



“JM Financial Limited”

August 03, 2023

Management:

Mr. Nimesh Kampani - the Chairman
Mr. Vishal Kampani - Non-executive Vice-Chairman;
Mr. Pradip Kanakia - Independent Director and the Chairman of the Audit Committee
Ms. Jagi Mangat Panda - Independent Director and the Chairperson of Stakeholders' Relationship Committee;
Ms. Roshini Bakshi - Independent Director
Mr. Sumit Bose - Independent Director
Mr. Atul Mehra - Joint Managing Director
Mr. Adi Patel - Joint Managing Director
Mr. P S Jayakumar - Independent Director and the Chairman of Nomination and Remuneration Committee
Mr. Manish Sheth - Chief Financial Officer
Ms. Dimple Mehta - Company Secretary

Moderator: Dear shareholders, good evening and a very warm welcome to the 38th Annual General Meeting of JM Financial Limited through video conference or other audio-visual facility. As a reminder, for the smooth conduct of the meeting, the members will be in the mute mode and audio and video will be opened when they will speak at the AGM as per the pre-registrations. Please note that, as per the requirements, the proceedings of the annual general meeting will be recorded and available on the website of the company.

I now hand over the proceedings to Mr. Nimesh Kampani, Chairman of JM Financial Limited.

Nimesh Kampani: I am Nimesh Kampani, the Chairman of your company extends you a very warm welcome to each one of you at the 38th Annual General Meeting. I hope all of you are safe and in good health. I wish to inform you that this Annual General Meeting is being held through video conferencing and other audiovisual mode in accordance with the general circulars issued by the Ministry of Corporate Affairs in April 2020 and May 2020, read with the subsequent circulars issued in this regard, the latest being in December 2022 and in accordance with the applicable provisions of the Companies Act and a circular issued by the Securities and Exchange Board of India in January 2023.

I would now like to introduce my fellow board members who have joined us in this AGM, along with from the registered office of the company. Mr. Vishal Kampani, Non-Executive Vice Chairman, Mr. Pradip Kanakia, Independent Director and the Chairman of the Audit Committee, Ms. Jagi Mangat Panda, Independent Director and the Chairperson of Stakeholders' Relationship Committee, Ms. Roshini Bakshi, Independent Director, Mr. Sumit Bose, Independent Director, Mr. Atul Mehra, Joint Managing Director and Mr. Adi Patel, Joint Managing Director. Further, we have Mr. P S Jayakumar, Independent Director and the Chairman of Nomination and Remuneration Committee who has joined the AGM from Rochester, United States of America. We also have the Key Managerial Personnel viz. Mr. Manish Sheth, the Chief Financial Officer, Ms. Dimple Mehta, the Company Secretary, attending the meeting from the registered office. The representatives of the Statutory Auditors, Secretarial Auditors and Scrutinisers are also attending this meeting through video conferencing.

The required quorum, as per the regulation, is present, so, I declare the meeting in order. The Company has received seven authorized representations in respect of 35,98,32,008 shares which is 37.68% of the paid-up share capital of the company.

The Statutory Register, including the Register of Directors, the KMPs and their shareholding, etc., are available during the AGM for online inspection by the members.

The Annual Report for the financial year 2022-23 inter alia containing the Notice of the 38th Annual General Meeting was sent electronically (by email) to the members in compliance with the MCA and SEBI circulars. With the consent of the members attending the AGM through video conferencing, the Notice conveying the meeting is taken as read.

Kindly note that the Statutory Auditor's Report on Standalone and Consolidated Financial Statements for the financial year ended March 31, 2023 and Secretarial Audit Report do not

contain any qualification and are self-explanatory. Thus, they are not required to be read at the meeting. So, with the permission of the members, the said document are taken as read.

