragon Partners Growth Fund I of face value of ₹ 100/- each	4,44,290		5.29	5.29
VEC Strategic Growth Fund of face value of ₹ 1,000/- each	10,000		0.49	0.49
JM Financial India Fund - Scheme A - Class D units of ₹ 100/- each	44,131		0.39	0.39
JM Financial India Fund III - Scheme C - Class D units of ₹ 100/- each	36		0.15	0.15
JM Financial India Fund - Scheme A - Class C units of ₹ 1/- each	3,07,434		0.03	0.03
JM Financial India Fund - Scheme B - Class C units of ₹ 1/- each	2,64,806		0.03	0.03
JM Financial India Fund III - Scheme C - Class C units of ₹ 1/- each	41,590		#	#
JM Financial India Fund III - Scheme D - Class C units of ₹ 1/- each	33,107		#	#
JM Financial India Fund (Settlor's contribution) of ₹ 1/- each	NA		#	#
JM Financial India Fund III (Settlor's contribution) of ₹ 1/- each	NA		#	#
JM Financial Property Fund I - Class C units of ₹ 10,000/- each (Partly paid up of ₹ 3,411.07)	75,000		8.83	8.83

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₹ in Crore

	As at March 31, 2020			
	Quantity (Nos.)	At cost	FVTPL	Total
JM Financial Property Fund I - Class B units of ₹ 10,000/- each (Partly paid up of ₹ 9,833.96)	50		0.05	0.05
JM Financial Property Fund II - Class B units of ₹ 10,000/- each	50		0.05	0.05
JM Financial Property Fund (Settlor's contribution) of ₹ 10,000/- each	NA		#	#
JM Financial India Fund II - Class D units of ₹ 1,00,000/- each	3,186		35.93	35.93
			51.35	51.35
d) Investments in Mutual Funds				
Unquoted:				
JM Large Cap Fund - Dividend Option##	16,072		0.01	0.01
JM Liquid Fund - (Direct) Growth Option	2,89,68,758		157.41	157.41
			157.42	157.42
TOTAL		2,142.66	385.78	2,528.44
(i) Investments outside India		60.27	-	60.27
(ii) Investments in India		2,082.39	385.78	2,468.17
TOTAL		2,142.66	385.78	2,528.44

8.1 The Company decided not to pay the balance amount in respect of the partly-paid up equity shares issued and allotted by JM Financial Credit Solutions Limited (a subsidiary of the Company) to it in September 2018, the due date of payment for which was March 31, 2020. These shares having the aggregate value of ₹ 10.00 Crore have been forfeited and hence the said amount has been charged off in the Statement of Profit and Loss.

8 Investments

₹ in Crore

	As at March 31, 2019			
	Quantity (Nos.)	At cost	FVTPL	Total
I TRADE INVESTMENTS				
Unquoted				
a) Investment in equity shares of ₹10/- each (fully paid up unless stated)				
In subsidiaries:				
JM Financial Services Limited	5,00,00,000	107.50		107.50
JM Financial Properties and Holdings Limited	30,00,000	3.00		3.00
Infinite India Investment Management Limited	16,00,000	2.38		2.38
JM Financial Products Limited	54,09,39,050	553.77		553.77
JM Financial Credit Solutions Limited	13,19,431	529.40		529.40
JM Financial Credit Solutions Limited (Partly paid-up Rs.2/- each)	19,837	10.00		10.00
JM Financial Asset Management Limited	3,17,52,500	134.07		134.07
JM Financial Asset Reconstruction Company Limited	20,41,97,279	372.74		372.74
CR Retail Malls (India) Limited	2,00,00,000	43.74		43.74
JM Financial Overseas Holdings Private Limited, Mauritius of US\$ 1 each	1,20,00,000	60.27		60.27
In associate company:				
JM Financial Trustee Company Private Limited	25,000	0.03		0.03

Notes

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₹ in Crore

	As at March 31, 2019			
	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% Optionally Convertible Preference Shares)	9,50,50,000	95.05		95.05
JM Financial Institutional Securities Limited (0.01% Optionally Convertible Preference Shares)	70,00,000	7.00		7.00
JM Financial Services Limited (6% Compulsorily Convertible Preference Shares)	75,00,000	50.25		50.25
		1,969.20		1,969.20

II OTHER INVESTMENTS

a) Investment in equity shares (fully paid up)

Quoted			
HCL Technologies Limited of ₹ 2/- each	15,000		1.63
NEL Holdings Limited (formerly knowns as Nitesh Estates Limited) of ₹10/- each	47,82,870		2.85
Tata Motors Limited of ₹ 2/- each	2,17,500		3.79
			8.27
Unquoted			
National Stock Exchange of India Ltd of ₹ 1/- each	21,26,674		178.64
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		#
			178.64
			178.64

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 ₹ 29,930/- each	983	0.31	0.31
Paragon Partners Growth Fund I of face value of ₹ 100/- each	2,94,885	4.29	4.29
VEC Strategic Growth Fund of face value of ₹ 1,000/- each	10,000	1.21	1.21
JM Financial India Fund - Scheme A - Class D units of ₹ 100/- each	4,19,470	14.89	14.89
JM Financial India Fund III - Scheme C - Class D units of ₹ 100/- each	3,52,729	12.03	12.03
JM Financial India Fund - Scheme A - Class C units of ₹ 1/- each	3,07,434	0.03	0.03
JM Financial India Fund - Scheme B - Class C units of ₹ 1/- each	2,64,806	0.03	0.03
JM Financial India Fund III - Scheme C - Class C units of ₹ 1/- each	41,590		#

Notes

to the Financial Statements

₹ in Crore

	As at March 31, 2019			
	Quantity (Nos.)	At cost	FVTPL	Total
JM Financial India Fund III - Scheme D - Class C units of ₹ 1/- each	33,107		#	#
JM Financial India Fund (Settlor's contribution) of ₹ 1/- each	NA		#	#
JM Financial India Fund III (Settlor's contribution) of ₹ 1/- each	NA		#	#
JM Financial Property Fund I - Class C units of ₹ 10,000/- each (Partly paid up of ₹ 3,411.07)	75,000		17.27	17.27
JM Financial Property Fund I - Class B units of ₹ 10,000/- each (Partly paid up ₹9,833.96)	50		0.05	0.05
JM Financial Property Fund II - Class B units of ₹ 10,000/- each	50		0.05	0.05
JM Financial Property Fund (Settlor's contribution) of ₹ 10,000/- each	NA		#	#
JM Financial India Fund II - Class D units of ₹ 1,00,000/- each	4,000		40.00	40.00
			90.16	90.16
d) Investments in Mutual Funds				
Unquoted:				
JM Large Cap Fund - Dividend Option##	16,072		0.01	0.01
JM Liquid Fund - (Direct) Growth Option	2,68,91,936		137.66	137.66
JM Low Duration Fund - (Direct) Growth Option	18,14,278		4.85	4.85
			142.52	142.52
TOTAL		1,969.20	419.59	2,388.79
(i) Investments outside India	60.27		-	60.27
(ii) Investments in India	1,908.93		419.59	2,328.52
TOTAL		1,969.20	419.59	2,388.79

Denotes amount below ₹ 50,000/-

Represents initial contribution as a 'Sponsor' towards setting up of JM Financial Mutual Fund.

9 Other Financial Assets

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Security deposits	6.28	5.69
Receivable in respect of stock option plan	2.92	6.42
Employees advances	0.03	0.01
Interest accrued	11.05	0.11
Other Receivables (refer note 9.1)	0.69	1.31
Total	20.97	13.54

9.1 Other receivable represents expenses recoverable.

10 Current Tax Assets (Net)

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Advance Tax (Net of provisions)	168.10	180.17
Total	168.10	180.17

Notes

to the Financial Statements

11 Property, Plant and Equipment and Intangible Assets

₹ in Crore

	Gross Carrying Amount				Accumulated Depreciation / Amortisation				Net Carrying Amount
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	
A) PROPERTY, PLANT AND EQUIPMENT									
Owned assets:									
Office Premises	0.65	-	-	0.65	0.04	0.02	-	0.06	0.59
Furniture and fixtures	0.11	-	0.08	0.03	0.08	#	0.07	0.01	0.02
Office equipment	0.15	0.02	#	0.17	0.04	0.03	#	0.07	0.10
Computers	2.00	0.06	-	2.06	1.13	0.44	-	1.57	0.49
Leasehold Improvements	0.77	-	0.22	0.55	0.14	0.07	0.15	0.06	0.49
Motor vehicles	2.48	-	-	2.48	1.03	0.56	-	1.59	0.89
Leased assets:									
Office premises (Right to use asset) - (refer note 35)	-	84.02	-	84.02	-	10.38	-	10.38	73.64
Motor vehicles (refer note 11.1)	2.01	-	0.17	1.84	0.80	0.50	0.09	1.21	0.63
Total (A)	8.17	84.10	0.47	91.80	3.26	12.00	0.31	14.95	76.85
B) INTANGIBLE ASSETS									
Software	0.78	0.07	-	0.85	0.42	0.18	-	0.60	0.25
Total (B)	0.78	0.07	-	0.85	0.42	0.18	-	0.60	0.25
Total (A + B)	8.95	84.17	0.47	92.65	3.68	12.18	0.31	15.55	77.10

11.1 vendor has a lien over the assets taken on lease.

Denotes amount below ₹ 50,000/-

₹ in Crore

	Gross Carrying Amount				Accumulated Depreciation / Amortisation				Net Carrying Amount
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	
A) PROPERTY, PLANT AND EQUIPMENT									
Owned assets:									
Office Premises	0.65	-	-	0.65	0.02	0.02	-	0.04	0.61
Furniture and fixtures	0.09	0.02	-	0.11	0.07	0.01	-	0.08	0.03
Office equipment	0.09	0.09	0.03	0.15	0.03	0.02	0.01	0.04	0.11
Computers	1.76	0.24	-	2.00	0.58	0.55	-	1.13	0.87
Leasehold Improvements	0.42	0.55	0.20	0.77	0.13	0.03	0.02	0.14	0.63
Motor vehicles	2.48	-	-	2.48	0.47	0.56	-	1.03	1.45
Leased assets :									
Motor vehicles (refer note 11.1)	1.17	0.84	-	2.01	0.35	0.45	-	0.80	1.21
Total (A)	6.66	1.74	0.23	8.17	1.65	1.64	0.03	3.26	4.91
B) INTANGIBLE ASSETS									
Software	0.75	0.03	-	0.78	0.20	0.22	-	0.42	0.36
Total (B)	0.75	0.03	-	0.78	0.20	0.22	-	0.42	0.36
Total (A + B)	7.41	1.77	0.23	8.95	1.85	1.86	0.03	3.68	5.27

11.1 vendor has a lien over the assets taken on lease.

Notes

to the Financial Statements

12 Other Non Financial Assets

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Capital advances	1.34	0.37
Prepaid expenses	0.50	5.10
Balances with Government authorities	2.41	2.54
Total	4.25	8.01

13 Payables

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro and small enterprises (refer note 13.1)	0.03	-
Total outstanding dues of creditors other than micro and small enterprises	3.69	3.03
Total	3.72	3.03

13.1 Dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as under.

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.03	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	0.03	-

14 Borrowings (Other than Debt Securities)

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
At Amortised cost (Secured)		
Finance lease obligations (refer note 14.2 and 35)	0.72	1.29
Total	0.72	1.29

14.1 Borrowings are made within India.

14.2 Finance lease obligations are secured by way of hypothecation of vehicles.

Notes

to the Financial Statements

15 Other Financial Liabilities

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Employee benefits payable	24.19	25.95
Directors' commission payable	1.24	1.24
Unclaimed dividend	2.41	2.45
Security Deposits	1.00	0.92
Leased obligations (refer note 35)	74.51	-
Total	103.35	30.56

16 Provisions

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
For Employee benefits:		
- Gratuity (refer note 36)	5.03	4.41
- Compensated absence	1.64	1.74
For Clawback obligation	4.61	4.61
Total	11.28	10.76

17 Deferred Tax Liabilities (Net)

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Investments	112.92	115.43
Net fair value gain on financial assets measured at FVTPL	14.28	17.67
Fiscal allowance on fixed assets	(0.86)	(0.90)
Fiscal allowance on expenditure, etc.	(1.30)	(0.02)
Impairment loss allowance on financial assets measured at cost	-	(1.44)
Disallowances under section 43B of the Income Tax Act, 1961	(1.99)	(1.66)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(0.84)	(1.45)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	(0.04)	(0.08)
Donations (Section 80G of the Income Tax Act, 1961)	0.25	-
MAT credit entitlements	-	(1.92)
Total	122.42	125.63

Notes

to the Financial Statements

17.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2020

₹ in Crore

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Recognised in Other Equity	Closing balance
Investments	115.43	(2.51)	-	-	112.92
Net fair value gain on financial assets measured at FVTPL	17.67	(3.39)	-	-	14.28
Fiscal allowance on fixed assets	(0.90)	0.04	-	-	(0.86)
Fiscal allowance on expenditure, etc.	(0.02)	(1.28)	-	-	(1.30)
Impairment loss allowance on financial assets measured at cost	(1.44)	1.44	-	-	-
Disallowances under section 43B of the Income Tax Act, 1961	(1.66)	(0.23)	(0.10)	-	(1.99)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(1.45)	0.61	-	-	(0.84)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	(0.08)	0.04	-	-	(0.04)
Donations (Section 80G of the Income Tax Act, 1961)	-	0.25	-	-	0.25
MAT credit entitlement	(1.92)	1.92	-	-	-
Total	125.63	(3.11)	(0.10)	-	122.42

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	Closing balance
Investments	115.43	-	-	-	115.43
Net fair value gain on financial assets measured at FVTPL	20.99	(3.32)	-	-	17.67
Fiscal allowance on fixed assets	(0.86)	(0.04)	-	-	(0.90)
Fiscal allowance on expenditure, etc.	(0.01)	(0.01)	-	-	(0.02)
Impairment loss allowance on financial assets measured at cost	(1.84)	0.40	-	-	(1.44)
Disallowances under section 43B of the Income Tax Act, 1961	(1.80)	0.16	(0.02)	-	(1.66)
Share issue expenses (Section 35D of the Income Tax Act, 1961)	(1.93)	0.48	-	-	(1.45)
Amalgamation expenses (Section 35DD of the Income Tax Act, 1961)	(0.11)	0.03	-	-	(0.08)
MAT credit entitlement	(1.63)	(0.29)	-	-	(1.92)
Total	128.24	(2.59)	(0.02)	-	125.63

Notes

to the Financial Statements

17.2 Tax Losses for which no deferred tax asset has been recognised :

₹ in Crore

Particulars	Year ended March 31, 2020	Expiry date	Year ended March 31, 2019	Expiry date
Brought forward losses (allowed to be carried forward for specified period)	21.28	March 31, 2022	27.62	March 31, 2022
Brought forward losses (allowed to be carried forward for specified period)	3.85	March 31, 2026	3.85	March 31, 2026
Total	25.13		31.47	

18 Other Non Financial Liabilities

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Money received in advance	22.05	-
Statutory dues	5.82	3.55
Others	0.50	0.34
Total	28.37	3.89

19 Equity Share Capital

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Authorised:		
152,02,00,000 (Previous year 152,02,00,000) equity shares of ₹ 1/- each	152.02	152.02
4,38,00,000 (Previous year 4,38,00,000) preference shares of ₹ 10/- each	43.80	43.80
Total	195.82	195.82
Issued, Subscribed and Paid up Capital:		
84,12,24,647 (Previous year 83,99,31,463) equity shares of ₹ 1/- each fully paid-up.	84.12	83.99
Total	84.12	83.99

19.1 Reconciliation of the number of equity shares outstanding:

₹ in Crore

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	83,99,31,463	83.99	83,78,80,258	83.79
Shares allotted upon exercise of stock options	12,93,184	0.13	20,51,205	0.20
Shares outstanding at the end of the year	84,12,24,647	84.12	83,99,31,463	83.99

Notes

to the Financial Statements

19.2 Terms and rights attached to equity shares:

The Company has only one class of equity shares. The shareholders are entitled to one vote per share, dividend, as and when declared by the Board of directors and shareholders and residual assets, if any, after payment of all liabilities, in the event of liquidation of the Company.

19.3 Details of shareholders holding more than 5 percent shares:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
J. M. Financial & Investment Consultancy Services Private Limited	21,65,34,100	25.74%	20,34,06,600	24.22%
Nimesh Kampani*	12,57,50,000	14.95%	13,53,57,500	16.12%
J. M. Assets Management Private Limited	10,30,42,908	12.25%	10,30,42,908	12.27%

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

20 Other Equity

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Share application money pending allotment	#	-
Capital reserve	4.16	4.16
Securities premium reserve	1,253.21	1,243.25
General reserve	201.83	201.83
Statutory reserve	59.44	59.44
Capital redemption reserve	12.89	12.89
Stock option outstanding	33.78	38.87
Deferred employee compensation	(1.87)	(4.55)
Stock option outstanding	31.91	34.32
Retained earnings	925.72	842.07
Total	2,489.16	2,397.96

Movement in Other Equity

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Share application money pending allotment		
Opening balance	-	#
Add: stock options exercised but pending allotment	#	-
Less: Shares allotted during the year	-	(#)
Closing balance	#	-
Capital reserve	4.16	4.16
Securities premium reserve		
Opening balance	1,243.25	1,232.03
Add: On shares allotted upon exercise of stock options by the Employees	9.96	11.22
Closing balance	1,253.21	1,243.25

Notes

to the Financial Statements

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
General reserve	201.83	201.83
Statutory reserve (under section 45-IC of The Reserve Bank of India Act, 1934)	59.44	59.44
Capital redemption reserve	12.89	12.89
Stock option outstanding		
Opening balance	38.87	31.23
Add: Additions on account of fresh grants during the year	5.66	24.00
Less: Transferred to securities premium upon exercise of stock options	(9.96)	(11.22)
Less: Reduction on account of options lapsed during the year	(0.79)	(5.14)
	33.78	38.87
Less: Deferred employee compensation	(1.87)	(4.55)
Closing balance	31.91	34.32
Retained earnings:		
Opening balance	842.07	870.62
Add: Profit for the year	127.31	111.30
Add/(less): Other Comprehensive Income	(0.29)	(0.04)
Less: Dividends paid including tax on dividend		
Interim Dividend	-	(41.99)
Final dividend	(42.00)	(92.26)
Tax on dividend	(1.37)	(5.56)
Closing balance	925.72	842.07
Total	2,489.16	2,397.96

20.1 Share application money pending allotment represents equity shares to be issued pursuant to Employee Stock Option Scheme.

20.2 Capital reserve and capital redemption reserves represents reserves created pursuant to the business combination up to year end.

20.3 Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

20.4 General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

20.5 Statutory reserve is the reserve created by transferring the sum not less than 20% of its net profit after tax in terms of Section 45-IC of The Reserve Bank of India Act, 1934.

20.6 Stock option outstanding relates to the stock options granted by the Company to employees under an Employee Stock options Plan (refer note 31)

20.7 Retained earnings represents profits that the company earned till date, less any transfers to General Reserve, Statutory Reserves, Dividends and other distributions paid to the shareholders.

21 Interest Income

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
At Amortised Cost		
Interest on Loans	2.91	22.68
Interest on investments	13.04	-
Total	15.95	22.68

Notes

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22 Fees and Commission Income

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Management and other fees	219.45	120.38
Total	219.45	120.38

23 Net Gain on Fair Value Changes

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on financial instruments designated at FVTPL	21.15	6.61
Total	21.15	6.61

23.1 Net gain/(loss) on fair value changes:

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
-Realised	28.66	20.90
-Unrealised	(7.51)	(14.29)
Total	21.15	6.61

24 Other Income

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Dividend from investments in subsidiaries	35.53	110.37
Dividend from other investments	3.80	3.66
Interest income – on fixed deposits and others (refer note 24.1)	0.43	2.06
Finance income on rent deposit	0.45	0.23
Group Support Service Fees	3.96	3.96
Lease rent	0.27	0.27
Miscellaneous income	2.08	0.29
Total	46.52	120.84

24.1 Interest income is earned on financial assets carried at amortised cost.

25 Finance Costs

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial liabilities (at Amortised Cost):		
- Debt securities	-	19.15
- Borrowing (other than debt securities)	0.55	0.41
- Leased obligations (refer note 35)	7.26	-
Total	7.81	19.56

Notes

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26 Impairment on Financial Instruments

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
On Financial instruments (at Amortised Cost):		
- Trade receivables	2.32	(1.32)
Total	2.32	(1.32)

26.1 Impairment on financial instrument is net of provision for doubtful debts written back of ₹ 4.94 Crore (previous year ₹ 2.30 Crore).

