

Actualising **Possibilities.** Accelerating **Progress.**

JM Financial Limited
Annual Report 2021-22



What's inside

Corporate Overview

- 01 Theme Introduction
- 02 FY 2021-22 Key Highlights
- 04 Corporate Snapshot
- 06 Key Performance Indicators
- 08 From the Management's Desk
- 10 Board of Directors
- 12 Leadership Team
- 14 Business Segment Review
- 31 Our People
- 34 Awards and Testimonials
- 36 Corporate Social Responsibility
- 38 Corporate Information

Statutory Reports

- 39 Notice
- 64 Directors' Report
- 87 Management Discussion and Analysis
- 124 Report on Corporate Governance
- 143 General Shareholders' Information
- 156 Business Responsibility Report

Financial Statements

STANDALONE

- 168 Independent Auditor's Report
- 178 Balance Sheet
- 179 Statement of Profit and Loss
- 180 Cash Flow Statement
- 182 Statement of Changes in Equity
- 183 Notes to Financial Statements
- 244 Financial Information of Subsidiary Companies

CONSOLIDATED

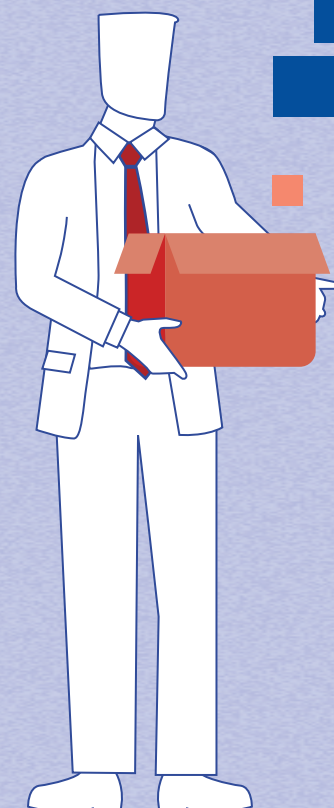
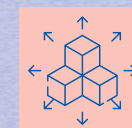
- 246 Independent Auditor's Report
- 260 Balance Sheet
- 262 Statement of Profit and Loss
- 264 Cash Flow Statement
- 266 Statement of Changes in Equity
- 268 Notes to Financial Statements

Actualising Possibilities. Accelerating Progress.

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

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

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




The red tie man realising growth aspirations

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

FY 2021-22 Key Highlights

Walkthrough of the year



ASSETS UNDER MANAGEMENT (AUM) AND LOAN BOOK

₹ 61,211^{*} crore

Private Wealth Management

₹ 20,202^{*} crore

Retail Wealth Management

₹ 1,030^{*} crore

Elite Wealth Management

₹ 10,936 crore


Distressed Credit

₹ 13,017^{**} crore

End of Year Loan Book

^{*}Comprises distribution assets and advisory assets, as applicable

^{**}Excluding episodic financing loan book



FINANCIAL HIGHLIGHTS

₹ 3,763 crore

Total Income

₹ 1,348 crore

Profit Before Tax

₹ 773 crore

Profit After Tax

₹ 10,453^{*} crore

Net Worth
(including non-controlling interest)^{**}

1.29_x

Gross Debt/Equity

^{*}Computed after reducing goodwill of ₹52.44 crore from shareholders' funds

^{**} Non-controlling interest excludes non-controlling interests of security receipts holder under distressed credit business



PRESENCE

112^{*}

Branches

634

Locations

185

Cities

4^{**}

Overseas Locations

^{*}Across thirteen states and two union territories in the country

^{**}Includes three subsidiaries and one representative office



SOCIAL HIGHLIGHTS

2,405

Employees

20%

Women Employees

1,698

Person Hours
Training
Programme

~26,000

Patients aided through
the mobile health unit
cumulatively



STRONG CREDIT RATING

Long-term debt rating^{*}

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

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

Short-term debt rating

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



QUARTERLY HIGHLIGHTS

Q1

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

Q2

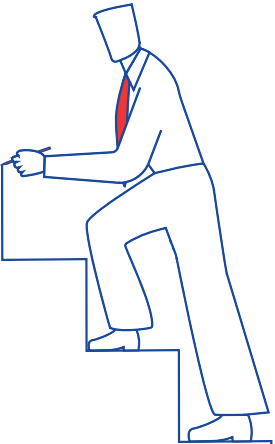
In September 2021, JM Financial Products Limited, announced Tranche – I Public Issue of ₹500 crore of Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCDs) of face value of ₹1,000 each.