The members are requested to note that there will be no voting by show of hands. In compliance with the applicable provisions of the Act, the Company has provided to its members the facility to exercise their right to vote on all the business items transacted at this Annual General Meeting through remote e-voting between July 30, 2023 and August 2, 2023 in proportion of their shareholding as on the cutoff date being July 27, 2023. Ms. Jayshree S. Joshi, Proprietor of the Jayshree Dagli & Associates Company Secretaries, Mumbai has been appointed as a scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

The facility of e-voting is also made available during the AGM and will continue to remain open till 15 minutes after the closure of this meeting. Members attending the AGM through video conferencing shall be able to exercise their right to vote through e-voting facility provided they have not voted through the remote e-voting earlier. I now announce that the e-voting facility has commenced.

The consolidated result of remote e-voting facility and e-voting will be declared after receipt of the scrutiniser's report and the same will be intimated to the stock exchanges and will be uploaded on the websites of the Company and NSDL.

Dear members,

On my behalf and on behalf of the fellow colleagues on the Board, I thank you all for joining us today. We achieved a special milestone as JM Financial Group marks its 50th year of operations in a financial year 2023-24. We express our gratitude to you for your enduring commitment towards the Company. Your continued support over the years has given us the confidence to push ourselves past challenges and have motivated us to scale new heights.

As you would have observed from the year's Annual Report, the theme of the report is

A Legacy of Excellence built with Integrity and A Future of Purpose led by Innovation.

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

The pursuit of excellence, the mainstay of our journey, rests on a foundation of a strong corporate governance, deep-rooted values and visionary leadership. As we progress towards a future full of purpose and immense possibilities, we adopt a forward-thinking approach, leveraging new-age technologies across our organisation to enhance efficiency, elevate customer experiences, and unlock new avenues for innovation.

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

I would now like to mention in brief the global and domestic macroeconomic scenario., uncertainties pertaining to the escalation of Russia-Ukraine war, continuous disruption in global supply chain, leading to high level of inflation globally and expectation of a recession were amongst the major events that provided maximum volatility to the market. Despite global macroeconomic environment throwing challenges in the form of a tight monetary policy, reduced global demand and high commodity prices, Indian economy demonstrated resilience throughout financial year 2022-23 and positioned itself to regain its pre-pandemic growth trajectory. Amidst the climate of uncertainties, our business demonstrated resilient performance. I am pleased to state that financial year 2022-23 ended with a strong growth in the loan book across our diversified loan products.

There has been a rapid transformation in various industries and technology is playing a pivotal role in such transformation. We have been making investment in building digital capabilities and are committed on adopting and leveraging new- age technologies to go hand –in- hand with the changing business scenario. Looking ahead, we are well positioned to deliver sustainable growth and long-term value to our stakeholders.

I would like to briefly take you through the financial performance for financial year 2022-23.

The consolidated operating profit after tax and non-controlling interest in the financial year 2022-23 stood at INR 704.69 crore. During the financial year 2022-23, we have taken cautionary provision of INR 246.26 crore on certain corporate assets in our distressed credit business. These provisions are primarily on account of delay and uncertainty in the outcome of valuation for these assets.

The impact of this provision adjusted after tax and non-controlling interest stood at INR 107.40 crore for FY22-23. Accordingly, our reported consolidated profit after tax and non-controlling interest for the financial year 2022-23 declined by 23% to INR 597.29 crore from INR 773.16 crore from the previous financial year. The Board of Directors for a company has recommended final dividend of INR 0.90 per share apart from an interim dividend of INR 0.90 per share declared in November 2022, aggregating INR 1.80 per share for the financial year 2022-23 as compared to INR1.65 per share during the previous year.

The final dividend will be paid on and after August 4, 2023 if declared by the members at the 38th AGM. The performance highlight of the group's various businesses have been mentioned in detail in the Management Discussion and Analysis Report forming part of the Annual Report for the financial year 2022-23.

The Consolidated First Quarter result FY 24:

I am pleased to report that the Board of Directors of the Company at its meeting held today have approved the standalone and consolidated financial result for the first quarter ended June 30, 2023.

The key highlight is as follows:

Total income increased by 34% to INR 1,081.12 crore from INR 805.72 crore. Profit before tax decreased by 11% to INR 230.44 crore from INR 259.17 crore. This is mainly due to the provisions you know which were made. Net profit after tax and before non-controlling interest decreased by 11% to INR 176.56 crore from INR 198.38 crore. Net profit after tax, non-controlling interest, and a share of associate decreased by 2.4% to INR 165.90 crore from INR 170.01 crore.