27 Employee Benefits Expense

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, bonus and allowances (refer note 31)	63.22	70.42
Contribution to provident and other funds	2.39	2.32
Gratuity (refer note 36)	0.64	0.61
Staff welfare expenses	0.58	0.77
Total	66.83	74.12

28 Other Expenses

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Space and other related costs	-	11.74
Loss on forfeiture of shares (refer note 8.1)	10.00	-
Support service fees	2.50	2.50
Travelling and conveyance expenses	1.76	1.88
Legal and professional fees	1.65	1.96
Donation	1.33	1.22
Directors' commission	1.24	1.24
Subscription and membership	0.97	1.36
Repairs and maintenance	0.85	0.63
Rates and taxes	0.83	2.60
Motor car expenses	0.63	0.61
Insurance expenses	0.61	0.60
Directors' sitting fees	0.58	0.56
Electricity expenses	0.57	0.57
Advertisement and other related expenses	0.39	0.60
Printing and stationery expenses	0.39	0.40
Communication expenses	0.38	0.41
Information technology expenses	0.35	0.38
Auditors' remuneration (refer note 34)	0.27	0.26
Loss on sale of assets	0.08	0.15
Miscellaneous expenses	1.47	2.01
Total	26.85	31.68

Notes

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29 Tax expense

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	32.16	6.66
Deferred tax	(3.11)	(2.59)
Tax adjustment of earlier years (net)	0.09	0.33
Total income tax expenses recognised in Statement of Profit and Loss	29.14	4.40
Income Tax expense recognised in OCI	0.10	0.02

Reconciliation of total tax charge

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	156.45	115.70
Income tax rate	25.168%	29.120%
Income tax expense	39.38	33.69
Tax Effect of:		
Effect of income that is exempt from tax	(3.71)	(33.21)
Effect of expenses that are not deductible in determining taxable profits	0.22	2.48
Loss/ (Income) taxable at differential rate (net)	(1.97)	1.13
Utilization of temporary differences pertaining to earlier years on which no deferred tax was created	(4.77)	-
Adjustment in respect of earlier years (net)	0.09	0.33
Utilization of brought forward losses	(1.60)	-
Net impact on adoption of new tax rate (net) (Refer note below)	1.49	-
Others	0.01	(0.02)
Total	(10.24)	(29.29)
Income tax expense recognised in Statement of Profit and Loss	29.14	4.40

Note:

The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay corporate tax at reduced rate effective from April 1, 2019, subject to certain conditions. The Company has availed the option of reduced rate which has resulted in deferred tax charge of ₹ 1.49 crore on account of reversal of opening balance of deferred tax assets and write off of unutilized MAT credit balance.

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30 Contingent Liabilities and Commitments:

30.1 Contingent liabilities* :

₹ in Crore

	As At March 31, 2020	As At March 31, 2019
(i) Income Tax Matters under dispute:		
Primarily relates to demands received from income tax authorities for various assessment years, on account of disallowances of expenses u/s 14A of the Income Tax Act, 1961, etc.	34.81	29.38
(ii) Service Tax Matters under dispute:		
Relates to demand received from central excise and service tax authorities in respect of Service Tax on FII Brokerage received in provision of Stock Broking Services, etc.	9.00	9.98

* In respect of above disputed demand, the Company is hopeful of succeeding in appeals and as such does not expect any significant liability to materialize.

30.2 Commitments:

₹ in Crore

	As At March 31, 2020	As At March 31, 2019
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.35	1.32
b) Uncalled liability on account of commitment to subscribe to investment and other partly paid investments	60.12	101.62

31 Employee Stock Option Scheme (ESOS)

The Employee Stock Option Scheme ("the Scheme") provides for grant of stock options to the eligible employees and/or directors ("the Employees") of the Company and/or its subsidiaries. The Stock Options are granted at an exercise price, which is either equal to the fair market price or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee of the Board of the Company.

During the financial year 2019-20, the Nomination and Remuneration Committee has granted 6,62,130 options under Series 12 (previous year 18,48,018 options-Series 11) at an exercise price of ₹ 1/- per option to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Outstanding at the beginning of the year	43,55,624	49,99,654
Add: Granted during the year	6,62,130	18,48,018
Less: Exercised and shares allotted during the year	12,93,184	20,17,448
Less: Exercised but pending allotment	5,000	Nil
Less: Forfeited/cancelled during the year	Nil	5,085
Less: Lapsed during the year	74,338	4,69,515
Outstanding at end of year	36,45,232	43,55,624
Exercisable at end of year	13,35,616	10,87,302

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The Company follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Details of options granted during the current and previous financial year (i.e. series 12 and 11 respectively) 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%	2,20,710	6,16,006	April 18, 2020	April 12, 2019	86.14	131.10
Tranche-2	33.33%	2,20,710	6,16,006	April 18, 2021	April 12, 2020	85.47	129.86
Tranche-3	33.33%	2,20,710	6,16,006	April 18, 2022	April 12, 2021	84.79	128.62
		6,62,130	18,48,018				

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 12)	Previous Year (Series 11)	Current Year (Series 12)	Previous Year (Series 11)	Current Year (Series 12)	Previous Year (Series 11)
Tranche-1	3.00	3.00	7.09%	7.28%	0.4518	0.4474	1.11%
Tranche-2	3.75	3.75	7.26%	7.42%	0.4483	0.4462	1.11%
Tranche-3	4.50	4.50	7.39%	7.52%	0.4438	0.4630	1.11%

Details of options granted under various series are as under:

	Series 6	Series 7	Series 8	Series 9	Series 10	Series 11	Series 12
Grant date	06/05/2013	01/04/2014	16/04/2015	12/05/2016	20/04/2017	12/04/2018	18/04/2019
Options granted	36,45,774	44,85,267	14,44,440	12,55,515	23,19,636	18,48,018	6,62,130
Options exercised till March 31, 2020	30,91,695	38,37,541	12,21,726	10,18,785	10,14,417	3,45,325	N.A.
Options forfeited/ cancelled till March 31, 2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2020	3,76,054	3,57,193	96,294	40,799	3,38,642	2,48,751	28,326
Outstanding at end of year	1,78,025	2,90,533	1,26,420	1,95,931	9,66,577	12,53,942	6,33,804
Exercisable at end of year	1,78,025	2,90,533	1,26,420	1,95,931	3,49,149	1,95,558	N.A.

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	Series 6	Series 7	Series 8	Series 9	Series 10	Series 11	Series 12
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 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	As was determined by the Nomination and Remuneration Committee at its meeting held on April 18, 2019

- Notes: [i] Additionally, an aggregate amount of ₹ 8.41 Crore (Previous year ₹ 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, 3,4 and 5 as on March 31, 2020, the details of options granted has not been included above.
- [iii] Esop cost recognised in Statement of Profit and Loss ₹ 2.62 Crore (Previous year ₹ 6.35 Crore)

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

	₹ in Crore	
	For the year ended March 31, 2020	For the year ended March 31, 2019
JM Financial Institutional Securities Limited	1.75	2.57
JM Financial Services Limited	2.96	3.63
JM Financial Products Limited	1.85	2.83
JM Financial Credit Solutions Limited	0.67	0.68
JM Financial Asset Management Limited	0.40	0.92
Infinite India Investment Management Limited	0.03	0.09
JM Financial Asset Reconstruction Company Limited	0.33	0.74
JM Financial Capital Limited	0.07	0.05
JM Financial Home Loans Limited	0.35	0.13
TOTAL	8.41	11.64

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33 Earnings Per Equity Share (EPS)

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the year, as under:

		For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year (₹ in Crore)	A	127.31	111.30
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	84,08,64,766	83,94,64,985
Basic earnings per share (in ₹)	A/B	1.51	1.33
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	B	84,08,64,766	83,94,64,985
Add: Weighted average number of potential equity shares on account of employee stock options	C	34,25,560	38,27,455
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	D=B+C	84,42,90,326	84,32,92,440
Diluted earnings per share (in ₹)	A/D	1.51	1.32

34 Payment to Auditors (Excluding Goods and Service tax)

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit fees	0.19	0.19
Certification and other matters	0.07	0.06
Reimbursement of Expenses	0.01	0.01
TOTAL	0.27	0.26

35 Lease Transactions

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year ended March 31, 2019.

On the date of initial application i.e. April 1, 2019, the adoption of the new standard resulted in recognition of "Right to Use" asset of ₹ 84.02 Crore and a lease liability of ₹ 79.42 Crore. The weighted average of discount rate applied to lease liabilities as at April 1, 2019 is 9.40%. The Company has recognized depreciation expense on Right to Use asset aggregating ₹ 10.38 Crore and interest expenses on lease liabilities of ₹ 7.26 Crore in the Statement of Profit and Loss for the year ended March 31, 2020. Lease payments during the year have been disclosed under financial activities in the cash flow statements.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

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- Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.

- Applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as March 31, 2019 under Ind AS 17 disclosed under note 38 of annual standalone financial statements forming part of 2019 annual report and the value of lease liability as of April 1, 2019 is primarily on account of discounting the lease liabilities to the present value under Ind AS 116.

Following are the changes in the carrying value of the right of use assets for the year ended March 31, 2020:

₹ in Crore

Category of Right to use asset	Gross Block			Accumulated depreciation			Net Block		
	As at April 1, 2019	Addition	Deletion	As at March 31, 2020	As at April 1, 2019	Addition	Deletion	As at March 31, 2020	As at March 31, 2020
Office premises	-	84.02	-	84.02	-	10.38	-	10.38	73.64
Total	-	84.02	-	84.02	-	10.38	-	10.38	73.64

The aggregate depreciation expenses on right to use assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

Table showing contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crore

	Office premises	
	As at March 31, 2020	As at March 31, 2019
Less than one year	12.38	12.17
One to five years	46.11	46.33
More than five years	53.86	66.02
Total	112.35	124.52

₹ in Crore

	Motor vehicles Minimum lease Payments	
	As at March 31, 2020	As at March 31, 2019
Not later than one year	0.44	0.65
Later than one year and not later than five years	0.43	0.96
Later than five years	-	-
Total	0.87	1.61

Reconciliation of opening lease liability on April 1, 2019

₹ in Crore

	As at April 1, 2019
Total operating lease commitments disclosed at March 31, 2019 (non-cancellable)	115.90
Operating lease commitments of cancellable lease	8.62
Operating lease commitments (on an undiscounted basis)	124.52
Less: future finance costs	(45.10)
Operating lease liabilities recognised under Ind AS 116 at April 1, 2019	79.42

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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36 Employee Benefits

Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating ₹ 2.39 crore (Previous year ₹ 2.32 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.80%	7.55%
Expected rate of salary increase	7% per annum	7% per annum
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

b) Amount recognised in the Statement of Profit and Loss in respect of these defined benefit obligation

	₹ in Crore	
	As at March 31, 2020	As at March 31, 2019
Current service cost	0.33	0.30
Net interest cost	0.31	0.31
Total amount recognised in the Statement of Profit and Loss	0.64	0.61

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	-	(#)
- Actuarial (gain)/loss from change in financial assumptions	0.30	0.10
- Actuarial (gain)/loss from change in experience adjustments	0.09	(0.04)
Total amount recognised in other comprehensive income	0.39	0.06

amount below ₹ 50,000

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

c) Movement in the present value of the defined benefit obligation are as follows:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	4.41	4.35
Current service cost	0.33	0.30
Interest cost	0.31	0.31
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	-	(#)
Actuarial (gain)/loss from change in financial assumptions	0.30	0.10
Actuarial (gain)/loss from change in experience adjustments	0.09	(0.04)
Benefits paid	(0.31)	(0.41)
Liabilities assumed/settled	(0.10)	(0.20)
Closing defined benefit obligation	5.03	4.41

amount below ₹ 50,000

d) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation (base)	5.03	4.41

₹ in Crore

	As at March 31, 2020		As at March 31, 2019	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	4.83	5.25	4.24	4.51
Impact of increase in 50 bps on DBO	(4.04%)	4.33%	(3.93%)	2.00%
Defined benefit obligation on decrease in 50 bps	5.25	4.83	4.60	4.32
Impact of decrease in 50 bps on DBO	4.36%	(4.06%)	4.23%	(2.03%)

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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:

Particulars	₹ in Crore	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Expected benefits for year 1	0.81	0.57
Expected benefits for year 2	0.22	0.55
Expected benefits for year 3	0.25	0.22
Expected benefits for year 4	0.83	0.24
Expected benefits for year 5	0.22	0.77
Expected benefits for year 6	0.54	0.20
Expected benefits for year 7	0.58	0.49
Expected benefits for year 8	0.54	0.55
Expected benefits for year 9	0.61	0.50
Expected benefits for year 10 and above	5.78	5.77

The weighted average duration of the defined benefit obligation is 8.52 years (previous year 8.16 years)

37 Disclosure in respect of related parties pursuant to Ind AS 24 on 'Related Party Disclosures':

List of related parties

I) Parties where control exists:

a) Subsidiaries

JM Financial Institutional Securities Limited (IED)
 JM Financial Services Limited (Financial Services)
 JM Financial Properties and Holdings Limited (Properties)
 Infinite India Investment Management Limited (Infinite)
 JM Financial Commtrade Limited (Commtrade)
 CR Retail Malls (India) Limited (CRRM)
 JM Financial Capital Limited (Capital)
 JM Financial Products Limited (Products)
 JM Financial Credit Solutions Limited (Credit Solutions)
 JM Financial Home Loans Limited (Home Loans)
 JM Financial Asset Management Limited (AMC)
 JM Financial Asset Reconstruction Company Limited and its subsidiaries (ARC)
 JM Financial Overseas Holdings Private Limited (Overseas)
 JM Financial Singapore Pte Ltd (Singapore)
 JM Financial Securities, Inc. (USA)

b) Partnership Firm

Astute Investments (Astute)

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II) Parties with whom the transactions were carried out during the current / previous year

a) Associate

JM Financial Trustee Company Private Limited (Trustee)

b) Key management personnel

Mr. Vishal Kampani (VNK)

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)

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	Subsidiaries*		Associate	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 Crore
	2019-20	2018-19		2019-20	2018-19		2019-20	2018-19	2019-20	2018-19	
Related Party Disclosures:											
Investments made in debentures											
ARC	183.37	-	-	-	-	-	-	-	-	-	183.37
Investments made in preference shares											
Financial Services	-	50.25	-	-	-	-	-	-	-	-	50.25
Investments made in equity shares											
Credit Solutions	-	185.00	-	-	-	-	-	-	-	-	185.00
Sale of Fixed assets to											
Financial Services	-	0.02	-	-	-	-	-	-	-	-	0.02
Employee related liabilities transfers to											
Properties	0.01	-	-	-	-	-	-	-	-	-	0.01
Products	0.10	0.07	-	-	-	-	-	-	-	-	0.10
Credit Solutions	-	0.15	-	-	-	-	-	-	-	-	0.15
JMFICS	-	-	-	-	-	-	-	-	0.03	-	0.03
Employee related liabilities transfers from											
IED	-	0.06	-	-	-	-	-	-	-	-	0.06
ICDs placed											
ARC	40.00	-	-	-	-	-	-	-	-	-	40.00
Properties	50.00	-	-	-	-	-	-	-	-	-	50.00
Infinite	-	100.00	-	-	-	-	-	-	-	-	100.00
CRRM	-	36.00	-	-	-	-	-	-	-	-	36.00
Credit Solutions	-	100.00	-	-	-	-	-	-	-	-	100.00
Financial Services	20.00	-	-	-	-	-	-	-	-	-	20.00
Capital	50.00	-	-	-	-	-	-	-	-	-	50.00
ICDs repaid by											
Credit Solutions	-	100.00	-	-	-	-	-	-	-	-	100.00
ARC	40.00	-	-	-	-	-	-	-	-	-	40.00
Properties	50.00	-	-	-	-	-	-	-	-	-	50.00
Infinite	-	100.00	-	-	-	-	-	-	-	-	100.00
CRRM	36.00	-	-	-	-	-	-	-	-	-	36.00
Financial Services	20.00	-	-	-	-	-	-	-	-	-	20.00
Capital	50.00	-	-	-	-	-	-	-	-	-	50.00

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	Subsidiaries*		Associate	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 Crore
	2019-20	2018-19		2019-20	2018-19		2019-20	2018-19	2019-20	2018-19	
Loan given											
Astute	27.72	565.61	-	-	-	-	-	-	-	-	27.72
Loan repaid											
Astute	27.72	565.61	-	-	-	-	-	-	-	-	27.72
Dividend received from											
Products	10.82	91.96	-	-	-	-	-	-	-	-	10.82
AMC	-	11.11	-	-	-	-	-	-	-	-	11.11
CRRM	-	7.30	-	-	-	-	-	-	-	-	7.30
Overseas	24.57	-	-	-	-	-	-	-	-	-	24.57
Credit Solutions	0.13	-	-	-	-	-	-	-	-	-	0.13
IED	#	-	-	-	-	-	-	-	-	-	#
Fees Sharing, Sub brokerage Paid to											
Financial Services	1.84	9.18	-	-	-	-	-	-	-	-	1.84
IED	28.07	19.54	-	-	-	-	-	-	-	-	28.07
Secondary brokerage Paid to											
Financial Services	0.05	0.03	-	-	-	-	-	-	-	-	0.05
Dividend paid to											
JMFICS	-	-	-	-	-	-	-	-	10.80	32.55	10.80
J.M.Assets	-	-	-	-	-	-	-	-	5.15	16.49	5.15
JSB	-	-	-	-	-	-	-	-	0.33	1.04	0.33
KCL	-	-	-	-	-	-	-	-	0.03	0.11	0.03
SNK	-	-	-	-	-	-	-	-	0.59	1.88	0.59
NNK	-	-	-	-	-	-	-	-	6.29	21.66	6.29
ARNK	-	-	-	-	-	-	-	-	1.77	6.15	1.77
VNK	-	-	-	-	-	-	-	-	0.57	1.72	0.57
AG	-	-	-	-	-	-	-	-	0.40	1.28	0.40
PICPL	-	-	-	-	-	-	-	-	0.08	0.26	0.08
Trustee	-	-	0.06	0.18	-	-	-	-	-	-	0.06
Group support fees received from											
Credit Solutions	1.98	1.98	-	-	-	-	-	-	-	-	1.98
ARC	1.98	1.98	-	-	-	-	-	-	-	-	1.98
Lead managers fees received from											
Credit Solutions	-	0.16	-	-	-	-	-	-	-	-	0.16
Products	0.30	-	-	-	-	-	-	-	-	-	0.30

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	Subsidiaries*		Associate		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		
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Security deposits paid to	7.21	7.21	-	-	-	-	-	-	-	-	-	-	-	7.21	7.21
Properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JMFICS	-	-	-	-	-	-	-	-	-	-	-	0.54	0.54	0.54	0.54
J.M.Assets	-	-	-	-	-	-	-	-	-	-	-	0.84	0.84	0.84	0.84
ICDs receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CRRM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36.00
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ARC	11.01	-	-	-	-	-	-	-	-	-	-	-	-	11.01	-
Receivable from	0.68	-	-	-	-	-	-	-	-	-	-	-	-	0.68	-
ARC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount payable to	0.34	0.36	-	-	-	-	-	-	-	-	-	-	-	0.34	0.36
IED	1.21	1.29	-	-	-	-	-	-	-	-	-	-	-	1.21	1.29
Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JMFICS	-	-	-	-	-	-	-	-	-	-	-	0.67	-	0.67	-
EAK	-	-	-	-	0.22	0.22	-	-	-	-	-	-	-	0.22	0.22
DEU	-	-	-	-	0.20	0.20	-	-	-	-	-	-	-	0.20	0.20
PSZ	-	-	-	-	0.21	0.20	-	-	-	-	-	-	-	0.21	0.20
VJK	-	-	-	-	0.22	0.22	-	-	-	-	-	-	-	0.22	0.22
KBD	-	-	-	-	0.20	0.20	-	-	-	-	-	-	-	0.20	0.20
JMP	-	-	-	-	0.20	0.20	-	-	-	-	-	-	-	0.20	0.20

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

(ii) There are no provisions for doubtful debts or amount written off or written back during the year/period in respect of debits due from/ due to related parties.