Q3

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

Q4

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



Corporate Snapshot

Bringing ease and expertise into finance

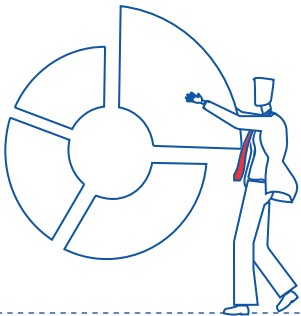
JM Financial is one of India’s most prominent integrated financial services player. We offer an array of integrated and diversified financial services to corporations, financial institutions, high net-worth individuals and retail customers.

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

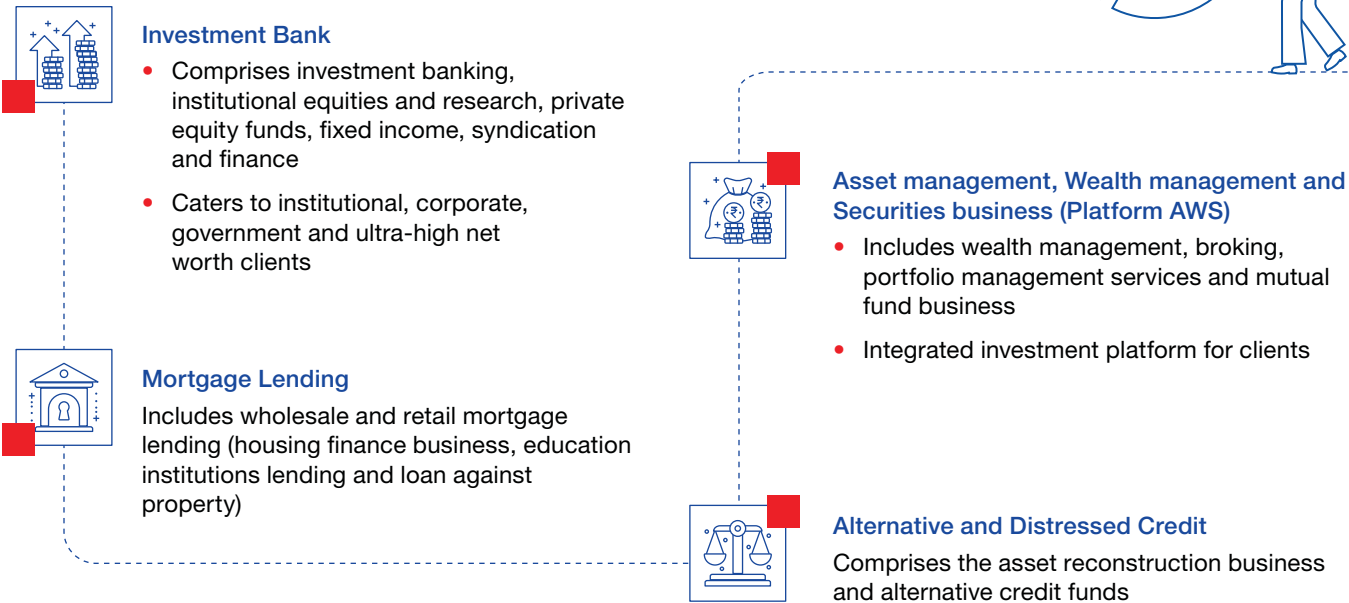
Headquartered in Mumbai, we have a presence across 634 locations in 185 Indian cities and 4 international locations through our subsidiaries and a representative office.

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

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



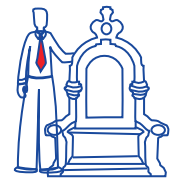
Business Segments



Core Values

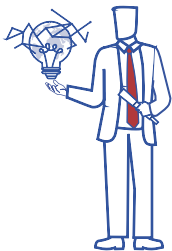
Our value system is the bedrock of our business, helping us achieve the vision and goals we have set for ourselves to build a strong company culture. Together, these values give purpose to our organisation’s function and is a behavioural guidance for everyone in the organisation.