I take this opportunity to thank my colleagues on the Board for their valuable contribution during the year. I would also like to convey my deepest gratitude to all our employees, other stakeholders for their continued support and co-operation. I welcome your thoughts and feedback as we gear up for the exciting innings ahead.

We are also playing a video of our fiscal highlight for Financial Year 2022-23 and thereafter a short film clipping on the CSR activities undertaken by JM Financial Group. I am sure you will be pleased to see the same. And I would like to thank you all for your time and attention. I now request the moderator to play the video for members' viewing.

[Audio Video Presentation]

Nimesh Kampani :

I request the Company Secretary to read out the ordinary and special business as stated in the notice of the meeting.

Dimple Mehta:

Thank you, sir. I will read out the business as stated in the notice.

Item no. 1: Adoption of the audited standalone financial statements together with the reports of the Board of Directors and Auditors thereon.

Item no. 2: Adoption of the audited consolidated financial statements together with the report of the Auditors thereon.

Item no. 3: Declaration of a final dividend.

Item no. 4: Appointment of Mr. Vishal Kampani, a Director retiring by rotation and being eligible offers himself for reappointment.

Item no 5: Approval for entering into material related party transactions with JM Financial Credit Solutions Limited for an aggregate amount of INR 500 crore during a financial year, including and up to the AGM to be held in the financial year 2024-25 is outlined in the said resolution.

Item no 6: Approval for entering into material related party transactions with JM Financial Asset Reconstruction Company Limited for an aggregate amount of INR 750 crore during a financial year and including and up to the AGM to be held in the financial year 2024-25 as outlined in the said resolution.

Item no. 7: Approval for entering into the material related party transactions with JM Financial Products Limited for an aggregate amount of INR 750 crore during a financial year and including and up to the AGM to be held in the financial year 2024-25 as outlined in the said resolution.

Item no. 8: Approval for issuance of the redeemable non-convertible debentures for an aggregate amount of INR 1,000 crore on private placement basis and or through public offer.

I now hand over the proceedings of the meeting to the Chairman.

Nimesh Kampani: May I now request the moderator to invite the members, who have registered themselves as speaker to speak.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. Request everyone to please remain connected while the speaker shareholders assemble.

We now invite our first speaker member, Mr. Bimal Kumar Agarwal. Please accept the prompt on your screen, unmute your audio and video and you may proceed with your question.

Bimal Kumar Agarwal: Good afternoon and good evening to everyone. First of all, I thank the Company Secretary, his team, the management, the staff and the shareholders as we have completed half a century in financial industries, what are our plans for celebrating? I think you will celebrate sir. Your laugh, this thing is saying. I have seen ups and downs. Downs also was, I don't know, you also remember down was very bad and up is also very good, very not very-very good, up is like fantastic now the shares, you can't believe it, what's the price now.

I am happy with the performance of the Company everything, but I want to know regarding the shares going in IEPF. Sometimes one dividend for seven years you don't claim the dividend, one year one dividend is not put in the account also it goes in IEPF for seven continuous years? That I want to know. People are getting confused regarding all this. This is not regarding JM Finance.

Its overall for the like, suppose your building has fallen, you forget, you lost your dividend then you don't know what to do. It's becoming hell of a problem for oldies also. Old people are having lots of trouble for this thing.

Nimesh Kampani: Mr. Agarwal don't bother about it. I can explain to you very simply that seven years your dividend, you can claim it back with the help of the company. After seven years, it goes to the government.