(iii) The remuneration excludes provision for gratuity as the incremental liability has been accounted for the Company as a whole.

(iv) The transactions disclosed above are exclusive of GST and Service tax, as applicable.

(v) Refer note. 8.1

Notes

to the Financial Statements

38 Maturity Analysis of Assets and Liabilities

₹ in Crore

	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
1 Financial Assets						
A Cash and cash equivalents	14.73	-	14.73	7.19	-	7.19
B Bank balances other than cash and cash equivalents	7.20	-	7.20	8.10	-	8.10
C Trade Receivables	22.35	-	22.35	10.04	-	10.04
D Loans	-	-	-	36.00	-	36.00
E Investments	218.45	2,309.99	2,528.44	142.51	2,246.28	2,388.79
F Other Financial assets	15.08	5.89	20.97	10.49	3.05	13.54
	277.81	2,315.88	2,593.69	214.33	2,249.33	2,463.66
2 Non-financial Assets						
A Current tax Assets (Net)	-	168.10	168.10	-	180.17	180.17
B Property, Plant and Equipment	-	76.85	76.85	-	4.91	4.91
C Other Intangible assets	-	0.25	0.25	-	0.36	0.36
D Other non-financial assets	4.21	0.04	4.25	3.53	4.48	8.01
	4.21	245.24	249.45	3.53	189.92	193.45
Total Assets	282.02	2,561.12	2,843.14	217.86	2,439.25	2,657.11

₹ in Crore

	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
1 Financial Liabilities						
A Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.03	-	0.03	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.69	-	3.69	3.03	-	3.03
B Borrowings (Other than Debt Securities)	0.35	0.37	0.72	0.47	0.82	1.29
C Other financial liabilities	34.47	68.88	103.35	30.56	-	30.56
	38.54	69.25	107.79	34.06	0.82	34.88
2 Non-Financial Liabilities						
A Provisions	2.45	8.83	11.28	2.30	8.46	10.76
B Deferred tax liabilities (net)	-	122.42	122.42	-	125.63	125.63
C Other non-financial liabilities	28.37	-	28.37	3.89	-	3.89
	30.82	131.25	162.07	6.19	134.09	140.28
Total Liabilities	69.36	200.50	269.86	40.25	134.91	175.16

Note: Information on maturity pattern is based on the reasonable assumptions made by the management.

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39 Financial Instruments

a) Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves attributable to the equity shareholders of the Company. The primary objective of the company, when managing capital, is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure, so as to maximize shareholders' value. As at March 31, 2020, the Company has only one class of equity shares and has low debt. Consequently to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or reinvestments into business based on its long term financial plans.

The Company monitors capital structure on the basis of total debt to equity and maturity profile of overall debt portfolio of the Company.

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Borrowings	-	-
Gross debt	-	-
Total equity	2,573.28	2,481.95
Adjusted net debt to equity ratio	-	-

b) Categories of financial instruments

₹ in Crore

As at March 31, 2020	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	14.73	14.73
Bank balances other than cash and cash equivalents	-	-	7.20	7.20
Trade receivables	-	-	22.35	22.35
Investments in subsidiaries and associates	-	-	2,142.66	2,142.66
Investments other than those in subsidiaries and associates	385.78	-	-	385.78
Other Financial assets	-	-	20.97	20.97
Total	385.78	-	2,207.91	2,593.69
Financial liabilities				
Trade payables	-	-	3.72	3.72
Borrowings (other than debt securities)	-	-	0.72	0.72
Other Financial Liabilities	-	-	103.35	103.35
Total	-	-	107.79	107.79

₹ in Crore

As at March 31, 2019	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	7.19	7.19
Bank balances other than cash and cash equivalents	-	-	8.10	8.10
Trade receivables	-	-	10.04	10.04

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₹ in Crore

As at March 31, 2019	FVTPL	FVTOCI	Amortised Cost	Total
Loans	-	-	36.00	36.00
Investments in subsidiaries and associates	-	-	1,969.20	1,969.20
Investments other than those in subsidiaries and associates	419.59	-	-	419.59
Other Financial assets	-	-	13.54	13.54
Total	419.59	-	2,044.07	2,463.66
Financial liabilities				
Trade payables	-	-	3.03	3.03
Borrowings (other than debt securities)	-	-	1.29	1.29
Other Financial Liabilities	-	-	30.56	30.56
Total	-	-	34.88	34.88

c) Fair value measurement

This note provides information about how the Company determines fair value of various financial assets and financial liabilities

(i) Financial instruments measured at Fair Value:

₹ in Crore

As at March 31, 2020	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	157.42	157.42	-	-	157.42
Investments in VCF	51.35	-	6.21	45.14	51.35
Investments in Equity Instruments	177.01	0.08	-	176.93	177.01
Total	385.78	157.50	6.21	222.07	385.78

₹ in Crore

As at March 31, 2019	Fair Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	142.52	142.52	-	-	142.52
Investments in VCF	90.16	-	90.16	-	90.16
Investments in Equity Instruments	186.91	8.27	178.64	-	186.91
Total	419.59	150.79	268.80	-	419.59

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.

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Level 2: These includes instruments which does not have an active market hence the fair value is determined using observable market data such as latest declared NAV/ recent market deals.

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2020.

₹ in Crore

	Equity Shares	VCF Units
As at March 31, 2019	-	-
Reclassification from level 2 to level 3	184.82	53.52
Net (Loss)/Gain on fair value changes	(7.89)	(8.38)
As at March 31, 2020	176.93	45.14

Sensitivity for instruments:

₹ in Crore

Nature of the instrument	Fair Value As at March 31, 2020	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2020	
				FV Increase	FV Decrease
Investment in Equity Shares	176.93	Impact estimated by the management considering current market conditions	5%	1.45	(1.45)
Investment in VCF Units	45.14	Impact estimated by the management considering current market conditions	5%	0.43	(0.43)

Impact of COVID-19:

Impact of Covid-19 pandemic has been considered on the observable and unobservable inputs used for the purpose of valuation of investment in certain Equity shares and VCF units. Consequently, these investments have been reclassified from level 2 to level 3 during the year. Further, the Company has made necessary adjustments to the timing of cash flows and values to be realized for the purpose of determination of the fair values of these investments carried at FVTPL.

(ii) Financial instruments measured at amortised cost:

The carrying amount of financial assets and liabilities measured at amortised cost are reasonable approximation of their fair values. Since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

d) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk ; and
- Market risk (including currency risk and interest rate risk)

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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.

i) Credit risk

Credit Risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, other balances with banks, loans and other receivables.

The Company has adopted a Policy of dealing with counter parties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counter parties are continuously monitored.

Credit risk arising from trade receivables are reviewed periodically and based on past experience and history. Management is confident of recovering all the dues. Credit risk arises from Investments and other balances with banks is limited and there is no collateral held against these became the counter parties are bank and recognised financial institutions with high credit ratings assigned by the credit rating agencies.

The ageing of trade receivables:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Past due 0–180 days	22.35	8.27
More than 180 days	-	6.71
Total	22.35	14.98

Movement of Provision for Impairment:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Opening balance	4.94	6.32
Provisions made	-	0.92
Provisions written back	(4.94)	(2.30)
Closing Balance	-	4.94

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity may be affected due to severe liquidity crunch in the market or due to market disruptions where the Company is unable to access public funds. The Company's exposure to liquidity risk arises primarily from mismatch of maturities of financial assets and liabilities.

However the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

The Company attempts to minimize this risk through a mix of strategies such as short-term funding. The Company also monitors liquidity risk through adequate bank sanction limits at the beginning of each fiscal. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term.

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Exposure to liquidity risk

The table below summarizes the maturity profile remaining contractual maturity period at the balance sheet date for its financial liabilities based on undiscounted cash flows.

₹ in Crore

March 31, 2020	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities					
Trade Payables	3.72	3.72	-	-	-
Borrowings (other than debt securities)	0.72	0.35	0.37	-	-
Other financial liabilities	103.35	34.47	10.38	13.91	44.59
Total	107.79	38.54	10.75	13.91	44.59
Financial Assets					
Cash and Cash Equivalents	14.73	14.73	-	-	-
Bank balances other than cash and cash equivalents	7.20	7.20	-	-	-
Trade Receivables	22.35	22.35	-	-	-
Financial Assets at Amortised Cost	20.97	15.08	0.76	0.01	5.12
Investments (other than investment in subsidiaries and associates)	385.78	218.45	-	-	167.33
Total	451.03	277.81	0.76	0.01	172.45

₹ in Crore

March 31, 2019	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities					
Trade Payables	3.03	3.03	-	-	-
Borrowings (other than debt securities)	1.29	0.47	0.82	-	-
Other financial liabilities	30.56	30.56	-	-	-
Total	34.88	34.06	0.82	-	-
Financial Assets					
Cash and Cash Equivalents	7.19	7.19	-	-	-
Bank balances other than cash and cash equivalents	8.10	8.10	-	-	-
Trade Receivables	10.04	10.04	-	-	-
Loans	36.00	36.00	-	-	-
Financial Assets at Amortised Cost	13.54	10.49	-	-	3.05
Investments (other than investment in subsidiaries and associates)	419.59	142.51	-	-	277.08
Total	494.46	214.33	-	-	280.13

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iii) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and equity price risk as explained below:

a) Foreign currency risk:

The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. The Company is exposed to currency risk significantly on account of its trade payables and trade receivables denominated in foreign currency. The functional currency of the Company is Indian Rupee. The Company wherever required hedges its foreign currency risk by using Derivative Instruments (Forward Contracts).

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follow:

i) Foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

	Currency type	As at March 31, 2020		As at March 31, 2019	
		Amount in Foreign Currency	₹ in Crore	Amount in Foreign Currency	₹ in Crore
Trade Payable	GBP	-	-	3,861.56	0.04
	GBP	3,71,149.00	3.45	-	-
Trade Receivable	EURO	7,63,806.00	6.34	-	-
	USD	-	-	62,881.00	0.43

Foreign currency sensitivity analysis:

The Group is mainly exposed to USD, EURO 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.

₹ in Crore

Effect in INR	% Change	Profit or Loss	
		March 31, 2020	March 31, 2019
GBP	5% Increase	(0.17)	(#)
	5% Decrease	0.17	#
EURO	5% Increase	(0.32)	-
	5% Decrease	0.32	-
USD	5% Increase	-	(0.02)
	5% Decrease	-	0.02

denotes amount below ₹ 50,000/-

b) Equity Price Risk:

Equity price risk is related to the change in market reference price of the instruments in quoted and unquoted securities. The fair value of some of the Company's investments exposes to company to equity price risks. In general, these securities are not held for trading purposes.

Equity Price Sensitivity analysis:

The fair value of equity instruments other than investment in subsidiaries and associates as at March 31, 2020 and March 31, 2019 was ₹ 0.08 Crore and ₹ 186.91 Crore respectively. A 5% change in price of equity instruments held as at March 31, 2020 and March 31, 2019 would result in:

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₹ in Crore

% Change	Profit or Loss	
	March 31, 2020	March 31, 2019
5% Increase	#	9.35
5% Decrease	(#)	(9.35)

Denotes amount below ₹ 50,000/-

40 Earnings In Foreign Currency

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from investment banking services	19.67	2.85
Income from dividend	24.57	-
Total	44.24	2.85

41 Expenditure in Foreign Currency

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Directors commission and fees	0.20	0.20
Travelling expenses	0.33	0.42
Legal and professional fees	0.01	0.32
Others	0.20	0.96
Total	0.74	1.90

42 Details of expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereto.

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year.	0.33	0.21
b) Amount spent during the year:		
In cash	0.33	0.22
Yet to be paid in cash	-	-
Total	0.33	0.22
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.33	0.22

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43 Dividend Payable to Non-resident Shareholders:

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends payable to non-resident shareholders (including Foreign Institutional Investors) are as under:

	2019-20 (Final Dividend)	2018-19 (Interim Dividend)	2018-19 (Final Dividend)
a) Number of non-resident shareholders	1,297	1,291	1,266
b) Number of equity shares held by them	13,45,09,655	16,35,87,345	15,13,91,567
c) (i) Amount of dividend paid (Gross) (₹ in Crore)	6.73	8.18	16.65
(ii) Tax deducted at source (₹ in Crore)	-	-	-
(iii) year to which dividend relates	2018-19	2018-19	2017-18

44 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in Crore

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Asset Reconstruction Company Limited	Subsidiary	40.00 (-)	- (-)
JM Financial Services Limited	Subsidiary	20.00 (-)	- (-)
JM Financial Capital Limited	Subsidiary	50.00 (-)	- (-)
JM Financial Properties and Holdings Limited	Subsidiary	50.00 (-)	- (-)
JM Financial Credit Solutions Limited	Subsidiary	- (100.00)	- (-)
Infinite India Investment Management Limited	Subsidiary	- (100.00)	- (-)
CR Retail Malls (India) Limited	Subsidiary	36.00 (36.00)	- (36.00)
Astute Investments	Partnership Firm	27.72 (490.61)	- (-)

All the above loans and advances have been given for business purposes. Figures in brackets are for the previous year.

45 The Board of Directors of the Company has recommended a dividend of ₹ 0.20 per equity share of the face value of ₹ 1/- each for the year ended March 31, 2020 (Previous Year: final dividend was ₹ 0.50 per equity share and interim dividend was ₹ 0.50 per equity share). The said dividend will be paid, if approved by the shareholders at the Thirty Fifth Annual General Meeting.

Notes

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46 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The extent to which the COVID-19 pandemic will impact the Company's future results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of its financial assets. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

47 The Financial Statements are approved for issue by the Board of Directors at its meeting held on May 06, 2020.

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

Place : Mumbai
Date: May 06, 2020

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 subsidiary/associate companies as on March 31, 2020

Part "A": Subsidiaries

₹ / US\$ / SGD in Crore

Name of the Subsidiary	Currency	Share Capital	Other Equity ^a	Total assets including investments	Total liabilities ^b	Investments ^c	Turnover	Profit / (Loss) before Tax	Provision for tax	Profit / (Loss) after Tax	Proposed Dividend	% of shareholding
JM Financial Products Limited	₹	544.50	1,162.77	5,383.16	3,675.89	1,173.96	840.71	230.68	70.55	160.13	16.34	99.35%
JM Financial Services Limited	₹	50.00	366.01	1,414.33	998.32	33.92	333.55	10.92	3.08	7.84	-	100.00%
JM Financial Comtrade Limited	₹	5.00	20.38	28.34	2.96	10.18	2.49	0.81	0.13	0.68	-	100.00%
JM Financial Institutional Securities Limited	₹	6.30	72.01	161.88	83.58	-	118.14	25.58	6.61	18.97	#	100.00%
JM Financial Capital Limited	₹	225.00	53.91	317.51	38.60	87.92	66.62	20.28	5.41	14.87	-	100.00%
Infinite India Investment Management Limited	₹	1.60	15.71	20.08	2.77	0.02	4.87	3.94	0.99	2.95	-	100.00%
CR Retail Malls (India) Limited	₹	20.00	16.94	147.78	110.84	38.44	22.55	9.92	2.22	7.70	-	100.00%
JM Financial Credit Solutions Limited	₹	2.83	3,288.44	8,199.68	4,908.41	907.14	1,309.79	534.97	152.62	382.35	0.42	46.68%
JM Financial Home Loans Limited	₹	150.00	(0.92)	329.99	180.91	-	50.54	6.56	(0.82)	7.38	-	98.36%
JM Financial Asset Reconstruction Company Limited [Refer Note (d)]	₹	344.64	1,194.14	4,189.53	2,650.75	1,164.22	413.50	80.77	33.09	47.68	-	59.25% ^e
JM Financial Asset Management Limited	₹	53.33	168.17	240.64	19.14	169.44	64.77	22.49	5.92	16.57	-	59.54%
JM Financial Properties and Holdings Limited	₹	3.00	120.37	320.12	196.75	26.68	91.35	14.45	2.87	11.58	-	100.00%
JM Financial Overseas Holdings Private Limited	₹*	90.46	62.89	153.60	0.25	30.55	6.72	0.66	0.10	0.56	-	100.00%
	US\$	1.20	0.84	2.04	#	0.41	0.09	0.01	#	0.01	-	
JM Financial Singapore Pte. Ltd.	₹*	37.61	(27.33)	13.98	3.70	-	2.78	(4.83)	0.25	(5.08)	-	100.00%
	SGD	0.71	(0.52)	0.26	0.07	-	0.05	(0.09)	0.01	(0.10)	-	
JM Financial Securities, INC	₹*	#	9.63	11.20	1.57	-	6.83	0.85	0.64	0.21	-	100.00%
	US\$	#	0.13	0.15	0.02	-	0.09	0.01	0.01	#	-	

* Exchange rate as on March 31, 2020 (or last working day prior to March 31, 2020): 1 US\$ = ₹75.39 and 1 SGD = ₹52.98

Denotes amount less than ₹ / US\$ / SGD 50,000

Notes

- Other Equity includes Non-controlling interest, wherever applicable.
- Total liabilities exclude share capital and other equity.
- Investments exclude investment in subsidiaries under consolidation.
- The numbers presented are as per consolidated financial statements of JM Financial Asset Reconstruction Company Limited (JMFARC).
- Compulsory convertible debentures issued by JMFARC to the Company are not taken into consideration.

Form AOC - 1 (Contd.)

Part "B": Associate

₹ in Crore

Particulars	JM Financial Trustee Company Private Limited
Latest audited Balance Sheet Date	March 31, 2020
Shares of Associate held by the Company at the year end	
Nos.	25,000
Amount Invested in Associate	0.03
Extent of Holding%	25.00%
Description of ownership to determine significant influence	Ownership of 20% or more of the voting power
Reason why the associate is not consolidated	Ownership of not more than 50 % of the voting Power and no control over the Board
Net worth attributable to shareholding as per latest audited Balance Sheet	9.90
Profit for the year	1.64
(i) Considered in Consolidation	0.41
(ii) Not Considered in Consolidation	1.23

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 Company") 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, 2020, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows 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, 2020 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.

Emphasis of Matter

We draw attention to Note 50 to the consolidated financial statements, which describes that the potential impact of the

COVID-19 Pandemic on the results of certain subsidiaries and consequently the Group's results are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

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. Impairment of loans measured at amortised cost (refer note 8 to the consolidated financial statements)

Key Audit Matter Description

As at the year end, the Group has reported financial assets carried at amortised cost in form of loans granted by subsidiaries aggregating ₹ 11,900.13 Crore net of provision for expected credit loss of ₹ 340.29 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 which also include considering the impact of recent RBI's COVID-19 regulatory circulars.
- 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.
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID-19 Pandemic.
- The disclosures made in the consolidated financial statements for ECL especially in relation to judgements and estimates by the Management

Independent Auditors' Report (Contd.)

in determination of the ECL. Refer note 48 to the consolidated financial statements.