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



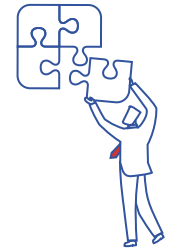
CLIENT FOCUS

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



INTEGRITY

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



INNOVATION

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



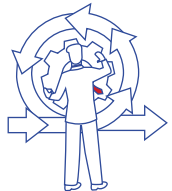
PARTNERSHIP

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



TEAM WORK

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



IMPLEMENTATION

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



PERFORMANCE

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

Key Performance Indicators

Consolidated Performance Review

Revenue	Profit*	Networth
₹ in crore	₹ in crore	₹ in crore
21-22	21-22	21-22
20-21	20-21	20-21
19-20	19-20	19-20
18-19	18-19	18-19
17-18	17-18	17-18
16-17	16-17	16-17
15-16	15-16	15-16
14-15	14-15	14-15
13-14	13-14	13-14
12-13	12-13	12-13

Book Value Per Share	Earnings Per Share	Dividend Per Share
₹ per share	₹ per share	₹ per share
21-22	21-22	21-22
20-21	20-21	20-21
19-20	19-20	19-20
18-19	18-19	18-19
17-18	17-18	17-18
16-17	16-17	16-17
15-16	15-16	15-16
14-15	14-15	14-15
13-14	13-14	13-14
12-13	12-13	12-13

Gross Debt Equity Ratio	Net Debt Equity Ratio	Cash and Cash Equivalents
in times	in times	₹ in crore
21-22	21-22	21-22
20-21	20-21	20-21
19-20	19-20	19-20
18-19	18-19	18-19
17-18	17-18	17-18
16-17	16-17	16-17
15-16	15-16	15-16
14-15	14-15	14-15
13-14	13-14	13-14
12-13	12-13	12-13

Note

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

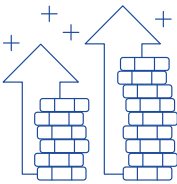
*Consolidated profit after tax and non-controlling interest

Consolidated Tax Information

Corporate Tax ¹	Dividend Distribution Tax and Buyback Tax ²	GST & Service Tax ³
₹ in crore	₹ in crore	₹ in crore
21-22	21-22	21-22
20-21	20-21	20-21
19-20	19-20	19-20
18-19	18-19	18-19
17-18	17-18	17-18
16-17	16-17	16-17
15-16	15-16	15-16
14-15	14-15	14-15
13-14	13-14	13-14
12-13	12-13	12-13

Payroll Tax ⁴	Non Payroll Tax ⁵	Securities Transaction Tax ⁶
₹ in crore	₹ in crore	₹ in crore
21-22	21-22	21-22
20-21	20-21	20-21
19-20	19-20	19-20
18-19	18-19	18-19
17-18	17-18	17-18
16-17	16-17	16-17
15-16	15-16	15-16
14-15	14-15	14-15
13-14	13-14	13-14
12-13	12-13	12-13

Total Tax Borne and Paid ⁷	Total Tax Deducted/Collected and Paid ⁸
₹ in crore	₹ in crore
21-22	21-22
20-21	20-21
19-20	19-20
18-19	18-19
17-18	17-18
16-17	16-17
15-16	15-16
14-15	14-15
13-14	13-14
12-13	12-13



₹7,148 crore

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

NOTES:

1 Comprises provision for taxes, including deferred tax

2 Comprises tax on dividend distributed and tax on buyback

3 Comprises gross GST and service tax paid

4 Comprises tax deducted at source from employees' remuneration and paid

5 Comprises tax deducted/collected at source from payments to/from parties and paid

6 Comprises transaction tax collected from the clients and paid

7 Comprises corporate tax and dividend distribution tax

8 Comprises GST, service tax, payroll tax, non-payroll tax and Securities transaction tax

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

From the Management's Desk

Making meaningful strides amidst uncertainties



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

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

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

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

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

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

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

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



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

Mr. Atul Mehra
Joint Managing Director,
JM Financial Limited



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

Mr. Adi Patel
Joint Managing Director,
JM Financial Limited



Board of Directors

Leading in the right direction

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



Mr. Nimesh Kampani
Non-Executive Chairman



Mr. Vishal Kampani
Non-Executive Vice Chairman



Mr. E A Kshirsagar
Independent Director



Dr. Vijay Kelkar
Independent Director



Mr. Paul Zuckerman
Independent Director



Mr. Keki Dadiseth
Independent Director



Ms. Jagi Mangat Panda
Independent Director



Mr. P S Jayakumar
Independent Director



Mr. Navroz Udwadia
Independent Director



Ms. Roshini Bakshi
Independent Director



Mr. Pradip Kanakia
Independent Director



Mr. Sumit Bose
Independent Director



Mr. Atul Mehra
Joint Managing Director



Mr. Adi Patel
Joint Managing Director

Leadership Team

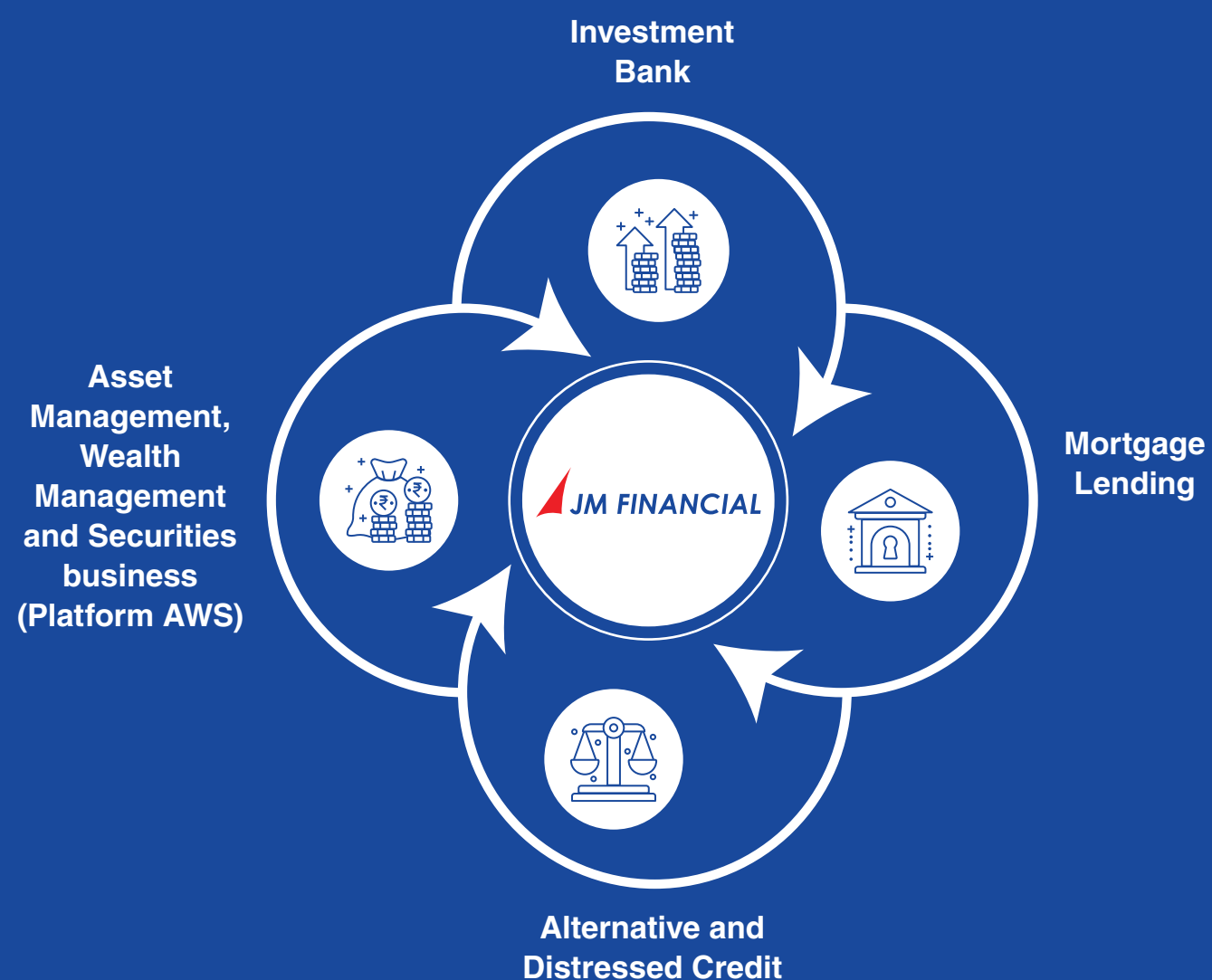
Bringing expertise and experience to the table