- Bimal Kumar Agarwal:** No. I just want to know the does the shares also goes? Suppose, one dividend you have not claimed, okay, seven continuous years if you don't claim then the shares go to the IEPF? or one or two you don't claim?
- Nimesh Kampani:** That is for the people who are not claiming, you have claimed.
- Bimal Kumar Agarwal:** No. It's not that people this, other people are telling that why you are speaking regarding this. They are having so much trouble. I have not got the trouble because my friend's shares has gone to IEPF.
- Nimesh Kampani:** Okay, anybody else, please report to company secretary, we will help them out. Okay?
- Bimal Kumar Agarwal:** Okay. No. This is not regarding this Company. I got nothing. Just for the people who is facing problem. I am sorry to speak regarding all this but when you speak in the meeting then only people understand otherwise you go to the transfer agent they don't bother about all this.
- Nimesh Kampani:** Appreciated. Our company and our Secretarial department is very efficient.
- Bimal Kumar Agarwal:** I know about this Company.
- Nimesh Kampani:** Okay, so I don't want to talk about our company, let's leave it at that, okay.
- Bimal Kumar Agarwal:** Okay, thank you very much that's all from me.
- Nimesh Kampani:** Thank you. Thank you. Mr. Agarwal.
- Moderator:** Thank you. We now move to our next speaker member, Mr. Vinod Kumar Agarwal. Please accept the prompt on your screen. Unmute your audio and video and you may proceed with your question.
- Vinod Kumar Agarwal:** Mr. Nimesh Kampani, Vice Chairman, Mr. Vishal Kampani, second generation has come into the field very nicely. Joint MD Atul Mehra, and our Joint MD, Adi Patel, our CFO Manish Sheth, and our CS, Dimple Mehta,
- Good afternoon and regards to everyone, sir. I congratulate the Company for having achieved 50 years of existence and having grown every year, year-by-year. It's only that the past year had been little muted by due to other factors, but I'm very pleased with the performance of the Company. The consolidated revenues of INR 3,343 crore, the PAT was INR 597.29 crore or INR 719.57 crore, if you see it as a TCI or if you see it without that it is INR 597.29 crore. The EPS is INR 6.26 and the dividend that you have declared INR 0.90 plus INR 0.90. That is the highest in the 10 years. It is the highest ever dividend that you have paid. It is very good sir, which we compliment you for sir. And sir, as the previous speaker was saying, if it is a 50 year, we should have one get-together sir. And even this meeting which you are holding is not mandatory to be held via virtual meeting. It is just an option given to the Company to hold a virtual meeting. You could have held a physical meeting. Other multinationals are holding physical meeting, even large Indian corporations like, Larsen and Toubro are also holding a

physical meeting. We could have held such. Since we have not held a physical meeting, we can have a get-together of the speakers who have come into this AGM.

Sir, our Home Loan book is growing very good. In the 50th year, the 75th branch is also a good thing, sir.

Only thing to be noted in the annual report is that on the standalone, the CSR spend obligatory was at INR 3.5 crore and you spent only INR 99 lakh and the consolidated CSR mandatory spend for you was INR 27.94 crore and you spent only about INR 10.12 crore, the balance you would have transferred to certain accounts which would be used in future. But at the moment, you have not been able to utilize the amount that was supposed to be used within this year. And you're doing good work in Bihar also in Maharashtra and all. I appreciate that, sir. I wish the Company all the best for the future growth.

Any plans for the Company to get into consumer loans like, Bajaj Finance? You find at the store level, so that we can have. We are into home loan, other loans and all MSME loans, it's good sir, but any plans for the Company to get into the personal finance loan like, Bajaj Consumer? or even opening a car loan book, Sir? We have got home loan. So even car loan book can be open sir. I wish the Company all the best sir.

Signing off, Vinod Agarwal from Mumbai.

Nimesh Kampani: Thank you.

Moderator: Thank you. We now invite our next speaker member, Mr. Rajat Setiya. Please accept the prompt on your screen, unmute your audio and video and you may proceed with your question. In the interest of time, may I request you to restrict your questions to two minutes. Thank you.

Rajat Setiya: Hi, thanks for the opportunity. Sir, I had shared my questions over the email. Would you want me to repeat them here?

Nimesh Kampani: Better, other people would come to know that, that's why?

Rajat Setiya: All right, I'll do that. Just a second. So, first question was, just a second, I have received another prompt. Just a second. Okay, my first question was whenever we demerge and list our different businesses, are we going to give shares for each entity to existing shareholders or subsidiaries will list? and currently listed JM Financial will become a holding company? So that's the first question.