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:
 - o Identification and classification of loans which have impaired in correct buckets.
 - o Validation of the Model used for impairment provision.
 - o Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision.
 - o Completeness and accuracy of the data inputs used.
- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands. The auditors critically assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by management as potentially impaired, examined these on a sample basis, checked the calculation of the impairment, critically 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 tested their judgement by reviewing information such as the counterparty's payment history and other documentary evidence and representations.
- Performed an overall assessment of the ECL provision levels at each stage including management's assessment on COVID-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.

- Assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

B. 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 ₹1,155.39 Crore as at March 31, 2020.
- Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating ₹1,965.16 Crore as at March 31, 2020.

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, discount rate used and other assumptions. Further, the Group has applied judgements in estimating the cash flows considering the current uncertain economic environment with the range of possible effects unknown to the Group arising out of the COVID-19 Pandemic. In view of the complexities and significant judgements involved we 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 etc.

- 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 evidence.
- Compared the historical estimates of the cash flows with the actual recoveries and obtain explanations for the variations, if any.
- Assessed the reasonableness of the judgements in estimating the cash flows in response to COVID-19 related economic uncertainty and corroborated the assumptions based on the information used by the Group.

Information Other than the Financial Statements and Auditors' Report Thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and Corporate Governance Report (but does not include the financial statements and our auditors' report thereon) which we obtained prior to the date of this auditor's report and the Management Discussion and Analysis, which is expected to be made available to us after that date.

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 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 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

Independent Auditors' Report (Contd.)

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 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 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.

We communicate with those charged with governance of the Parent Company 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 Matter

We did not audit the financial statements of ten subsidiaries whose financial statements reflect total assets of ₹7,832.63 Crore as at March 31, 2020, total revenues of ₹1,452.44 Crore and net cash inflows amounting to ₹156.41 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.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

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 Statement of Cash Flows 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 Company and taken on record by the Board of Directors of the Parent Company 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, 2020 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 Company, 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 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 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 Company and its subsidiary companies and associate company incorporated in India.

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN 20109839AAAAFL7463

Mumbai, dated: May 6, 2020

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, 2020, we have audited the internal financial controls over financial reporting of JM Financial Limited (hereinafter referred to as "the Parent Company") 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 Company, 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 Company, 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 Company, 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 Company, 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, 2020, 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 Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, dated: May 6, 2020

Consolidated Balance Sheet

as at March 31, 2020

₹ in Crore

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial Assets			
Cash and cash equivalents	4	809.90	751.77
Bank balances other than cash and cash equivalents	5	519.50	530.47
Derivative financial instruments	6	1.26	-
Trade receivables	7	324.25	685.05
Loans	8	11,900.13	14,336.93
Investments	9	4,014.45	2,933.34
Other financial assets	10	2,382.32	2,686.53
Total Financial Assets		19,951.81	21,924.09
Non-financial Assets			
Current tax assets (Net)	11	295.89	255.63
Property, plant and equipment	12	387.40	359.12
Capital work-in-progress	12	0.69	1.35
Other Intangible assets	12	10.14	11.99
Goodwill on consolidation		52.44	52.44
Other non-financial assets	13	47.15	35.47
Total Non-Financial Assets		793.71	716.00
Total Assets		20,745.52	22,640.09
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative financial instruments	6	1.22	-
Trade payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		0.98	0.28
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		438.87	416.82
Debt securities	15	8,235.26	9,722.83
Borrowings (other than debt securities)	16	3,520.41	4,268.28
Other financial liabilities	17	271.55	345.80
Total Financial Liabilities		12,468.29	14,754.01
Non-Financial Liabilities			
Provisions	18	47.88	42.20
Deferred tax liabilities (net)	19	27.21	43.76
Other non-financial liabilities	20	67.71	33.98
Total Non-Financial Liabilities		142.80	119.94

Consolidated Balance Sheet (Contd.)

as at March 31, 2020

₹ in Crore

	Note No.	As at March 31, 2020	As at March 31, 2019
EQUITY			
Equity share capital	21	84.12	83.99
Other equity	22	5,554.65	5,047.70
Equity attributable to owners of the Company		5,638.77	5,131.69
Non-controlling interests		2,406.89	2,150.40
Non-controlling interests of Security receipts holders under Distressed Credit Business		88.77	484.05
Total Equity		8,134.43	7,766.14
Total Liabilities and Equity		20,745.52	22,640.09
The accompanying notes form an integral part of the consolidated financial statements	1 to 51		

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

G.K.Subramaniam
Partner
Membership No: 109839

Place : Mumbai
Date: May 06, 2020

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

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

₹ in Crore

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income:			
Revenue from Operations			
Interest Income	23	2,281.27	2,364.94
Fees and commission Income	24	646.26	576.83
Brokerage Income	25	202.70	190.21
Net gain on fair value changes	26	175.53	223.25
Net gain on derecognition of financial instruments carried at amortised cost	27	18.02	1.79
Other Operating Income	28	108.25	122.13
		3,432.03	3,479.15
Other Income	29	21.52	20.34
Total Revenue		3,453.55	3,499.49
Expenses:			
Finance costs	30	1,385.86	1,446.21
Impairment on financial instruments	31	233.72	35.12
Employee benefits expense	32	395.41	421.61
Depreciation and amortisation expense	12	41.04	27.11
Other expenses	33	304.00	286.65
Total expenses		2,360.03	2,216.70
Profit before tax		1,093.52	1,282.79
Tax expense	34		
Current tax		328.52	489.23
Deferred tax		(15.92)	(42.49)
Tax adjustment of earlier years(net)		3.38	(0.43)
Total tax expense		315.98	446.31
Profit for the year		777.54	836.48
Add : Share in profit of associate		0.41	0.57
Profit after tax and share in profit of associate		777.95	837.05
Other Comprehensive Income (OCI)			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		9.87	8.37
(ii) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		(1.60)	(0.79)
- Share in other comprehensive income of associate		#	#
- Income tax on above		0.41	0.24
Total Other Comprehensive Income (Net of tax)		8.68	7.82
Total Comprehensive Income		786.63	844.87

Consolidated Statement of Profit and Loss (Contd.)

for the year ended March 31, 2020

₹ in Crore

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit Attributable to:			
Owners of the Company		544.98	572.18
Non-controlling interests		232.97	264.87
Other Comprehensive Income Attributable to:			
Owners of the Company		8.78	7.93
Non-controlling interests		(0.10)	(0.11)
Total Comprehensive Income Attributable to:			
Owners of the Company		553.76	580.11
Non-controlling interests		232.87	264.76
Earnings per equity share (EPS)			
(face value of ₹1/- each)	36		
Basic EPS (in ₹)		6.48	6.82
Diluted EPS (in ₹)		6.45	6.79
The accompanying notes form an integral part of the consolidated financial statements	1 to 51		

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

G.K.Subramaniam
 Partner
 Membership No: 109839

Place : Mumbai
 Date: May 06, 2020

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 Cash Flow Statement

for the year ended March 31, 2020

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
Profit before tax	1,093.52	1,282.79
Adjustment for:		
Depreciation and amortisation expense	41.04	27.11
Amortisation of deferred employee compensation (ESOP)	11.03	17.99
Impairment on financial instruments	233.72	35.12
Assets written-off	25.47	1.82
Loss on sale of fixed assets	0.01	0.20
Net gain on fair value changes	(175.53)	(223.25)
Dividend income	(4.41)	(3.67)
Interest income	(77.87)	(84.68)
Finance cost on lease obligations	5.88	1.15
Operating profit before working capital changes	1,152.86	1,054.58
Adjustment for:		
Decrease in trade receivables	351.09	166.68
(Increase) in derivative financial instruments (net)	(0.23)	-
Decrease in loans	2,214.75	574.99
(Increase) in other financial assets	(123.41)	(690.24)
(Increase) in other non-financial assets	(10.62)	(11.08)
Increase in trade payables	31.69	71.82
(Decrease)/Increase in other financial liabilities	(117.65)	132.09
Increase in provisions	4.08	4.27
Increase/(decrease) in other non-financial liabilities	33.73	(26.74)
Cash generated from operations	3,536.29	1,276.37
Direct taxes paid (net)	(372.16)	(503.10)
Net cash generated from operating activities	3,164.13	773.27
B Cash flow from investing activities		
Purchase of investments	(1,635.64)	(815.51)
Proceeds from sale of investments	650.83	249.41
Purchase of fixed assets	(9.96)	(18.16)
Proceeds from sale of fixed assets	0.11	0.10
Decrease in other bank balances	10.97	347.40
Interest received	77.87	84.68
Dividend received	4.41	3.67
Net cash (used in) investing activities	(901.41)	(148.41)

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2020

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
C Cash flow from financing activities		
Proceeds from issue of shares on exercise of options	0.13	0.20
Proceeds from issue of securities / security receipts to non-controlling interest shareholders - net of share issue expenses	97.17	650.38
(Repayment of) Debt Securities (net)	(1,487.57)	(768.24)
(Repayment of) Borrowings other than Debt Securities (net)	(747.25)	(229.97)
(Repayment of) lease obligations (including interest)	(21.10)	(2.27)
Dividend paid on equity shares (including dividend distribution tax)	(45.91)	(172.27)
Net cash (used in) financing activities	(2,204.53)	(522.17)
Net increase in cash and cash equivalents before consolidation effect	58.19	102.69
Less: opening cash and cash equivalent of a subsidiary trust on loss of control during the year	(0.06)	-
Net increase in cash and cash equivalents after consolidation effect	58.13	102.69
Cash and cash equivalents at the beginning of the year	751.77	649.08
Cash and cash equivalents at the end of the year	809.90	751.77
The accompanying notes form an integral part of the consolidated financial statements	1 to 51	

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

G.K.Subramaniam

Partner

Membership No: 109839

Place : Mumbai

Date: May 06, 2020

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, 2020

A. Equity share capital

	Balance as at April 01, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
Equity Share Capital	83.79	0.20	83.99	0.13	84.12

B. Other Equity

	Reserves and Surplus										Other Comprehensive Income				Total			
	Share application money pending allotment	Statutory Reserve I	Statutory Reserve II	Capital Reserve	Reserve on acquisition / dilution in subsidiary companies	Securities Premium Reserve	Capital Redemption Reserve	Stock Option Outstanding	Capital Reserve on Consolidation	Debiture redemption reserve	General Reserve	Initial Corpus	Retained earnings	Foreign Currency Translation Reserve		Share of OCI of Associate	Other equity attributable to the owners of the Company	Non-controlling Interests (NCI)*
Balance as at April 01, 2018	#	514.99	-	21.85	(7.85)	1,231.66	27.77	21.14	182.68	-	205.25	#	2,271.69	1.67	#	4,470.85	1,917.76	6,388.61
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	572.18	-	-	572.18	264.87	837.05
OCI	-	-	-	-	-	-	-	-	-	-	-	-	(0.44)	8.37	#	7.93	(0.11)	7.82
Total Comprehensive Income for the year	-	-	-	-	-	(0.28)	-	-	-	-	-	-	571.74	8.37	#	580.11	264.76	844.87
Share Issue Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.28)	(0.27)	(0.55)
Employee Stock Options (Net)	(#)	-	-	-	-	11.22	-	6.77	-	-	-	-	-	-	-	17.99	-	17.99
Transfer to Other Reserves	-	126.53	-	-	-	-	-	-	-	33.76	-	(160.29)	-	-	-	-	-	-
On acquisition of equity shares from NCI shareholders in subsidiary companies	-	-	-	-	(8.10)	-	-	-	-	-	-	-	-	-	-	(8.10)	(28.26)	(36.36)
On account of infusion by NCI shareholders in subsidiary companies	-	-	-	-	153.40	-	-	-	-	-	-	-	-	-	-	153.40	497.80	651.20
On gain of control by the subsidiary company in its subsidiary trusts	-	-	-	-	-	-	-	-	-	-	#	-	-	-	-	#	#	#
On loss of control by the subsidiary company in its subsidiary trusts	-	-	-	-	-	-	-	-	(8.04)	-	-	-	4.27	-	-	(3.77)	(2.85)	(6.62)
On redemption of security receipts in subsidiary trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.65)	(4.65)
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	(134.25)	-	-	(134.25)	(8.16)	(142.41)
Dividend Distribution tax	-	-	-	-	-	-	-	-	-	-	-	-	(28.25)	-	-	(28.25)	(1.68)	(29.93)
Balance as at March 31, 2019	-	641.52	-	21.85	137.45	1,242.80	27.77	27.91	174.64	33.76	205.25	#	2,524.91	10.04	#	5,047.70	2,634.45	7,682.15

Consolidated Statement of Changes in Equity (Contd.)

for the year ended March 31, 2020

	Reserves and Surplus										Other Comprehensive Income				Total			
	Share application money pending allotment	Statutory Reserve I	Statutory Reserve II	Capital Reserve	Reserve on acquisition / dilution in subsidiary companies	Securities Premium Reserve	Capital Redemption Reserve	Stock Option Outstanding	Capital Reserve on Consolidation	Debiture redemption reserve	General Reserve	Initial Corpus	Retained earnings	Foreign Currency Translation Reserve		Share of OCI of Associate	Other equity attributable to the owners of the Company	Non-controlling Interests (NCI)*
Balance as at March 31, 2019	-	641.52	-	21.85	137.45	1,242.60	27.77	27.91	174.64	33.76	205.25	#	2,524.91	10.04	#	5,047.70	2,634.45	7,682.15
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	544.98	-	-	544.98	232.97	777.95
OCI	-	-	-	-	-	-	-	-	-	-	-	-	(1.09)	9.87	#	8.78	(0.10)	8.68
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	543.89	9.87	#	553.76	232.87	786.63
Employee Stock Options (Net)	#	-	-	-	-	9.96	-	1.07	-	-	-	-	(113.95)	-	-	11.03	-	11.03
Transfer to Other Reserves	-	112.47	1.48	-	-	-	-	-	-	(33.76)	-	-	33.76	-	-	-	-	-
Transfer from Other Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.09)	(0.09)
On acquisition of equity shares from NCI shareholders in subsidiary companies	-	-	-	-	#	-	-	-	-	-	-	-	-	-	-	-	-	-
On account of infusion by NCI shareholders in subsidiary companies/trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
On loss of control by the subsidiary company in its subsidiary trusts (Refer note 45.2)	-	-	-	-	(12.23)	-	-	-	-	-	-	-	-	-	-	(12.23)	12.23	-
On account of forfeiture of partly paid-up equity shares in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	(42.00)	-	-	(42.00)	(0.22)	(42.22)
Dividend Distribution tax	-	-	-	-	-	-	-	-	-	-	-	-	(3.61)	-	-	(3.61)	(0.05)	(3.66)
Balance as at March 31, 2020	#	753.99	1.48	21.85	125.22	1,252.56	27.77	28.98	174.64	-	205.25	#	2,943.00	19.91	#	5,554.65	2,495.66	8,050.31

The accompanying notes form an integral part of the consolidated financial statements 1 to 51

Denotes amount below ₹ 50,000/-

* Including non-controlling interests of security receipts holders under distressed credit business

In terms of our report of even date attached

For and on behalf of the Board of Directors

For and on behalf of
Deloitte Haskins & Sells LLP
Chartered Accountants

Firm's Registration No. 117366W/W-100018

G.K.Subramaniam
Partner

Membership No: 109839

Place : Mumbai

Date: May 06, 2020

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

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 business (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 and education institutions 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.

Historical Cost Convention

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these

financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the 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

Significant Accounting Policies

and notes to the Consolidated Financial Statements

also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that

- Deferred tax assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for

the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value of at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in Statement of Profit and Loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in Statement

Significant Accounting Policies

and notes to the Consolidated Financial Statements

of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed of.

Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- 1) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- 3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- 4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- 5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
- 6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost established at the date of acquisition of the business less accumulated impairment loss if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, if the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the units pro-rata based on the carrying amount of each asset in the unit, any impairment loss or goodwill is not reversed in subsequent period.

On disposal of relevant CGU the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.6 Property, plant and equipment and Intangible assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Depreciation / amortisation is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful Life
Property, Plant & Equipment	
Office Premises	60 years
Leasehold building	60 years or lease period whichever is lower
Leasehold improvements	10 years or lease period whichever is lower
Computers	3 years
Servers and Networks	6 years

Significant Accounting Policies

and notes to the Consolidated Financial Statements

Assets	Useful Life
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 disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of Profit and Loss when the asset is derecognised.

Impairment losses on non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.7 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognised when the Group becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of Profit and Loss.

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If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS

103 applies, in OCI; and

- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

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.

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An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to Statement of Profit and Loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Equity Investments at FVTOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 "Financial Instruments: Presentation" and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTOCI are never recycled to Statement of Profit and Loss. Dividends are recognised in Statement of Profit and Loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of financial assets

Overview of the Expected Credit Loss principles:

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments 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

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receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group measures ECL on an individual basis, or on a collective basis for loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

- **Stage 1:** Defined as performing assets with upto 30 days past due (DPD). Stage 1 loans will also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

- **Stage 2:** Defined as under-performing assets having 31 to 90 DPD. Stage 2 loans will also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2. Accounts with overdue more than 30 DPD will be assessed for significant increase in credit risks.
- **Stage 3:** Defined as assets with overdue more than 90 DPD. The Company will record an allowance for the life time expected credit losses. These accounts will be assessed for credit impairment.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets:

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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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 Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract

for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs

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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 Leases

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

As a lessee

Operating Lease

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves—

- the use of an identified asset,
- the right to obtain substantially all the economic benefits from use of the identified asset, and
- the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognizes a Right to Use asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right to Use assets and lease liabilities includes

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these options when it is reasonably certain that they will be exercised.

The cost of the right to use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right to use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right to use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right to use assets.

Right to use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right to use assets. Where the carrying amount of the right to use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 17 "Other Financial Liabilities" and Right to Use asset has been presented in Note 12 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

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.

As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the right to use asset arising from the head-lease.

2.10 Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the

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Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

2.11 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.12 Employee benefits

Defined contribution obligation

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined benefit obligation

The liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Group recognises current service cost, past service cost, if any and interest cost in the statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the period in which they occur in the OCI.

Short-term benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are

expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made in respect of services provided by employees up to the reporting date.

2.13 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments to employees is recognized as deferred employee compensation and is expensed in Statement of Profit and Loss over the vesting period with a corresponding increase in stock option outstanding in other equity.

At the end of each year, the Group revisits its estimate of the number of equity instruments expected to vest and recognises any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment in other equity.

2.14 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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.

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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.

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:

- 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.

2.18 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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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:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the 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.

3 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.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Consolidation of Entities where Group holds less than majority of voting rights:

An entity is consolidated as a subsidiary if the Company has control over the said entity based on the management evaluation of investments and related agreements/deeds and determine that the Group has control over the said entity in terms of Ind AS 110 on Consolidated Financial Statements. Control shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner.

Fair Valuation:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the

Significant Accounting Policies

and notes to the Consolidated Financial Statements

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.