Mr. Atul Mehra Joint Managing Director, JM Financial Limited	Mr. Manish Sheth Group CFO and Managing Director & CEO, Home Loans	Mr. Richard Liu Managing Director & Head of Research, Institutional Equities	Mr. Krishna Rao Managing Director & Co-Head, Equity Broking Group
Mr. Adi Patel Joint Managing Director, JM Financial Limited	Mr. Subodh Shinkar Managing Director & CEO, Investment Advisory and Distribution	Mr. Devan Kampani Managing Director & Deputy CEO, Investment Banking	Mr. Sanjay Bhatia Managing Director & Co-Head, Business Affiliates Group
Ms. Sonia Dasgupta Managing Director & CEO, Investment Banking	Mr. Amitabh Mohanty Managing Director & CEO, Mutual Fund	Ms. Cheryl Netto Managing Director & Deputy CEO, Investment Banking	Mr. Ashu Madan Managing Director & Co-Head, Business Affiliates Group
Mr. Anil Bhatia Managing Director & CEO, Asset Reconstruction	Mr. Prashant Choksi Managing Director & Group Head, Compliance, Legal & Company Secretary	Mr. Ranganath Char Managing Director, Real Estate Advisory	Mr. Vinay Jaising Managing Director & Co-Head, Portfolio Management Services
Mr. Anish Damania Managing Director & CEO, Institutional Equities	Mr. Anil Salvi Managing Director & Group Head, Human Resources & Administration and CEO, RE Consulting	Mr. Anuj Kapoor Managing Director & CEO, Private Wealth Group and Venture Capital Funds Platform	Mr. Rakesh Parekh Managing Director & Co-Head, Portfolio Management Services
Mr. Darius Pandole Managing Director & CEO, Private Equity & Equity AIFs	Mr. Ajay Manglunia Managing Director & Head, Investment Grade Group	Mr. Dimplekumar Shah Managing Director & Co-Head, Equity Broking Group	

Business Segment Review

Unlocking value across verticals

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



INVESTMENT BANK



Investment Banking

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

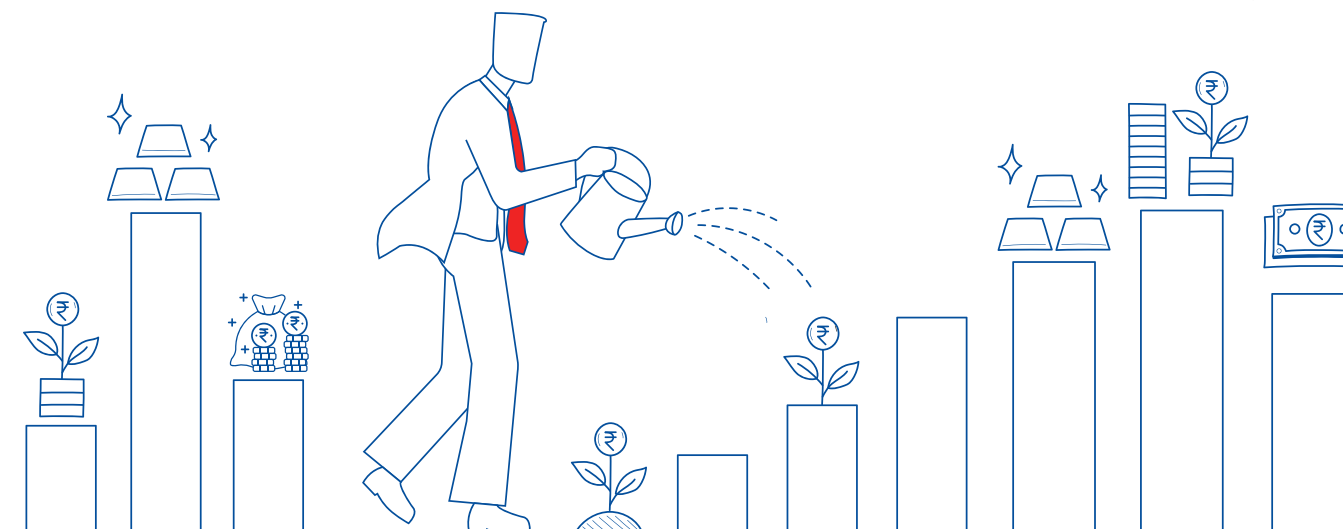


Equity Capital Markets

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




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

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



FY 2021-22 MARQUEE EQUITY CAPITAL MARKET TRANSACTIONS

Notable Initial Public Offerings (IPOs)

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

Other notable equity capital market transactions

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

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


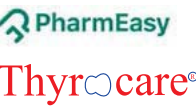










We represent marquee corporates and business houses in the country. We have been involved in some of the largest and most multi-faceted M&A transactions covering acquisitions, divestitures, restructurings, takeovers, schemes of arrangements and fairness opinions, and other financial/strategic advisories.

(Source: Mergermarket as on April 5, 2022)

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

#3
In the Mergermarket
League Tables FY 2021-22
on completed deals basis

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

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