Now, the other questions other set of questions are related to lending business. The first one is what is the vision for the lending business for the next 5-7 years? Do you see this business becoming INR 50,000 crore loan book across various segments over the next 5-7 years?

Then second one is why are we looking to merge with an equally smaller retail housing loan company? We could have easily grown our loan book, the kind of loan book that we are trying

to acquire or merge with the other company, we could have easily grown to that size in next probably 18 - 20 months. So what is the rationale behind doing that?

Third question in the lending side is, asset quality has improved a lot in the last few quarters, which is really, really commendable. But where do you find that in which pocket in our asset book right now, where do you find yourself being nervous and where you feel risk may emerge? And do we expect recoveries and write-offs to begin in this year because I think we were expecting those write-offs and recoveries to begin last year itself but I think that hasn't really played out so far? And of the DCCO book, if you can share what's the current status? Where do we feel the, you know, any delinquencies may emerge?

Then the next question is, banks get upper hand in a rising interest rate scenario in terms of cost of funding. So they're able to raise funding at a much lower cost compared to NBFCs. So in such a scenario, how do we compete with the banks, who have much lower cost of funding than us?

And the next question is, how is the access to capital today for us as NBFC? Where are we getting our funds? Mostly, where are we getting our funds from on an incremental basis? And what is the cost of debt? Are we getting mostly from banks or NCDs or CPs? What is the route? And do we have any fund-raising plan for our lending business in the near future, like next 1-2 years? Do you envisage such a scenario?

Then moving to the prop trading business. I think somewhere we have said that we try to maximize prop trading to 10% of net worth. So, the question is, is it at cost or is it at gross position that we take in a trading book, including leverage that you know this 10% of net worth is what we are trying to limit ourselves to.

This question is specifically for Mr. Vishal Kampani. Which businesses do you spend most of your time on? Next one is..

Moderator: Sorry, Mr. Setiya, I request you to restrict your questions to two minutes in the interest of the time. Thank you.

Rajat Setiya: Can I please request that since I have shared the email and just three more questions are there, if you can answer them. Answer them all. Yeah. Thank you so much.

Moderator: Thank you. Our next speaker shareholder is Mr. Bharat Shah, who has registered, however, did not join the meeting. Hence, we'll invite Ms. Smita Shah to accept the prompt and ask the question.

Smita Bharat Shah: Dear Chairman Sir, Shri Nimesh bhai, Vice Chairman, Shri Vishal bhai, Joint MDs, Shri Atul ji, Shri Adi ji, and other respected Directors, greetings to all from me. I would like to welcome our new Independent Director, Mr. Sumit Bose. Further, I would like to congratulate the Company on winning so many awards and recognition such as top 5 performance in Equity, UPI Bids etc. The Company's consolidated net worth and book value per share are good, however, the revenue profit is less but that is fine as we have faith you the Company will meet the gap as

it has been in the front line in finance work. The Chairman have always worked hard and you have always been in the front line in financial advisor.

JM Finance has been the best so far and indeed will continue to grow in future as well under the exemplary leadership of Mr. Nimesh Kampani, the dedicated management team and the hard-working employees. There are many events happening in the Company and the CSR activities are very good, as shown to us in the audio-visual presentation. Chairman Sir, you are the pillar of the Company We wish you keep growing and make our Company grow too. The Company has provided total dividend of Rs. 1.80 per share. Thank you. Your smile and your photo are a sign of your confidence and your future. I know you are running the company genuinely and we have been supporting you regularly for years. You have forgotten us but we have never forgotten you. Sir, we have always had your support.

Sir, please tell us how many branches, the Company is planning to open in near future and what will be their location? Further, I request, the Chairman Sir, to consider convening the next AGM in physical form, as AGM is only the event when the shareholders get the chance to meet and greet the management in person. Further, for the shareholders who reside far from the registered office or in other states, we can have hybrid AGM for them, but for others who want to come to the AGM physically, we request you to keep the AGM in person.

Sir, we are with you till the time, we are alive. We are always with you. I fully support the resolutions. I would like to thank the secretarial team as well. Prashant Bhai has retired but we haven't given him a retirement till yet. He will always be with us and we have a lot of love for him.