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4 Cash and Cash Equivalents

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Cash	0.07	0.05
Cheques on hand	1.73	14.58
Balances with banks:		
- In current accounts	511.17	389.56
- In deposit accounts	296.93	347.58
Total	809.90	751.77

5 Bank Balances other than Cash and Cash Equivalents

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
In deposit accounts		
Under lien against which facilities are availed (refer note 5.1)	407.98	435.77
Under lien against which facilities are not availed (refer note 5.1)	103.06	84.95
Other bank balances (refer note 5.2)	8.46	9.75
Total	519.50	530.47
5.1 Balances with banks in deposit accounts to the extent held as margin money or security against the borrowings, guarantees and other commitments.	511.04	520.72
5.2 Includes earmarked bank balances	7.95	7.59

6 Derivative Financial Instruments

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Embedded Derivatives (in Nifty Linked Debentures) (Refer Note 6.1)		
Fair value of asset	1.26	-
Total	1.26	-
Fair value of liability	1.22	-
Total	1.22	-

6.1 The Group has entered into derivative contracts (Options) to cover the exposure on issued Nifty linked debentures.

7 Trade Receivables

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Secured, considered good	84.66	375.86
Unsecured, considered good	252.27	314.79
Unsecured, considered doubtful	1.85	6.48
	338.78	697.13
Less: Impairment loss allowance	(14.53)	(12.08)
Total	324.25	685.05

Notes

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8 Loans

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
(At Amortised Cost)		
Term Loans	11,575.18	13,210.90
Demand Loans	425.14	1,075.60
Inter Corporate Deposits	30.00	-
Accrued Interest	210.10	184.29
	12,240.42	14,470.79
Less: Impairment loss allowance	(340.29)	(133.86)
	11,900.13	14,336.93
Break up of loans into secured and unsecured		
Secured by tangible assets (including real estate mortgages, shares, bonds, mutual funds, etc.)	12,219.92	14,462.62
Unsecured	20.50	8.17
	12,240.42	14,470.79
Less: Impairment loss allowance	(340.29)	(133.86)
Total	11,900.13	14,336.93

Note:

8.1 The loans are given in India to parties other than public sectors.

9 Investments

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
(At Amortised Cost)		
Investment in Associate		
JM Financial Trustee Company Private Limited	0.03	0.03
Add : Share in post-acquisition profit	9.87	9.46
	9.90	9.49
Investments in Debt Instruments	-	201.92
Less: Impairment loss allowance	-	(1.13)
	-	200.79
	9.90	210.28
(At FVTPL)		
Equity Instruments	249.82	225.80
Preference Shares	6.55	7.28
Debt Instruments	18.20	81.35
Fixed Coupon Notes	-	9.76
Security Receipts	1,185.84	1,438.26
Convertible Warrants	-	0.50

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Venture Capital Fund (VCF) Units	51.37	90.18
Alternative Investment Funds (AIF) Units	6.04	-
Real Estate Investment Trust (REIT) Units	1.35	-
Mutual Fund Units	2,485.37	869.92
Equity Oriented Mutual Fund Units (Refer Note 9.1)	0.01	0.01
	4,004.55	2,723.06
Total	4,014.45	2,933.34
Break-up of Investments:		
Investments in India	3,983.90	2,857.08
Investments outside India	30.55	77.39
	4,014.45	2,934.47
Less: Impairment loss allowance	-	(1.13)
Total	4,014.45	2,933.34

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, 2020	As at March 31, 2019
(At FVTPL)		
Financial Assets of Distressed Credit business	1,965.16	2,241.87
Assets held for Arbitrage activities	43.34	262.74
Debt securities held as stock in trade	160.69	49.18
Redemption proceeds receivable from Mutual fund	14.00	29.94
	2,183.19	2,583.73
(At Amortised Cost)		
Advances recoverable in cash	60.41	55.42
Other deposits	113.27	29.66
Security deposits	17.78	11.86
Accrued Interest on fixed deposits	7.31	5.36
Employees advances	0.36	0.32
Other receivables	-	0.18
	199.13	102.80
Total	2,382.32	2,686.53

11 Current Tax Assets (Net)

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Advance tax (net of provisions)	295.89	255.63
Total	295.89	255.63

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12 Property, Plant and Equipment and Intangible Assets

₹ in Crore

Description	Gross carrying amount				Accumulated Depreciation / Amortisation				Net carrying amount		
	As at April 01, 2019	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2020	As at April 01, 2019	Additions for the year	Deductions for the year	Currency Fluctuation	As at March 31, 2020	As at March 31, 2020
A) PROPERTY, PLANT AND EQUIPMENT											
Owned assets:											
Land	0.44	-	-	-	0.44	-	-	-	-	-	0.44
Leasehold Building	54.90	-	-	-	54.90	2.08	1.04	-	-	3.12	51.78
Office premises	261.74	-	-	-	261.74	9.32	4.67	-	-	13.99	247.75
Leasehold improvements	16.30	1.01	1.61	-	15.70	7.27	2.53	1.54	-	8.26	7.44
Computers	19.89	4.72	0.08	0.01	24.54	8.09	5.46	0.08	0.01	13.48	11.06
Office equipment	6.93	0.64	0.28	-	7.29	3.61	1.33	0.26	-	4.68	2.61
Furniture and fixtures	31.02	0.60	0.95	0.01	30.68	8.22	4.29	0.92	#	11.59	19.09
Motor Vehicles	4.26	-	-	-	4.26	1.59	0.88	-	-	2.47	1.79
Leased assets :											
Office Premises (Right to use asset)	-	58.05	1.18	-	56.87	-	14.64	0.15	0.02	14.51	42.36
Motor Vehicles (Refer Note 12.1)	5.27	1.24	0.92	-	5.59	1.45	1.72	0.66	-	2.51	3.08
TOTAL - A	400.75	66.26	5.02	0.02	462.01	41.63	36.56	3.61	0.03	74.61	387.40
B) INTANGIBLE ASSETS											
Software	19.58	2.63	-	-	22.21	7.59	4.48	-	-	12.07	10.14
TOTAL - B	19.58	2.63	-	-	22.21	7.59	4.48	-	-	12.07	10.14
C. CAPITAL WORK-IN-PROGRESS											
TOTAL (A + B + C)	420.33	68.89	5.02	0.02	484.22	49.22	41.04	3.61	0.03	86.68	398.23

Denotes amount below ₹ 50,000/-

₹ in Crore

Description	Gross carrying amount				Accumulated Depreciation / Amortisation				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 01.04.2018	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/-

Note: 12.1 Vendor has lien over the assets taken on lease.

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13 Other Non Financial Assets

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Capital advances	2.26	1.20
Commodities held as Stock-in-trade	14.99	-
Prepaid expenses	7.56	13.06
Balances with government authorities	21.30	16.21
Advances receivable in kind	0.95	4.98
Others	0.09	0.02
Total	47.15	35.47

14 Trade Payables

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro and small enterprises (Refer note 14.1)	0.98	0.28
Total outstanding dues of creditors other than micro and small enterprises	502.08	480.03
Less: Receivable from National Spot Exchange Limited (NSE) on account of clients [Refer note 14.2]	(63.21)	(63.21)
Total	438.87	416.82
Total	439.85	417.10

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, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.98	0.28
(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	0.98	0.28

14.2 This amount is payable to the clients only if and to the extent the same is received from NSEL.

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15 Debt Securities

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
(At amortised cost)		
Secured		
Non-convertible debentures (Refer Notes 15.1 & 15.3)	6,908.59	6,101.00
	6,908.59	6,101.00
Unsecured		
Non-convertible debentures (Refer Notes 15.1 & 15.3)	-	55.00
Commercial papers (Refer Note 15.4)	726.70	3,221.70
Less: Unamortised discount on commercial papers	(14.18)	(110.37)
	712.52	3,166.33
Interest Accrued	614.15	455.50
Total	8,235.26	9,722.83
Debt securities in India	8,235.26	9,722.83
Debt securities outside India	-	-
Total	8,235.26	9,722.83

15.1 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Secured:		
Public issue - Face value of ₹ 1,000 each		
9.99% NCD redeemable in year 2030-31	2.37	-
10.00% NCD redeemable in year 2030-31	4.96	-
9.75% Tranche I -Option V redeemable in year 2028-29	214.82	214.82
9.34% Tranche I -Option VI redeemable in year 2028-29	11.94	11.94
10.25% Tranche II -Option V redeemable in year 2028-29	25.04	25.04
9.81% Tranche II -Option VI redeemable in year 2028-29	16.15	16.15
10.40% NCD redeemable in year 2026-27	8.29	-
9.90% NCD redeemable in year 2025-26	27.17	-
9.85% NCD redeemable in year 2024-25	15.38	-
10.04% NCD redeemable in year 2024-25	66.78	-
10.30% NCD redeemable in year 2024-25	29.50	-
10.50% NCD redeemable in year 2024-25	99.23	-
9.50% Tranche I -Option III redeemable in year 2023-24	365.30	365.30
9.11% Tranche I -Option IV redeemable in year 2023-24	17.03	17.03
9.70% NCD redeemable in year 2023-24	15.96	-
9.73% NCD redeemable in year 2023-24	12.52	-
10.10% Tranche II -Option III redeemable in year 2023-24	49.09	49.09

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
9.67% Tranche II -Option IV redeemable in year 2023-24	42.87	42.87
10.20% NCD redeemable in year 2022-23	215.46	-
10.00% Tranche II -Option I redeemable in year 2022-23	98.72	98.72
0% Tranche II -Option II redeemable in year 2022-23*	31.73	31.73
9.25 % Tranche I -Option I redeemable in year 2021-22	116.52	116.52
0% Tranche I -Option II redeemable in year 2021-22*	24.39	24.39
9.50% NCD redeemable in year 2021-22	61.82	-
9.90% NCD redeemable in year 2021-22	53.40	-
	1,626.44	1,013.60
Private Placement - Face value of ₹ 10,00,000 each		
9.75% NCD redeemable in year 2029-30	100.00	-
9.75% NCD redeemable in year 2028-29	100.00	-
9.50% NCD redeemable in the year 2028-29	25.00	25.00
9.75% NCD redeemable in year 2027-28	100.00	-
9.75% NCD redeemable in year 2026-27	100.00	-
10.85% NCD redeemable in year 2024-25	600.00	-
10.10% NCD redeemable in the year 2024-25	6.30	6.30
10.00% NCD redeemable in year 2022-23	50.00	-
10.48% Tranche XXIII redeemable in the year 2022-23*	50.00	50.00
0% NCD redeemable in year 2022-23*	110.00	110.00
9.20% NCD redeemable in year 2022-23	150.00	150.00
11.50% NCD redeemable in the year 2022-23	150.00	150.00
12.50% Tranche XXIX-Option C redeemable in the year 2022-23	150.00	-
9.25% NCD redeemable in the year 2022-23	5.10	-
11.50% NCD redeemable in the year 2021-22	150.00	150.00
9.35% Tranche XIV Option B redeemable in the year 2021-22*	14.00	14.00
9.50% Tranche XVI redeemable in the year 2021-22*	21.00	21.00
9.75% Tranche XVII redeemable in the year 2021-22*	5.00	5.00
9.80% NCD redeemable in the year 2021-22*	47.00	47.00
10.25% NCD redeemable in the year 2021-22*	356.00	394.50
10.20% Tranche XX Option B redeemable in the year 2021-22*	10.00	10.00
10.38% NCD redeemable in the year 2021-22*	30.00	30.00
12.40% Tranche XXIX-Option A redeemable in the year 2021-22	100.00	-
12.40% Tranche XXIX-Option B redeemable in the year 2021-22	250.00	-
10% Tranche XXX redeemable in the year 2021-22**	100.00	-
10.50% NCD redeemable in year 2021-22	20.00	-
0% NCD redeemable in year 2021-22*	30.00	-
0% NCD redeemable in year 2021-22*	683.90	633.90

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
9.00% NCD redeemable in year 2021-22	10.00	10.00
9.50% NCD redeemable in year 2021-22	25.00	25.00
9.70% NCD redeemable in year 2021-22	30.00	30.00
9.34% NCD redeemable in year 2021-22	109.80	109.80
10% NCD redeemable in the year 2021-22	25.00	25.00
Nifty Linked Debentures redeemable in the year 2020-21 (Refer note 6.1)	31.07	-
8.81% NCD redeemable in year 2020-21	260.00	260.00
8.80% NCD redeemable in year 2020-21	120.00	120.00
8.90% NCD redeemable in year 2020-21	150.00	150.00
10.29% NCD redeemable in year 2020-21	50.00	-
10% Tranche XXVII redeemable in the year 2020-21**	50.00	-
10% Tranche XXVIII redeemable in the year 2020-21**	50.00	-
9.15% NCD redeemable in year 2020-21*	14.70	14.70
9.15% NCD redeemable in year 2020-21	67.90	67.90
9.3606% NCD redeemable in year 2020-21	42.80	42.80
9.05% NCD redeemable in year 2020-21	205.00	205.00
0% NCD redeemable in year 2020-21 *	224.60	249.60
NCD redeemable in year 2020-21**	88.40	108.40
9.50% Tranche V NCD redeemable in the year 2020-21*	139.00	150.00
9.31% Tranche VII Option A NCD redeemable in year 2020-21	-	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**	1.20	25.00
9.25% Tranche XIV Option A redeemable in the year 2020-21*	26.70	26.70
9.50% Tranche XXI Option A redeemable in the year 2020-21**	24.70	25.00
11.00% Tranche XXV redeemable in the year 2020-21**	25.00	25.00
9.20% NCD redeemable in year 2019-20	-	70.00
9.3133% NCD redeemable in year 2019-20	-	50.00
8.75% NCD redeemable in year 2019-20	-	125.00
9.3037% NCD redeemable in year 2019-20	-	125.00
10.5% NCD redeemable in year 2019-20	-	50.00
9.7% NCD redeemable in year 2019-20	-	100.00
9.25% NCD redeemable in year 2019-20	-	50.00
9.69% NCD redeemable in year 2019-20	-	100.00
9.7665% NCD redeemable in year 2019-20	-	10.00
9.78% NCD redeemable in year 2019-20	-	7.50
9.42% NCD redeemable in year 2019-20	-	75.00
0% NCD redeemable in year 2019-20*	-	407.80
NCD redeemable in year 2019-20**	-	114.70

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
9.10% Tranche XIII NCD redeemable in year 2019-20	-	75.00
9.25 %Tranche VII Option B NCD redeemable in year 2019-20	-	50.00
8.60% Tranche X NCD redeemable in year 2019-20**	-	35.00
8.75 %Tranche VIII NCD redeemable in year 2019-20**	-	15.00
	5,312.67	5,005.10
Private Placement - Face value of ₹ 2,00,000 each		
NCD redeemable in year 2021-22**	50.00	120.00
	50.00	120.00
Unsecured:		
Private Placement - Face value of ₹ 10,00,000 each		
9.55% NCD redeemable in year 2019-20	-	55.00
	-	55.00
Total	6,989.11	6,193.70

* 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 7.00% to 13.00% (for FY 2018-19 - 7.00% to 11.00% p.a) and are repayable within a period upto 365 days from the date of disbursement.

16 Borrowings (Other than Debt Securities)

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured		
Term loans		
(i) from banks (Refer notes 16.1 & 16.6)	2,699.49	3,461.03
(ii) from others (Refer notes 16.1 & 16.7)	356.87	225.00
Cash credit facilities (Refer note 16.2)	236.66	274.49
Overdraft accounts (Refer note 16.3)	9.60	2.84
Finance lease obligation (Refer note 16.4)	3.56	4.17
Total	3,306.18	3,967.53
Unsecured		
Borrowings under Securities lending and borrowings (SLB)	48.67	265.06
Inter corporate deposits	150.00	25.00
Total	198.67	290.06

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Interest Accrued	15.56	10.69
Total	3,520.41	4,268.28
Borrowings in India	3,520.41	4,268.28
Borrowings outside India	-	-
Total	3,520.41	4,268.28

16.1 Term Loans from banks and others are secured by way of:

- floating first pari passu charge by way of hypothecation on certain identified loan fund balances,
- pledge of certain identified security receipts,
- first ranking exclusive charge on mortgage of property, movable fixed and current assets, of the relevant subsidiary companies
- mortgage of property and hypothecation of rent receivable, of the relevant subsidiary companies.

16.2 Secured by way of hypothecation on certain identified loan fund balances and pledge of certain identified security receipts of the relevant subsidiary companies.

16.3 Secured by way of first ranking pari passu charge over the receivables and collaterals/fixed deposits with banks, of the relevant subsidiary companies.

16.4 Secured by way of hypothecation of vehicles.

16.5 Term loan includes impact of Effective interest rate (EIR) adjustment.

16.6 Maturity profile and rate of interest of term loans from banks:

₹ in Crore

Residual Maturities	As at March 31, 2020		
	Up to one year (April 2020 to March 2021)	1-3 years (April 2021 to March 2023)	3 years & above (April 2023 onwards)
8.00 % to 9.00%	70.52	17.42	119.23
9.01 % to 10.00%	1,066.18	761.57	192.21
10.01% to 11.00%	341.92	110.00	30.00
Total	1,478.62	888.99	341.44

₹ 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

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16.7 Maturity profile and rate of interest of Term loans from others:

₹ in Crore

Residual Maturities	As at March 31, 2020		
	Up to one year (April 2020 to March 2021)	1-3 years (April 2021 to March 2023)	3 years & above (April 2023 onwards)
8.00 % to 9.00%	25.00	-	-
9.01 % to 10.00%	100.99	10.55	96.19
10.01% to 11.00%	33.00	17.00	-
12.01% to 13.00%	-	75.00	-
Total	158.99	102.55	96.19

₹ 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	-

16.8 Maturity profiles above are disclosed at face value which excludes impact of EIR adjustment.

17 Other Financial Liabilities

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Employee benefit payable	116.00	153.89
Lease Obligations	43.43	-
Payables under repurchase obligation	-	143.05
Margin from clients / franchisees	72.73	18.21
Amount collected on behalf of trusts under Distressed Credit Business	17.49	13.77
Property deposit	2.83	2.52
Unclaimed dividend	2.41	2.45
Overdrawn bank balance	0.06	0.75
Other liabilities	16.60	11.16
Total	271.55	345.80

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18 Provisions

	As at March 31, 2020	As at March 31, 2019
For employee benefits		
Gratuity	30.15	25.48
Compensated absences	12.75	11.74
Others		
Clawback obligation	4.98	4.98
Total	47.88	42.20

19 Deferred Tax Liabilities (Net)

	As at March 31, 2020	As at March 31, 2019
Fiscal allowance on property, plant and equipment (PPE)	4.99	5.80
Disallowances under section 43B of the Income Tax Act, 1961	(16.62)	(21.49)
Net fair value gain measured at FVTPL	16.00	33.94
Measurement of Financial Instruments at amortised cost	(10.70)	(28.87)
MAT credit entitlement	-	(1.92)
Impairment loss allowance on financial assets	(83.13)	(58.37)
Investments	112.92	115.43
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	1.03	(0.67)
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	(0.05)	(0.09)
Donations u/s 80G	2.77	-
Total	27.21	43.76

19.1 Table showing deferred tax recorded in the balance sheet and changes recorded in the tax expense:

Deferred tax (asset) / liability	For the year ended March 31, 2020				
	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	Closing Balance
Fiscal allowance on PPE	5.80	(0.81)	-	-	4.99
Disallowances under section 43B of the Income Tax Act, 1961	(21.49)	5.28	(0.41)	-	(16.62)
Net fair value gain / (loss) measured at FVTPL	33.94	(17.72)	-	(0.22)	16.00
Measurement of Financial Instruments at amortised cost	(28.87)	18.17	-	-	(10.70)
MAT credit entitlement	(1.92)	1.92	-	-	-
Impairment loss allowance on financial assets	(58.37)	(24.76)	-	-	(83.13)
Investments	115.43	(2.51)	-	-	112.92
Share Issue Expenses (Section 35D of the Income Tax Act, 1961)	(0.67)	1.70	-	-	1.03
Amalgamation Expenses (Section 35DD of the Income Tax Act, 1961)	(0.09)	0.04	-	-	(0.05)
Donations u/s 80G	-	2.77	-	-	2.77
Total	43.76	(15.92)	(0.41)	(0.22)	27.21

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Deferred tax (asset) / liability	For the year ended March 31, 2019				
	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	Closing balance
Fiscal allowance on PPE	4.56	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	81.28	(39.65)	-	(7.69)	33.94
Measurement of Financial Instruments at amortised cost	(28.48)	(0.39)	-	-	(28.87)
MAT credit entitlement	(1.63)	(0.29)	-	-	(1.92)
Impairment loss allowance on financial assets	(55.91)	(2.46)	-	-	(58.37)
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	94.48	(42.49)	(0.24)	(7.99)	43.76

19.2 Tax Losses for which no deferred tax asset has been recognised :

	Year ended March 31, 2020		Year ended March 31, 2019	
	Year ended March 31, 2020	Expiry date	Year ended March 31, 2019	Expiry date
Brought forward losses (allowed to be carried forward for specified period)	26.58	March 31, 2022	32.92	March 31, 2022
Brought forward losses (allowed to be carried forward for specified period)	3.85	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	-
Total	30.43		42.31	

20 Other Non-financial Liabilities

	As at March 31, 2020	As at March 31, 2019
Statutory dues	38.47	26.22
Money received in advance	24.27	-
Income received in advance	4.00	4.16
Other liabilities	0.97	3.60
Total	67.71	33.98

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21 Equity Share Capital

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Authorised		
152,02,00,000 (as at March 31, 2019 - 152,02,00,000) equity shares of ₹ 1/- each	152.02	152.02
4,38,00,000 (as at March 31, 2019 - 4,38,00,000) preference shares of ₹ 10/- each	43.80	43.80
	195.82	195.82
Issued, Subscribed and Paid-up		
84,12,24,647 (as at March 31, 2019 - 83,99,31,463) equity shares of ₹ 1/- each fully paid-up	84.12	83.99
Total	84.12	83.99

21.1 Reconciliation of the number of equity shares outstanding:

₹ in Crore

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	83,99,31,463	83.99	83,78,80,258	83.79
Shares allotted upon exercise of stock option	12,93,184	0.13	2,051,205	0.20
Shares outstanding at the end of the year	84,12,24,647	84.12	83,99,31,463	83.99

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, 2020		As at March 31, 2019	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
J. M. Financial & Investment Consultancy Services Private Limited	21,65,34,100	25.74%	20,34,06,600	24.22%
Nimesh Kampani*	12,57,50,000	14.95%	13,53,57,500	16.12%
J. M. Assets Management Private Limited	10,30,42,908	12.25%	10,30,42,908	12.27%

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

22 Other Equity

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Share Application Money Pending Allotment	#	-
Statutory Reserve - I (under section 45-IC of the RBI Act, 1934)	753.99	641.52
Statutory Reserve - II (under section 29C of the NHB Act, 1987)	1.48	-
Capital Reserve	21.85	21.85
Reserve on acquisition / dilution in subsidiary companies	125.22	137.45
Securities Premium Reserve	1,252.56	1,242.60
Capital Redemption Reserve	27.77	27.77

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Stock Option Outstanding	33.78	38.87
Less: Deferred Employee Compensation Expense	(4.80)	(10.96)
Stock Option Outstanding	28.98	27.91
Capital Reserve on Consolidation	174.64	174.64
Debenture Redemption Reserve	-	33.76
General Reserve	205.25	205.25
Initial Corpus	#	#
Retained Earnings	2,943.00	2,524.91
Foreign Currency Translation Reserve	19.91	10.04
Share in OCI of associate	#	#
Total	5,554.65	5,047.70

Denotes amount below ₹ 50,000/-

Movement in Other Equity

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Share Application Money Pending Allotment		
Opening balance	-	#
Add: stock options exercised but pending allotment	#	-
Less: shares allotted during the year	-	#
Closing balance	#	-
Statutory Reserve - I (under section 45-IC of the RBI Act, 1934)		
Opening balance	641.52	514.99
Add: Transferred from retained earnings	112.47	126.53
Closing balance	753.99	641.52
Statutory Reserve - II (under section 29C of the NHB Act, 1987)		
Opening balance	-	-
Add: Transferred from retained earnings	1.48	-
Closing balance	1.48	-
Capital Reserve	21.85	21.85
Reserve on acquisition / dilution in subsidiary companies		
Opening balance	137.45	(7.85)
Less: On acquisition of equity shares from Non-controlling interest shareholders in subsidiary companies	#	(8.10)
Add: On account of infusion by Non-controlling interest shareholders in subsidiary companies	-	153.40
Less: On account of forfeiture of partly paid-up equity shares in subsidiary company	(12.23)	-
Closing balance	125.22	137.45

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Securities Premium Reserve		
Opening balance	1,242.60	1,231.66
Add: On shares allotted upon exercise of stock options by the employees	9.96	11.22
Less: Share issue expenses (net of deferred tax)	-	(0.28)
Closing balance	1,252.56	1,242.60
Capital Redemption Reserve	27.77	27.77
Stock Option Outstanding		
Opening balance	38.87	31.23
Add: Additions on account of fresh grants during the year	5.66	24.00
Less: Transferred to securities premium upon exercise of stock options	(9.96)	(11.22)
Less: Reduction on account of options lapsed during the year	(0.79)	(5.14)
	33.78	38.87
Less : Deferred employee compensation	(4.80)	(10.96)
Closing balance	28.98	27.91
Capital Reserve on Consolidation		
Opening balance	174.64	182.68
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	174.64
Debenture Redemption Reserve		
Opening balance	33.76	-
Add: Transferred from retained earnings	-	33.76
Less: Transferred to 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	-	#
Less: On loss of control by the subsidiary company in its subsidiary trusts	#	#
Closing balance	#	#
Retained Earnings		
Opening balance	2,524.91	2,271.69
Add: Profit for the year	544.98	572.18
Add/(Less): Other Comprehensive Income	(1.09)	(0.44)
Add: Transfer from Debenture Redemption reserve	33.76	-
Add: On loss of control by the subsidiary company in its subsidiary trusts transferred from Capital reserve on consolidation	-	4.27
Amount available for appropriations	3,102.56	2,847.70

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Less: Appropriations		
Interim Dividend	-	41.99
Final dividend	42.00	92.26
Dividend distribution tax		
Of the Company	1.37	5.56
Of the Subsidiaries	2.24	22.69
Transferred to Statutory Reserve - I	112.47	126.53
Transferred to Statutory Reserve - II	1.48	-
Transferred to Debenture Redemption Reserve	-	33.76
Closing balance	2,943.00	2,524.91
Foreign Currency Translation Reserve		
Opening balance	10.04	1.67
Add: During the year	9.87	8.37
Closing balance	19.91	10.04
Share of OCI of Associate		
Opening balance	#	#
Add: During the year	#	#
Closing balance	#	#
Total	5,554.65	5,047.70

Denotes amount below ₹ 50,000/-

Share application money pending allotment:

Share application money pending allotment represents equity shares to be issued pursuant to Employee Stock Option Scheme.

Statutory reserve - I:

Statutory Reserve is the reserve created by transferring a sum not less than twenty percent of its net profit every year in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

Statutory reserve - II:

As per Section 29C of The National Housing Bank Act, 1987 (the "NHB Act"), at least twenty percent of its net profits every year is required to transfer to a reserve before any dividend is declared. For this purpose any Special Reserve created under Section 36(1)(viii) of the Income-tax Act, 1961, is considered to be an eligible transfer.

Capital reserve & Capital redemption reserve:

Capital reserve and capital redemption reserve represents reserves created pursuant to the business combination and buy-back of shares in subsidiary companies up to the year end.

Reserve on acquisition / dilution in subsidiary companies:

Reserve on acquisition / dilution in subsidiary companies represents reserves created pursuant to the acquisition, infusion or dilution of stake in subsidiary companies not resulting in change of control in those subsidiary companies.

Securities premium reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

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Stock option outstanding:

Stock option outstanding relates to the stock options granted by the Company to employees under an Employee Stock options Plan (Refer Note 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.

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. However, as per the amendment in the Companies Act, 2013, debenture redemption reserve is not required for debentures issued by Non-Banking Finance Companies regulated by Reserve Bank of India for both public as well as privately placed debentures.

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, 2020	For the year ended March 31, 2019
(At Amortised Cost)		
Interest on Loans	2,192.96	2,284.79
Interest on Investments	19.99	33.00
(At Fair value through Profit or Loss)		
Interest on Financial assets	68.32	47.15
Total	2,281.27	2,364.94

24 Fees and Commission Income

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Fees and Commission Income	646.26	576.83
Total	646.26	576.83

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25 Brokerage Income

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Brokerage Income	202.70	190.21
Total	202.70	190.21

26 Net Gain on Fair Value Changes

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on financial instruments measured at fair value through profit or loss	175.53	223.25
Total	175.53	223.25
-Realised	234.97	292.81
-Unrealised	(59.44)	(69.56)
Total	175.53	223.25

27 Net Gain on Derecognition of Financial Instruments Carried at Amortised Cost

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit on sale of financial instruments carried at amortised cost (Realised)	18.02	1.79
Total	18.02	1.79

28 Other Operating Income

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income	63.99	70.06
Income from Arbitrage activities	22.53	31.88
Rental Income	17.32	16.52
Dividend Income	4.41	3.67
Total	108.25	122.13

29 Other Income

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income	13.88	14.62
Miscellaneous income	7.64	5.72
Total	21.52	20.34

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30 Finance Costs

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
(At Amortised Cost)		
Debt Securities	995.76	1,037.12
Borrowings (Other than Debt Securities)	365.49	379.60
Finance cost on lease obligations	5.88	1.15
Other Interest expense	18.73	28.34
Total	1,385.86	1,446.21

31 Impairment on Financial Instruments

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
(At Amortised Cost)		
On Loans	221.59	17.20
On Investments	(1.13)	1.13
On Trade receivables	9.71	2.95
On Other Financial assets	3.55	13.84
Total	233.72	35.12

32 Employee Benefits Expense

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, bonus, other allowances and benefits (Refer Note 42)	372.00	398.56
Contribution to provident and other funds	15.72	15.00
Gratuity (Refer Note 38)	5.15	4.97
Staff welfare expenses	2.54	3.08
Total	395.41	421.61

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33 Other Expenses

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sub-brokerage, fees and commission	105.78	101.09
Donation	27.64	23.36
Investments and other assets written-off	25.47	1.82
Legal and professional fees	20.99	23.46
Rates and taxes	14.79	17.96
Manpower expenses	14.10	14.47
Information technology expenses	13.35	13.21
Advertisement and other related expenses	10.83	11.58
Insurance expenses	9.12	4.32
Repairs and maintenance	8.68	7.68
Travelling, hotel and conveyance expenses	8.36	8.90
Membership and subscriptions	8.21	8.05
Electricity expenses	4.50	4.27
Communication expenses	3.27	3.51
Directors' commission	2.57	3.48
Support Service Fees	2.50	2.50
Printing and stationery	2.22	2.60
Space and other related costs	1.64	17.27
Auditors' remuneration (Refer note 33.1)	1.62	1.62
Provision on non-financial assets	1.56	-
Fund expenses	1.07	1.06
Business conference and seminar expenses	0.48	0.09
Loss on sale of assets	0.01	0.20
Miscellaneous expenses	15.24	14.15
Total	304.00	286.65

33.1 Payment to Auditors (excluding Goods and services tax)*

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit fees	1.19	1.23
Certification and other matters	0.41	0.36
Reimbursement of Expenses	0.02	0.03
Total	1.62	1.62
Fees paid in connection with NCD Issue included for measurement of financial liabilities at amortised cost	0.24	0.08
Total	1.86	1.70

* includes payments to other auditors of the relevant subsidiary companies aggregating ₹ 1.01 Crore (Previous year ₹ 0.81 Crore)

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34 Tax Expense

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	328.52	489.23
Deferred tax	(15.92)	(42.49)
Tax adjustment in respect of earlier years	3.38	(0.43)
Total income tax expenses recognised in Statement of Profit and Loss	315.98	446.31
Income tax expense recognised in OCI	0.41	0.24

Reconciliation of total tax charge

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	1,093.52	1,282.79
Income tax rate	25.168%	34.944%
Income tax expense	275.22	448.26
Tax Effect of:		
Effect of income that is exempt from tax	(1.49)	(1.34)
Effect of expenses that are not deductible in determining taxable profits	6.64	5.63
Effect of income taxable at differential rate	(0.69)	(15.30)
Effect of change in tax rate*	29.56	(8.22)
Set off of temporary differences pertaining to earlier years on which no deferred tax was created	(4.77)	-
Recognition of deferred tax asset on temporary differences on which deferred tax was not created in earlier years	(0.85)	-
Set off of unabsorbed depreciation and loss	(2.85)	(1.53)
Tax effect on unrecognised deferred tax assets	6.79	19.40
Tax effect on special reserve created u/s 36(1)(viii) of Income tax act, 1961	(0.37)	-
Adjustment in respect of earlier years (net)	3.38	(0.43)
Tax effect of intra-group eliminations	1.59	-
Others	3.82	(0.16)
Total	40.76	(1.95)
Income tax expense recognised in Statement of Profit and Loss	315.98	446.31

* The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay corporate tax at reduced rate effective from April 1, 2019, subject to certain conditions. The Company as well as majority of its domestic subsidiary companies have availed the option of reduced rate and accordingly, opening deferred tax asset (net) as on April 1, 2019, amounting to ₹ 29.56 Crore has been reversed during the year ended March 31, 2020.

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35 Contingent Liabilities and Capital Commitments

Contingent Liability*

Contingent liability in respect of income tax demands for various years disputed in appeal is ₹ 47.65 Crore (FY 2018-19 - ₹ 40.09 Crore).

Disputed demands of service tax authorities is ₹ 9.00 crore (FY 2018-19 - ₹ 9.98 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 ₹ 0.79 Crore (FY 2018-19 - ₹ 2.41 Crore).

Uncalled liability on account of commitment to subscribe to investment is ₹ 78.07 Crore (FY 2018-19 - ₹ 114.12 Crore).

Commitment of purchase of security receipts is ₹ 66.29 Crore (FY 2018-19 - ₹ 66.29 Crore).

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:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity shareholders (In ₹ Crore)	544.98	572.18
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	84,08,64,766	83,94,64,985
Basic earnings per share (₹)	6.48	6.82
Dilutive potential equity shares (Nos.)	34,25,560	38,27,455
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	84,42,90,326	84,32,92,440
Diluted earnings per share (₹)	6.45	6.79
Nominal value per share (₹)	1.00	1.00

37 Lease Transactions

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application. The comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our consolidated financial statements for the year ended March 31, 2019.

On the date of initial application i.e. April 1, 2019, the adoption of the new standard resulted in recognition of 'Right to Use' asset of ₹ 50.78 Crore and lease obligations of ₹ 49.25 Crore. The weighted average discount rate applied to lease obligations as at April 1, 2019 was 9.40%. During the year, the Group recognised depreciation expenses on Right to Use asset of ₹ 14.64 Crore and finance cost on lease obligations of ₹ 4.30 Crore. Lease payments during the year have been disclosed under financial activities in the cash flow statements.

Notes

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The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.
- Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Following are the changes in the carrying value of the Right to Use asset for the year ended March 31, 2020:

₹ in Crore

CATEGORY OF RIGHT TO USE ASSET	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As at April 1, 2019	Additions	Deletion	As at March 31, 2020	As at April 1, 2019	Depreciation	Currency Fluctuation	Deductions	As at March 31, 2020	As at March 31, 2020
Office Premises	-	58.05	1.18	56.87	-	14.64	0.02	0.15	14.51	42.36
Total	-	58.05	1.18	56.87	-	14.64	0.02	0.15	14.51	42.36

Table showing contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

On Office Premises:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Not later than one year	16.28	16.00
Later than one year and not later than five years	31.82	40.55
Later than five years	4.56	7.81
Total	52.66	64.36

On Motor Vehicles:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Not later than one year	2.31	2.16
Later than one year and not later than five years	2.71	3.85
Later than five years	-	-
Total	5.02	6.01

The Group does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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Reconciliation of Lease liability as at April 1, 2019:

₹ in Crore

	As at April 1, 2019
Operating lease commitments disclosed as at March 31, 2019 (non-cancellable)	7.71
Operating lease commitments of cancellable leases*	56.65
Total Operating lease commitments (on an undiscounted basis)	64.36
Less: future finance costs	(15.11)
Operating lease obligations recognised under Ind AS 116 as at April 1, 2019	49.25

* Disclosure was not required as per earlier Ind AS 17 on leases.

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 ₹ 15.72 Crore (FY 2018-19: ₹ 15.00 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.

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a) The assumptions used for the purposes of the actuarial valuations were as follows.

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Significant assumptions		
Discount rate	6.80%	7.55%
Expected rate of salary escalation	7.00%	7.00%
Other assumption		
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

b) Amount recognised in Balance sheet in respect of these defined benefit obligation:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	30.15	25.48
Net liability	30.15	25.48

c) Amount recognised in statement of profit and loss in respect of these defined benefit obligation:

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Components of defined benefits costs recognised in statement of profit and loss		
Current service cost	3.32	3.32
Net interest expense	1.83	1.57
Past service cost	-	0.08
Total amount recognised in statement of profit and loss	5.15	4.97
Components of defined benefits costs recognised in other comprehensive income (OCI).		
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	2.15	0.31
- Actuarial (gain)/loss from change in experience adjustments	(0.55)	0.50
Total amount recognised in OCI	1.60	0.79
Total	6.75	5.76

d) Movement in the present value of the defined benefit obligation are as follows:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	25.48	22.06
Current service cost	3.32	3.32
Net Interest cost	1.83	1.57
Past service cost	-	0.08

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	-	(0.02)
Actuarial (gain)/loss from change in financial assumptions	2.15	0.31
Actuarial (gain)/loss from change in experience adjustments	(0.55)	0.50
Liabilities assumed / (settled)	-	(0.46)
Benefits paid	(2.08)	(1.88)
Closing defined benefit obligation	30.15	25.48

e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

₹ in Crore

	As at March 31, 2020		As at March 31, 2019	
	Discount rate	Salary Escalation Rate	Discount rate	Salary Escalation Rate
DBO on increase in 50bps	28.69	31.67	24.28	26.36
Impact of increase in 50bps on DBO (%)	(4.88%)	5.01%	(4.73%)	3.44%
DBO on decrease in 50bps	31.73	28.65	26.78	24.62
Impact of decrease in 50bps on DBO (%)	5.21%	(5.03%)	5.09%	(3.39%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

f) Projected benefits payable:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Expected benefits for year 1	3.01	2.58
Expected benefits for year 2	1.65	1.82
Expected benefits for year 3	1.66	1.58
Expected benefits for year 4	2.28	1.57
Expected benefits for year 5	1.81	2.12
Expected benefits for year 6	2.55	1.83
Expected benefits for year 7	2.24	2.16
Expected benefits for year 8	2.72	2.08
Expected benefits for year 9	2.61	2.56
Expected benefits for year 10 and above	48.99	46.06

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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 i.e. the company and close members of the family (relatives) of any such person

Mr. Nimesh Kampani (NNK)

Close Members of the Family (Relatives):

Ms. Aruna N Kampani (ARNK)
Mr. Vishal Kampani (VNK)
Ms. Amishi Gambhir (AG)

F Enterprise over which close members of the family (relatives) of key management personnel are able to exercise significant influence

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)
J.M. Assets Management Private Limited (J.M. Assets)
JM Financial Trustee Company Private Limited (Trustee)
JSB Securities Limited (JSB)
Kampani Consultants Limited (KCL)
Persepolis Investment Company Private Limited (PICPL)
SNK Investments Private Limited (SNK)
Capital Market Publishers India Private Limited (CMPL)
Kampani Properties and Holdings Limited (KPHL)

Notes

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2) Details of transactions with related parties:

₹ in Crore

	Associate		Key Management Personnel		Non-Executive / Independent Directors		Individual exercising control or significant influence in reporting 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 the family of key management personnel are able to exercise significant influence		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Employee related liability transferred to												
JMFICS	-	-	-	-	-	-	-	-	-	0.06	-	0.06
Secondary brokerage received from												
JMFICS	-	-	-	-	-	-	-	-	0.39	0.39	0.39	0.39
KCL	-	-	-	-	-	-	-	-	0.01	0.13	0.01	0.13
PICPL	-	-	-	-	-	-	-	-	#	0.11	#	0.11
SNK	-	-	-	-	-	-	-	-	#	0.07	#	0.07
VNK	-	-	#	0.01	-	-	-	-	-	-	#	0.01
NNK	-	-	-	-	-	-	0.06	-	-	-	0.06	-
ARNK	-	-	-	-	-	-	0.02	#	-	-	0.02	#
J.M. Assets	-	-	-	-	-	-	-	-	#	0.02	#	0.02
Others	-	#	-	-	-	-	-	#	#	#	#	#
Recovery of expenses from												
JMFICS	-	-	-	-	-	-	-	-	#	#	#	#
Reimbursement of expenses to												
JMFICS	-	-	-	-	-	-	-	-	0.12	0.11	0.12	0.11
J.M. Assets	-	-	-	-	-	-	-	-	-	0.01	-	0.01
CMPL	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.03
Remuneration to												
VNK	-	-	10.70	14.37	-	-	-	-	-	-	10.70	14.37
Director's Sitting Fees												
NNK	-	-	-	-	-	-	0.09	0.11	-	-	0.09	0.11
EAK	-	-	-	-	0.13	0.13	-	-	-	-	0.13	0.13
DEU	-	-	-	-	0.09	0.13	-	-	-	-	0.09	0.13