Ms. Dimple has taken up the entire responsibility of the Company Secretary. I have known Dimple for years, she is a good natured and hard-working person. She does all her investor services related work very well and determined in providing same quality of investor services as it was during the stint of Mr. Prashant Choksi. Ms. Mehta personally called me to check whether I have joined the meeting and ensured that I don't face any challenges in connecting the meeting link and participate in the meeting. This shows how her good work and her sense of responsibility towards the shareholders.

So, I applaud all the secretarial team for their work. They have made a good balance sheet with a lot of information. For the good secretarial work, I would like to thank them.

Lastly, sir, I would like to thank Dimple and full secretarial team and would like to thank you and making a humble request expecting to meet in physical AGM.

Nimesh Kampani: Thank you.

Moderator: Thank you. We now invite our next speaker member Mr. Himanshu Upadhyay. Please accept the prompt on your screen, unmute your audio and video and you may proceed with your question.

Himanshu Upadhyay:

Yes. I have sent my questions, but I just repeat them for everyone's sake. It may take a slightly more time. Just pardon me for that. First of all, congratulations to the team behind JM Financial for surviving and growing over the last 50 years. It is an important milestone in our journey and also a time to introspect and to plan ahead. We wish the Company goes on to achieve higher profits and laurels in future also.

So, the first question is, over the course of time, we have seen many financial institutions have failed in the banking side even after growing for and surviving for a very long period of time. Predominantly, the cause is irrational hunger for growth and greed leading to a culture of imprudence. We are also on the path of high growth and a lot of new people have joined the organisation. How do you ensure that the culture of prudent underwriting continues in newer businesses like retail, mortgage, FIF, SME lending sector and the right culture is set in these new divisions or subsidiaries, okay?

Second is, what have been the learnings of ours from the failures of the financial institutions both in India and outside. And how do we ensure that those learnings have been inculcated in our working processes and culture of the organization? Third, we have hired a lot of new people in various positions, both senior and middle level in last 2-3 years. What are the attributes Vishal you are looking for besides the technical capabilities, relationships or business understanding of these people?

Fourthly, a lot of new employees who have come are from the organisations, where the culture or philosophy is quite different from the way, we operate. How do we ensure that these new people, who may be heading certain business divisions don't put the practices from the previous organizations, especially on incentive structure, goal setting, which are important part for many of the senior people, who have joined.

Fifth, we have invested heavily in last two years in AMC business. What we see is that many global giants have failed to scale and make profits in India, even after being present in the market for a long time. What have we achieved with our investments in the AMC business? And what strategy are we following in last three years, means, what have we achieved with our investments in the strategy, we are following in last three years? Any timelines and targets we have set for that business after investments?

And one more thing, in the annual report, we stated that we launched our JM short duration fund with a collection of INR 156 crore. But if we look at the last fact sheet, the AUM is around INR 110 crore. Can you explain the reason for it and what are we doing to make the launches more successful of the products we are doing on the AMC side?

What will be our right to win in the AMC business, where we have invested heavily? We have incubated quite a few businesses in last few years in various subsidiaries. Most of our lending businesses require capital to grow. Can this structure be capital efficient and what are our thoughts about it?

This is related to also Vishal, you stated in one of the interviews that, you made a mistake of heavily investing in wholesale and not retail. Now, what will be the future plans because newer businesses are again coming into subsidiaries and capital is not easily fungible.

Next question is, many of the new businesses, which we have targeted, have large growth potential. Would we still be incubating many more businesses or we will like to consolidate and grow these businesses and reach a larger scale in the businesses, what we have chosen? Next is there is an error in the question. What I meant was, what are the top three priorities for JM Financial as an organization for next two years?

Next question, as the organization aspires to become more retail focused and oriented, brand image building, right perception and communication becomes more important. What are we doing here and what does JM as a brand, we will like to stand for in the retail market? Next is..

Moderator: Sorry to interrupt Mr. Upadhyay, please restrict your questions. There are other shareholders who are waiting in the queue.