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₹ 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 personnel		Enterprise over which close member of the family of key management personnel are able to exercise significant influence		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
PSZ	-	-	-	-	0.09	0.09	-	-	-	-	0.09	0.09
VLK	-	-	-	-	0.12	0.12	-	-	-	-	0.12	0.12
KBD	-	-	-	-	0.09	0.09	-	-	-	-	0.09	0.09
JMP	-	-	-	-	0.07	0.05	-	-	-	-	0.07	0.05
Directors Commission												
NNK	-	-	-	-	-	-	-	0.01	-	-	-	0.01
EAK	-	-	-	-	0.29	0.30	-	-	-	-	0.29	0.30
DEU	-	-	-	-	0.23	0.20	-	-	-	-	0.23	0.20
PSZ	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
VLK	-	-	-	-	0.28	0.26	-	-	-	-	0.28	0.26
KBD	-	-	-	-	0.20	0.27	-	-	-	-	0.20	0.27
JMP	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
Dividend paid to												
JMFICS	-	-	-	-	-	-	-	-	10.80	37.85	10.80	37.85
Trustee	0.06	0.18	-	-	-	-	-	-	-	-	0.06	0.18
J.M. Assets	-	-	-	-	-	-	-	-	5.15	17.54	5.15	17.54
JSB	-	-	-	-	-	-	-	-	0.33	1.04	0.33	1.04
PICPL	-	-	-	-	-	-	-	-	0.08	0.26	0.08	0.26
KCL	-	-	-	-	-	-	-	-	0.03	0.11	0.03	0.11
SNK	-	-	-	-	-	-	-	-	0.59	1.88	0.59	1.88
NNK	-	-	-	-	-	-	-	6.29	22.75	-	6.29	22.75
ARNK	-	-	-	-	-	-	-	1.77	6.26	-	1.77	6.26
VNK	-	-	0.57	1.72	-	-	-	-	-	-	0.57	1.72
AG	-	-	-	-	-	-	-	0.40	1.28	-	0.40	1.28
Rent paid to												
JMFICS	-	-	-	-	-	-	-	-	1.50	1.43	1.50	1.43
J.M. Assets	-	-	-	-	-	-	-	-	1.68	0.84	1.68	0.84
KCL	-	-	-	-	-	-	-	-	0.05	0.05	0.05	0.05

Notes

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₹ 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 personnel		Enterprise over which close member of the family of key management personnel are able to exercise significant influence		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
JSB	-	-	-	-	-	-	-	-	-	0.60	-	0.60
Subscription charges paid to												
CMPL	-	-	-	-	-	-	-	-	0.02	0.02	0.02	0.02
Support service fees paid to												
JMFICS	-	-	-	-	-	-	-	-	2.50	2.50	2.50	2.50
Demat charges received from												
VNK	-	-	#	#	-	-	-	-	-	-	#	#
Others	-	-	-	-	-	-	#	-	-	-	#	-
Security deposit paid to												
JMFICS	-	-	-	-	-	-	-	-	-	0.04	-	0.04
J.M. Assets	-	-	-	-	-	-	-	-	-	0.84	-	0.84
Security deposit refund received from												
JSB	-	-	-	-	-	-	-	-	-	0.60	-	0.60
Sale of Debt securities held as Stock in trade												
VNK	-	-	-	2.55	-	-	-	-	-	-	-	2.55
Issuance under Primary market of Public issue NCDs												
VNK	-	-	7.50	-	-	-	-	-	-	-	-	7.50
NNK	-	-	-	-	-	-	7.00	-	-	-	-	7.00
ARNK	-	-	-	-	-	-	5.00	-	-	-	-	5.00
JMFICS	-	-	-	-	-	-	-	-	10.00	-	-	10.00
J.M. Assets	-	-	-	-	-	-	-	-	10.00	-	-	10.00

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₹ 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 personnel		Enterprise over which close member of the family of key management personnel are able to exercise significant influence		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Repayment of NCDs												
JMFICS	-	-	-	-	-	-	-	-	15.00	-	15.00	-
Interest on NCDs												
VNK	-	-	0.17	-	-	-	-	-	-	-	0.17	-
JMFICS	-	-	-	-	-	-	-	-	3.10	-	3.10	-
Balance outstanding at the year end												
Security deposit (paid)												
JMFICS	-	-	-	-	-	-	-	-	0.80	0.80	0.80	0.80
J.M. Assets	-	-	-	-	-	-	-	-	0.84	0.84	0.84	0.84
Investment in equity shares of												
Trustee	0.03	0.03	-	-	-	-	-	-	-	-	0.03	0.03
Closing balance of NCDs by												
VNK	-	-	7.50	-	-	-	-	-	-	-	7.50	-
NNK	-	-	-	-	-	-	7.00	-	-	-	7.00	-
ARNK	-	-	-	-	-	-	5.00	-	-	-	5.00	-
JMFICS	-	-	-	-	-	-	-	-	10.00	-	10.00	-
J.M. Assets	-	-	-	-	-	-	-	-	10.00	-	10.00	-
Interest payable on NCDs												
VNK	-	-	0.02	-	-	-	-	-	-	-	0.02	-
Payables to												
NNK	-	-	-	-	-	-	-	0.01	-	-	-	0.01
VNK	-	-	7.00	11.00	-	-	-	-	-	-	7.00	11.00
AG	-	-	-	-	-	-	0.05	0.16	-	-	0.05	0.16
EAK	-	-	-	-	0.29	0.30	-	-	-	-	0.29	0.30

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₹ 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 personnel		Enterprise over which close member of the family of key management personnel are able to exercise significant influence		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
DEU	-	-	-	-	0.23	0.20	-	-	-	-	0.23	0.20
PSZ	-	-	-	-	0.21	0.20	-	-	-	-	0.21	0.20
VLK	-	-	-	-	0.28	0.26	-	-	-	-	0.28	0.26
KBD	-	-	-	-	0.20	0.27	-	-	-	-	0.20	0.27
JMP	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
JMFICS	-	-	-	-	-	-	-	-	0.67	-	0.67	-

Denotes amount below ₹ 50,000/-

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).

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40 Maturity Analysis of Assets and Liabilities

₹ in Crore

	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
1 Financial Assets						
A Cash and cash equivalents	809.90	-	809.90	751.77	-	751.77
B Bank balance other than (A) above	511.36	8.14	519.50	529.71	0.76	530.47
C Derivative financial instruments	1.26	-	1.26	-	-	-
D Trade receivables	233.41	90.84	324.25	685.05	-	685.05
E Loans	4,757.26	7,142.87	11,900.13	4,770.54	9,566.39	14,336.93
F Investments	3,063.62	950.83	4,014.45	1,738.81	1,194.53	2,933.34
G Other financial assets	835.46	1,546.86	2,382.32	1,098.91	1,587.62	2,686.53
	10,212.27	9,739.54	19,951.81	9,574.79	12,349.30	21,924.09
2 Non-financial Assets						
A Current tax assets (net)	-	295.89	295.89	-	255.63	255.63
B Property, plant and equipment	-	387.40	387.40	-	359.12	359.12
C Capital work-in-progress	-	0.69	0.69	-	1.35	1.35
D Other Intangible assets	-	10.14	10.14	-	11.99	11.99
E Goodwill on consolidation	-	52.44	52.44	-	52.44	52.44
F Other non-financial assets	38.27	8.88	47.15	27.29	8.18	35.47
	38.27	755.44	793.71	27.29	688.71	716.00
Total Assets	10,250.54	10,494.98	20,745.52	9,602.08	13,038.01	22,640.09

₹ in Crore

	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
1 Financial Liabilities						
A Derivative financial instruments	1.22	-	1.22	-	-	-
B Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	0.98	-	0.98	0.28	-	0.28
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	438.47	0.40	438.87	416.82	-	416.82
C Debt securities	2,638.28	5,596.98	8,235.26	4,797.41	4,925.42	9,722.83
D Borrowings (Other than debt securities)	1,969.71	1,550.70	3,520.41	2,034.71	2,233.57	4,268.28
E Other financial liabilities	208.25	63.30	271.55	287.55	58.25	345.80
Total Financial Liabilities	5,256.91	7,211.38	12,468.29	7,536.77	7,217.24	14,754.01
2 Non-Financial Liabilities						
A Provisions	15.94	31.94	47.88	13.74	28.46	42.20
B Deferred tax liabilities (Net)	-	27.21	27.21	-	43.76	43.76
C Other non-financial liabilities	63.50	4.21	67.71	33.52	0.46	33.98
Total Non-Financial Liabilities	79.44	63.36	142.80	47.26	72.68	119.94
Total Liabilities	5,336.35	7,274.74	12,611.09	7,584.03	7,289.92	14,873.95

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41 A) Entities included in consolidation

Name of the Entity	Country of incorporation	Proportion of interest as on March 31, 2020 (%)	Proportion of interest as on March 31, 2019 (%)
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	India	99.35	99.35
JM Financial Credit Solutions Limited [refer note (i)]	India	46.68	47.05
JM Financial Asset Management Limited	India	59.54	59.54
JM Financial Asset Reconstruction Company Limited [refer note (ii)]	India	59.25	59.25
JM Financial Home Loans Limited	India	98.36	98.35
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 the JM Financial Credit Solutions Limited reduced to 46.68% consequent upon the forfeiture of 19,837 partly paid-up shares held by the Company.
- During the year, the Company has acquired 49,16,104 Compulsorily Convertible Debentures (CCD) of JM Financial Asset Reconstruction Company Limited. The said debentures are convertible into 4,91,61,040 equity shares of the face value of ₹ 10/- each at the end of 36 months from the date of their allotment. Accordingly, the proportion of interest disclosed above is based on the equity shares presently held by the Company and the CCDs held by the Company are not taken into consideration.

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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	420.10	5.20%	94.17	12.10%	(0.29)	(3.32%)	93.88	11.93%
Subsidiaries (including step-down subsidiaries) in India								
JM Financial Institutional Securities Limited	81.08	1.00%	21.74	2.80%	(0.22)	(2.50%)	21.52	2.74%
Infinite India Investment Management Limited	17.33	0.21%	2.98	0.38%	0.01	0.07%	2.99	0.38%
JM Financial Properties and Holdings Limited	123.06	1.52%	10.88	1.40%	(0.04)	(0.49%)	10.84	1.38%
JM Financial Services Limited	139.69	1.73%	4.27	0.55%	(0.38)	(4.38%)	3.89	0.49%
JM Financial Commtrade Limited	25.38	0.31%	0.68	0.09%	0.03	0.33%	0.71	0.09%
CR Retail Malls (India) Limited	34.31	0.43%	8.50	1.09%	#	(0.02%)	8.50	1.08%
JM Financial Products Limited	1,554.97	19.24%	165.39	21.26%	0.02	0.26%	165.41	21.03%
JM Financial Credit Solutions Limited	1,537.19	19.02%	180.85	23.25%	(0.02)	(0.20%)	180.83	22.99%
JM Financial Asset Reconstruction Company Limited**	962.85	11.91%	29.85	3.84%	#	(0.05%)	29.85	3.79%
JM Financial Asset Management Limited	131.88	1.63%	9.87	1.27%	(0.10)	(1.21%)	9.77	1.24%
JM Financial Capital Limited	278.91	3.45%	14.87	1.91%	0.02	0.28%	14.89	1.89%
JM Financial Home Loans Limited	137.13	1.70%	(2.23)	(0.29%)	(0.12)	(1.33%)	(2.35)	(0.30%)
Partnership Firm in India								
Astute Investments	3.03	0.04%	6.92	0.89%	-	-	6.92	0.88%
Subsidiaries (including step-down subsidiaries) outside India								
JM Financial Overseas Holdings Private Limited	109.60	1.36%	0.52	0.07%	13.08	150.73%	13.60	1.73%
JM Financial Singapore Pte. Ltd.	10.28	0.13%	(4.94)	(0.64%)	(2.93)	(33.77%)	(7.87)	(1.00%)
JM Financial Securities, Inc	9.64	0.12%	0.25	0.03%	(0.28)	(3.25%)	(0.03)	0.00%
Associate								
JM Financial Trustee Company Private Limited	9.90	0.12%	0.41	0.05%	#	(0.00%)	0.41	0.05%
	5,586.33	69.12%	544.98	70.05%	8.78	101.15%	553.76	70.40%
Non-controlling Interests in all subsidiaries	2,495.66	30.88%	232.97	29.95%	(0.10)	(1.15%)	232.87	29.60%
Total	8,081.99	100.00%	777.95	100.00%	8.68	100.00%	786.63	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/-

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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 2019-20, the Nomination and Remuneration Committee has granted 6,62,130 options under Series 12 (previous year 18,48,018 options-Series 11) at an exercise price of ₹ 1/- per option to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Outstanding at the beginning of the year	43,55,624	49,99,654
Add: Granted during the year	6,62,130	18,48,018
Less: Exercised and shares allotted during the year	12,93,184	20,17,448
Less: Exercised but pending allotment	5,000	Nil
Less: Forfeited/cancelled during the year	Nil	5,085
Less: Lapsed during the year	74,338	4,69,515
Outstanding at the end of the year	36,45,232	43,55,624
Exercisable at the end of the year	13,35,616	10,87,302

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%	2,20,710	6,16,006	April 18, 2020	April 12, 2019	86.14	131.10
Tranche-2	33.33%	2,20,710	6,16,006	April 18, 2021	April 12, 2020	85.47	129.86
Tranche-3	33.33%	2,20,710	6,16,006	April 18, 2022	April 12, 2021	84.79	128.62
		6,62,130	18,48,018				

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	7.09%	7.28%	0.4518	0.4474	1.11%	1.31%
Tranche-2	3.75	3.75	7.26%	7.42%	0.4483	0.4462	1.11%	1.31%
Tranche-3	4.50	4.50	7.39%	7.52%	0.4438	0.4630	1.11%	1.31%

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Details of options granted under various series are as under:

	Series 6	Series 7	Series 8	Series 9	Series 10	Series 11	Series 12
Grant date	06/05/2013	01/04/2014	16/04/2015	12/05/2016	20/04/2017	12/04/2018	18/04/2019
Options granted	36,45,774	44,85,267	14,44,440	12,55,515	23,19,636	18,48,018	6,62,130
Options exercised till March 31, 2020	30,91,695	38,37,541	12,21,726	10,18,785	10,14,417	3,45,325	N.A.
Options forfeited/ cancelled till March 31, 2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Options lapsed till March 31, 2020	3,76,054	3,57,193	96,294	40,799	3,38,642	2,48,751	28,326
Outstanding at end of year	1,78,025	2,90,533	1,26,420	1,95,931	9,66,577	12,53,942	6,33,804
Exercisable at end of year	1,78,025	2,90,533	1,26,420	1,95,931	3,49,149	1,95,558	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])	₹ 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 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	As was determined by the Nomination and Remuneration Committee at its meeting held on April 18, 2019

Notes:

- (i) Additionally during the year, an aggregate amount of ₹ 8.41 Crore (Previous year ₹ 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, 4 and 5 as on March 31, 2020, the details of options granted has not been included above.
- (iii) Esop cost recognised in Statement of Profit and Loss is ₹ 11.03 Crore (Previous year ₹ 17.99 Crore).

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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	Segment
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 and lending to education institutions.
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.

Disclosure in respect of segment reporting pursuant to Ind AS 108 on 'Operating Segments'

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Segment revenue		
A Investment banking, Wealth Management and Securities Business (IWS)	1,611.52	1,601.76
B Mortgage Lending	1,350.85	1,290.91
C Distressed Credit	413.50	500.59
D Asset management	62.88	94.61
E Others	79.75	72.60
Total segment revenue	3,518.50	3,560.47
Less: Inter - segmental revenue	(64.95)	(60.98)
Total revenue	3,453.55	3,499.49
Segment results		
A Investment banking, Wealth Management and Securities Business (IWS)	434.60	377.74
B Mortgage Lending	533.01	619.79
C Distressed Credit	85.58	201.46
D Asset management	22.49	57.01
E Others	17.84	26.79
Profit before tax	1,093.52	1,282.79
Less: Tax expense	(315.98)	(446.31)
Profit for the year	777.54	836.48
Add : Share in profit of associate	0.41	0.57
Profit after tax and share in profit of associate	777.95	837.05
Other Comprehensive Income	8.68	7.82
Total Comprehensive Income	786.63	844.87

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₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Segment assets		
A Investment banking, Wealth Management and Securities Business (IWS)	7,626.56	8,821.02
B Mortgage Lending	8,404.14	8,707.01
C Distressed Credit	4,127.32	4,477.51
D Asset management	245.55	228.86
E Others	289.51	353.25
Total segment assets	20,693.08	22,587.65
Segment liabilities		
A Investment banking, Wealth Management and Securities Business (IWS)	4,932.13	6,287.80
B Mortgage Lending	4,972.32	5,685.90
C Distressed Credit	2,526.03	2,728.23
D Asset management	14.16	14.28
E Others	166.45	157.74
Total segment liabilities	12,611.09	14,873.95

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Capital expenditure incurred during the year		
A Investment banking, Wealth Management and Securities Business (IWS)	3.09	6.20
B Mortgage Lending	2.87	7.87
C Distressed Credit	0.05	0.61
D Asset management	2.55	0.37
E Others	1.40	3.11
Total capital expenditure	9.96	18.16
Depreciation / amortisation for the year		
A Investment banking, Wealth Management and Securities Business (IWS)	26.05	14.54
B Mortgage Lending	2.87	0.96
C Distressed Credit	1.08	0.92
D Asset management	2.43	1.76
E Others	8.61	8.93
Total depreciation / amortisation	41.04	27.11
Significant Non-Cash Expenses other than depreciation / amortisation		
A Investment banking, Wealth Management and Securities Business (IWS)	84.87	16.50
B Mortgage Lending	149.26	18.68
C Distressed Credit	17.33	23.45
D Asset management	0.09	2.39
E Others	0.60	0.03
Total Significant Non-Cash Expenses	252.15	61.05

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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, 2020			For the year ended March 31, 2019		
	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.	23.98	0.11	24.09	19.85	0.13	19.98
b) Amount spent:						
In cash	24.02	0.11	24.13	19.89	0.13	20.02
Yet to be paid in cash	-	-	-	-	-	-
Total	24.02	0.11	24.13	19.89	0.13	20.02
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	24.02	0.11	24.13	19.89	0.13	20.02

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 Company		Ownership interest held by non-controlling interest		Principal Activities
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
		JM Financial Credit Solutions Limited (JMFCSL)	India	46.68%	47.05%	
JM Financial Asset Reconstruction Company Limited (JMFARC)	India	59.25%*	59.25%	40.75%	40.75%	Distressed Credit

* The ownership interest disclosed above is based on the equity shares presently held by the Company. Compulsorily Convertible Debentures (CCD) held by the Company are not taken into consideration.

b) The following table summarises Financial Information of subsidiaries that have material non-controlling interests, before any inter-company eliminations:

i) Summarised Statement of Profit and Loss

₹ in Crore

	JM Financial Credit Solutions Limited		JM Financial Asset Reconstruction Company Limited (Refer note 45.1)	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Income	1,309.79	1,279.09	413.50	500.59
Profit for the year	382.35	406.39	47.68	131.60
Other Comprehensive Income (OCI)	(0.04)	(0.03)	(0.01)	(0.12)
Profit allocated to non-controlling interests	202.46	210.09	22.63	36.89
OCI allocated to non-controlling interests	(0.02)	(0.02)	#	(0.05)
Dividends paid to non-controlling interests	0.15	-	-	-

Denotes amount below ₹ 50,000/-

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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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Assets	8,112.89	8,498.22	4,127.48	4,489.64
Non-Financial Assets	86.79	64.30	62.05	10.43
	8,199.68	8,562.52	4,189.53	4,500.07
Financial Liabilities	4,904.78	5,647.71	2,633.92	2,712.27
Non-Financial Liabilities	3.63	5.51	16.83	38.52
	4,908.41	5,653.22	2,650.75	2,750.79
Net Assets (Equity)	3,291.27	2,909.30	1,538.78	1,749.28
Net assets attributable to non-controlling interests	1,755.05	1,540.56	549.67	515.60
Net assets attributable to security receipts holders under distressed credit business (Refer note 45.2)	-	-	88.77	484.05

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, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Cash flows from operating activities	1,195.29	(431.60)	(85.59)	(990.66)
Net Cash flows from investing activities	(590.55)	(286.14)	6.70	(0.32)
Net Cash flows from financing activities	(754.68)	777.73	184.20	1,108.47
Net (decrease) / increase in cash and cash equivalents before consolidation effect	(149.94)	59.99	105.31	117.49
Less: on loss of control of subsidiary trust	-	-	(0.06)	-
Net (decrease) / increase in cash and cash equivalents after consolidation effect	(149.94)	59.99	105.25	117.49

Note:

45.1 The numbers presented above are as per consolidated financial statements of JMFARC.

45.2 During the year, JMFARC discontinued consolidation of one of its subsidiary trusts which was consolidated till previous year, on the basis of exposure to variable returns in accordance with the policy approved by the Board of Directors of JMFARC defining the benchmark for consolidation of variable interest entity.

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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
- 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, 2020	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	809.90	809.90
Bank balances other than cash and cash equivalents	-	519.50	519.50
Derivative Financial instruments	1.26	-	1.26
Trade Receivables	-	324.25	324.25
Loans	-	11,900.13	11,900.13
Investments	4,004.55	9.90	4,014.45
Other Financial assets	2,183.19	199.13	2,382.32
Total	6,189.00	13,762.81	19,951.81
Financial liabilities			
Derivative Financial instruments	1.22	-	1.22
Trade payables	-	439.85	439.85
Debt Securities	-	8,235.26	8,235.26
Borrowings (other than debt securities)	-	3,520.41	3,520.41
Other Financial Liabilities	-	271.55	271.55
Total	1.22	12,467.07	12,468.29

₹ 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
Trade Receivables	-	685.05	685.05
Loans	-	14,336.93	14,336.93
Investments	2,723.06	210.28	2,933.34
Other Financial assets	2,583.73	102.80	2,686.53
Total	5,306.79	16,617.30	21,924.09

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₹ in Crore			
As at March 31, 2019	FVTPL	Amortised Cost	Total
Financial liabilities			
Trade payables	-	417.10	417.10
Debt Securities	-	9,722.83	9,722.83
Borrowings (other than debt securities)	-	4,268.28	4,268.28
Other Financial Liabilities	-	345.80	345.80
Total	-	14,754.01	14,754.01

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, 2020	Level 1	Level 2	Level 3	Total
Financial assets (Measured at FVTPL)				
Derivative Financial instruments	-	1.26	-	1.26
Investments				
- Equity shares	37.18	20.31	192.33	249.82
- Venture Capital Fund units	-	6.23	45.14	51.37
- Security Receipts	-	-	1,185.84	1,185.84
- Others	2,504.93	6.04	6.55	2,517.52
	2,542.11	32.58	1,429.86	4,004.55
Other Financial assets				
- Financial assets under Distressed Credit Business	-	-	1,965.16	1,965.16
- Others	57.34	160.69	-	218.03
	57.34	160.69	1,965.16	2,183.19
Financial liabilities (Measured at FVTPL)				
Derivative Financial instruments	-	1.22	-	1.22

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₹ in Crore				
As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets (Measured at FVTPL)				
Investments				
- Equity shares	45.24	178.64	1.92	225.80
- Venture Capital Fund units	-	90.18	-	90.18
- Security Receipts	-	-	1,438.26	1,438.26
- Others	935.74	0.80	32.28	968.82
	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

Fair value of the financial instruments that are not measured at fair value

Non-convertible Debentures measured at amortised cost for which carrying value and fair value are as under:

₹ in Crore		
	As at March 31, 2020	As at March 31, 2019
Carrying value*	7,603.26	6,649.20
Fair value	7,423.89	6,461.03

* Carrying value includes interest accrued and excludes premium and impact of effective interest rate adjustment.

These fair values are calculated for disclosure purpose only. Except for those financial instruments for which the fair values are mentioned in the above table, the 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 / AIF Units	NAV as on the reporting date / latest available NAV.
REIT Units	Quoted price as on the reporting date
Security receipts	NAV as on the reporting date.

Impact of COVID-19:

Impact of Covid-19 pandemic has been considered on the observable and unobservable inputs used for the purpose of valuation. The group has reclassified certain investments in equity instruments and venture capital fund units from level 2 to level 3 during the year. Further, necessary adjustments have been made to the timing of cash flows and values of collaterals to be realized for the purpose of determination of the fair values of financial assets carried at FVTPL.

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3) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2020 and March 31, 2019.

₹ in Crore

	Equity shares	Venture Capital Fund units	Security receipts	Financial Assets under Distressed Credit Business
As at April 01, 2018	1.70	-	1,230.44	1,454.81
Acquisitions	0.11	-	282.97	1,157.04
Realisations	-	-	(217.57)	(174.16)
On loss of control in a subsidiary trust	-	-	41.52	(272.69)
Net Gain / (Loss) on fair value changes	-	-	100.90	76.87
Foreign currency fluctuation	0.11	-	-	-
As at March 31, 2019	1.92	-	1,438.26	2,241.87
Acquisitions	12.52	-	20.16	293.97
Reclassification from Level 2 to Level 3	184.82	53.52	-	-
Realisations	-	-	(229.51)	(152.48)
On loss of control in a subsidiary trust	-	-	84.73	(574.64)
Net (Loss)/Gain on fair value changes	(7.14)	(8.38)	(127.80)	156.44
Foreign currency fluctuation	0.21	-	-	-
As at March 31, 2020	192.33	45.14	1,185.84	1,965.16

4) Sensitivity for instruments:

₹ in Crore

Nature of the instrument	Fair Value As at March 31, 2020	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2020	
				FV Increase	FV Decrease
Investment in Equity shares	192.33	Impact estimated by the management considering current market conditions	5%	1.45	(1.45)
Investment in VCF	45.14	Same as above	5%	0.43	(0.43)
Investment in Security receipts	1,185.84	Estimated cash flow based on realisation of collaterals value, etc	5%	70.78	(70.78)
Financial Assets under Distressed Credit Business	1,965.16	Same as above	5%	86.79	(86.79)

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₹ in Crore

Nature of the instrument	Fair Value As at March 31, 2019	Significant unobservable inputs	Increase / Decrease in the unobservable input	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)

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

Borrowings	As at March 31, 2020	As at March 31, 2019
Gross debt	11,755.67	13,991.11
Less: Cash and cash equivalents	809.90	751.77
Less: Deposits under lien against which facilities are not availed	103.06	84.95
Less: Liquid investments in mutual funds (refer note 47.1)	2,499.37	899.86
Adjusted net debt	8,343.34	12,254.53
Total equity (refer note 47.2)	7,993.22	7,229.65
Adjusted net debt to equity ratio	1.04	1.70

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 ₹ 14.00 Crore as on March 31, 2020 and ₹ 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)

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Risk management framework

Risk management forms an integral part of our business operations and monitoring activities. The Group is exposed to various risks related to our lending business and operating environment. The objective is to evaluate and monitor various risks that we are subject to and follow stringent policies and procedures to address these risks. The Group has formulated comprehensive risk management policies and processes to identify, evaluate and manage the risks that are encountered during conduct of business activities in an effective manner.

i) Credit risk:

For Wholesale Loans:

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy which outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Group measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. The Group has structured and 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.

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The Credit Committee of the respective subsidiaries, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board of the respective subsidiaries for its information. The Group continue to monitor the credit exposure until the loans are fully repaid.

For Capital Market Loans:

The 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 respective subsidiary company. Further, such loans are a credit facility which can be recalled at any time.

The Credit team carries out a credit assessment of a borrower on the basis of financial credentials of the borrower and for that, asks for documents such as net worth / bank statements/ Income Tax Returns/ Balance sheet, investment statements and any similar documents or any such document as they may deem fit.

Considering the nature of the security (collateral) backed lending business, where the price of security may fluctuate due to market volatility or underlying security, company specific factors or due to various external factors/ adverse movements, the value of security available may fluctuate impacting the margin coverage for a borrower. Hence, to safeguard and protect the interests from the possible risk of default of a borrower, the respective subsidiary:

- Ensures maintenance of sufficient margin coverage on the borrower's loan across all the products;
- Make margin calls to the borrowers and ensures the timely collection of margins;
- Liquidates the securities to recover the loan in case the borrower fails to pay the margins on time;
- Ensures timely collection of outstanding interest on the loans; and
- Revises list of approved securities from time to time.

For Home Loans:

There is a systematic credit evaluation process monitoring the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure. It also undertakes periodic review of asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon.

For Trade receivables and other financial assets:

The investment 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 categorization of securities, client-wise/scrip-wise maximum exposure, etc. for better management of credit risk.

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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	Assets overdue more than 90 days past due	Lifetime ECL

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a reporting date. It shall include outstanding loan amount, accrued interest and expected drawdowns on non-discretionary loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

The table below shows the credit quality and the exposure to credit risk of loans based on the year-end stage classification. The amounts presented are gross of impairment allowances.

	₹ in Crore	
	As at March 31, 2020	As at March 31, 2019
Stage 1	11,230.46	13,891.76
Stage 2	638.64	468.62
Stage 3	371.32	110.41
Total	12,240.42	14,470.79

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans:

	₹ in Crore			
	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	13,891.76	468.62	110.41	14,470.79
New assets originated or purchased	3,203.74	140.22	1.32	3,345.28
Assets derecognised or repaid (excluding write offs)	(5,250.89)	(207.85)	(101.75)	(5,560.49)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(421.39)	421.39	-	-
Transfers to Stage 3	(192.76)	(183.74)	376.50	-
Amounts written off	-	-	(15.16)	(15.16)
Gross carrying amount closing balance	11,230.46	638.64	371.32	12,240.42

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	₹ 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			
	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	92.93	8.10	32.83	133.86
New assets originated or purchased	88.08	35.92	4.76	128.76
Assets derecognised or repaid (excluding write offs)	(28.06)	(0.86)	(2.00)	(30.92)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(5.61)	77.65	-	72.04
Transfers to Stage 3	(1.72)	(4.31)	57.74	51.71
Amounts written off	-	-	(15.16)	(15.16)
ECL allowance - closing balance	145.62	116.50	78.17	340.29

	₹ 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

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, 2020	As at March 31, 2019
Stage 1	-	201.92
Stage 2	-	-
Stage 3	-	-
Total	-	201.92

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An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments in debt instruments measured at amortised cost:

₹ in Crore				
	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	201.92	-	-	201.92
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(201.92)	-	-	(201.92)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Gross carrying amount closing balance	-	-	-	-

₹ 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				
	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.13	-	-	1.13
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(1.13)	-	-	(1.13)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL allowance - closing balance	-	-	-	-

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₹ in Crore				
	2018-19			Total
	Stage 1	Stage 2	Stage 3	
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 the ECL allowances in relation to trade receivables:

₹ in Crore		
	As at March 31, 2020	As at March 31, 2019
Past due 0-180 days	207.39	597.24
More than 180 days	131.39	99.89
Total	338.78	697.13

Reconciliation of impairment allowance on Trade Receivables

₹ in Crore	
Impairment allowance measured as per simplified approach	
Impairment allowance as on April 01, 2018	10.50
Add/ (less): asset originated / acquired or recovered	2.95
(Less): Amount written-back due to write-off	(1.37)
Impairment allowance as on March 31, 2019	12.08
Add/ (less): asset originated / acquired or recovered	9.71
(Less): Amount written-back due to write-off	(7.26)
Impairment allowance as on March 31, 2020	14.53

Impact of COVID-19:

The relevant subsidiary companies of the Group have applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to pandemic. The impact on collateral values is also assessed for determination of loss given default and reasonable haircuts are applied wherever necessary. The moratorium benefit wherever extended has been taken into consideration for staging of loans in the Model.

As part of the management overlays and as per the approved ECL policy of the relevant subsidiary companies of the Group, the management has adjusted the underlying PD and LGD as computed by ECL Model depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Also, refer note 50.

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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 ₹ 732.06 Crore and ₹ 782.87 Crore as of March 31, 2020 and March 31, 2019 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, 2020	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Derivative financial instruments	1.22	1.22	-	-	-
Trade Payables	439.85	439.45	0.40	-	-
Debt securities	8,235.26	2,638.28	3,556.78	1,305.91	734.29
Borrowings (other than debt securities)	3,520.41	1,969.71	1,115.12	245.82	189.76
Other Financial Liabilities	271.55	208.25	36.09	21.03	6.18
Total	12,468.29	5,256.91	4,708.39	1,572.76	930.23
Financial Assets					
Cash and Cash Equivalents	809.90	809.90	-	-	-
Bank balances other than cash and cash equivalents	519.50	511.36	8.14	-	-
Derivative financial instruments	1.26	1.26	-	-	-
Trade Receivables	324.25	233.41	90.84	-	-
Loans	11,900.13	4,757.26	5,338.44	847.91	956.52
Investments	4,014.45	3,063.62	338.18	258.92	353.73
Other Financial Assets	2,382.32	835.46	545.30	993.18	8.38
Total	19,951.81	10,212.27	6,320.90	2,100.01	1,318.63

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₹ 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	4,797.41	3,495.15	1,131.16	299.11
Borrowings (other than debt securities)	4,268.28	2,034.71	2,027.78	97.65	108.14
Other Financial Liabilities	345.80	287.55	17.82	4.21	36.22
Total	14,754.01	7,536.77	5,540.75	1,233.02	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	4,770.54	7,525.27	1,327.43	713.69
Investments	2,933.34	1,738.81	233.39	239.14	722.00
Other Financial Assets	2,686.53	1,098.91	746.51	521.83	319.28
Total	21,924.09	9,574.79	8,505.93	2,088.40	1,754.97

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 wherever required, hedges its foreign currency risk by using Derivative Instruments (Forward Contracts).

a) Foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

	As at March 31, 2020 (in Crore)	As at March 31, 2020 (Amount in Foreign Currency)	As at March 31, 2019 (in Crore)	As at March 31, 2019 (Amount in Foreign Currency)
Trade Receivables	0.45	USD 59,671	0.70	USD 101,694
	3.45	GBP 3,71,149	0.01	GBP 1,050
	6.34	EURO 7,63,806	-	-
Trade Payables	0.07	USD 9,190	0.04	GBP 3,862
	0.02	SGD 4,220	#	USD 671

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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			Profit or Loss	
	March 31, 2020	March 31, 2019	% Change	March 31, 2020	March 31, 2019
USD	0.38	0.70	5% Increase 5% Decrease	0.02 (0.02)	0.03 (0.03)
SGD	(0.02)	-	5% Increase 5% Decrease	# #	- -
GBP	3.45	(0.03)	5% Increase 5% Decrease	0.17 (0.17)	# #
EURO	6.34	-	5% Increase 5% Decrease	0.32 (0.32)	- -

Denotes amount below ₹ 50,000/-

Equity price risk:

Equity price risk is related to the change in market reference price of the level 1 and level 2 equity instruments. The fair value of some of the Group's investments exposes the Group to equity price risks. In general, these securities are not held for trading purposes.

The fair value of level 1 and level 2 equity instruments as at March 31, 2020 and March 31, 2019 were ₹ 57.49 Crore and ₹ 223.88 Crore respectively. A 5% change in price of equity instruments held as at March 31, 2020 and March 31, 2019 would result in the following:

₹ in Crore

	March 31, 2020	March 31, 2019
5% Increase	2.87	11.19
5% Decrease	(2.87)	(11.19)

Interest rate risk:

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. Interest rates are susceptible to a number of factors beyond our control, including monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. The Group assesses and manages interest rate risk on balance sheet by managing assets and liabilities in line with Asset Liability Management Policy.

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Exposure to interest rate risk

The Group's exposures to interest rates on financial assets and financial liabilities are detailed as under:

₹ in Crore

	As as March 31, 2020	As at March 31, 2019
Loans:		
Fixed rate Instruments	6,178.70	8,794.64
Floating rate Instruments	5,851.62	5,491.86
Total	12,030.32	14,286.50
Borrowings:		
Fixed rate Instruments	7,131.85	9,888.42
Floating rate Instruments	3,994.11	3,636.50
Total	11,125.96	13,524.92

Note: The above numbers are gross of expected credit losses and does not include accrued interest.

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Group's profit before tax would have changed by the following:

₹ in Crore

	March 31, 2020		March 31, 2019	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	58.52	(58.52)	54.92	(54.92)
Floating rate borrowings	(39.94)	39.94	(36.37)	36.37

49 The Board of Directors of the Company has recommended a dividend of ₹ 0.20 per equity share of the face value of ₹1/- each for the year ended March 31, 2020 (Previous Year: final dividend was ₹ 0.50 per equity share and interim dividend was ₹0.50 per equity share). The said dividend will be paid, if approved by the shareholders at the Thirty Fifth Annual General Meeting.

50 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, certain subsidiaries of the Group have provided a moratorium of three months on the payment of all principal amounts and/or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if the said amounts were overdue on February 29, 2020, excluding the collections already made in the month of March 2020. For all such accounts, where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the policy).

Snapshots of the Year

Further, the management of respective subsidiaries, based on current available information, has estimated impact on the future cash flows and applied overlays based on the policy of the respective subsidiaries for the purpose of determination of:

- the provision for impairment of financial assets carried at amortised cost and,
- the fair value of certain financial assets carried at fair value through profit or loss (FVTPL).

Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information including credit reports and economic forecasts up to the date of approval of these financial statements.

Accordingly, the Statement of Profit and Loss for the year ended March 31, 2020 includes incremental impairment provision and fair value loss aggregating ₹ 175.21 Crore which significantly includes potential impact on account of the pandemic. Based on the current indicators of future economic conditions, the Group considers these provisions to be adequate and the fair values of financial assets carried at FVTPL to be appropriate.

The extent to which the COVID-19 pandemic will impact future results of these subsidiaries and consequently the Group's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by these subsidiaries of the Group. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

51 The Financial Statements are approved for issue by the Board of Directors at its meeting held on May 06, 2020.

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

Place : Mumbai
Date : May 06, 2020



→ Mr. Amit Trivedi, Author of Investories - Anecdotes from the Financial World along with Mr. Subodh Shinkar, MD & CEO, Investment Advisory and Distribution, Mr. Ashishkumar Chauhan, CEO, BSE and Mr. Vishal Kampani, MD, JM Financial Group



→ Panel discussion at the JM Financial Fintech-Day



→ Mr. Vishal Kampani, MD, JM Financial Group speaking at the CII Financial Markets Summit



→ Mr. Nimesh Kampani, Chairman, JM Financial Group interacting with children at our Bachpan Centre, Bihar



→ Mr. Manish Sheth, Managing Director & CEO, Home Loans presenting the certificate to a participant as a part of 'Rangmanch' National Level Drawing Competition



→ Private Equity team attending the JM Financial India Fund II Investor Meet 2019



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