Himanshu Upadhyay: Yes, so the last question is there. Nimeshji, you have run the organization for 50 years. What are your thoughts on the journey of building JM Financial? and what message would you like to give to the shareholders on the focus of the Company? And lastly, the results are out for this quarter. Can you also give an idea of what happened in this quarter and what provisions were there because of which the profit seems to have not grown. Thanks from my side and hope to hear from you all.

Moderator: Thank you. We now invite our next speaker member, Ms. Lekha Shah. Please accept the prompt on your screen, unmute your audio and video, and you may proceed with your question.

Lekha Shah: Thank you, sir. Respected Chairman, Sir, Board of Directors, and my fellow members, good evening to all of you. Myself, Lekha Shah from Mumbai. First of all, I'm very much thankful to our company Secretary, Dimple ma'am, especially Ajit sir, Rajas sir, for extending very good investor services and also sending me the AGM notice, well in time which is full of knowledge, fact and figures in place and also, I would like to welcome our new company secretary Dimple ma'am.

I know Dimple ma'am for a long time. I am sure that she will add a lot of value to our Company and also she always answered all my calls and happily cleared all my doubts. Once again, thank you so much Dimple Ma'am. Chairman Sir, I would like to thank all the person of company for receiving awards and recognition during the year 2022 and 23.

And also, I am glad the Company is doing very well in the field of CSR activities. Thank you, Chairman, Sir, for explaining as well about the Company. Congratulations for excellent work, sir. Sir, I pray to God that he always showers his blessing upon you. Thanks for the dividend, sir. Going through the balance sheet, what is the reason for increasing in income and also PBT decreased by 29.3%, INR 952.61 crore compared to 2021-22 i.e., INR 1,348.04 crore. The current year, how much margins and occupation are our Company is advising to our clients.

So, I strongly and whole heartedly support all the resolution for today's meeting and my best wishes always our Company and its prosperity. Chairman, Sir, I hope the Company will continue video conference meeting in future. Thank you so much sir.

Nimesh Kampani: Thank you.

Moderator: Thank you. Our next speaker member is Dileep Kumar Jain, who have registered but did not join. Hence, we'll invite Mr. Rajendra Devprasad Joshi to accept the prompt on your screen. Unmute your audio and video and you may proceed with your question.

Rajendra Devprasad Joshi: Okay. Our respected Chairman Shri, Nimesh Kampani, sir, Vice Chairman Vishal Kampani, sir, other dignitaries present in the AGM, Mr. Prashant Choksi, sir, Company Secretary Dimple Mehta. Good afternoon to all of you. Sir, myself Rajendra Prasad Joshi speaking from my residence at Mumbai.

Sir, at the outset, my hearty thanks to Prashant, sir, for his all the time cooperation during his company secretary's office. Sir, I also welcome Dimple Mehta as a company secretary. Sir, she is a very competent, hardworking, polite, and shareholder friendly. Sir, I wish her all the best future prospects. I also thank Shri Rajas Kulkarni for his co-operation.

On my request for the physical annual report, I received the report on the very next day. So they are giving very prompt services to the shareholders and stakeholders. Now, in spite of several challenges, our Company has kept up the satisfactory financial performance. So our asset quality has also improved a lot and we are doing well in the finance line.

Sir, many thanks to the Board for increased dividend from INR 1.65 in previous year to INR 1.80 per share in this current year FY 2022- 23. Sir, now my compliments to JM Financial Group for their successful 50th year of operations in FY 2023- 24 and I am also confident that, it would keep it up its rich legacy in future also.

I wish all the best for the Company's growth in the coming years. Sir, I have very few questions to ask you, sir. Sir, what is the net debt position of our Company in current financial year and how management is planning to reduce the debts. Second question is, Sir, throw some light on the Company's future plans and long-term strategy to increase the Company's business.

And third question is, sir, what is the impact of rising interest rates and rising inflation on the business and the finance of our Company?. With this, I thank the Chairman, Company Secretary for giving this opportunity to speak from this platform. And also, I support all the resolutions for today's AGM. Thank you very much, sir. Thank you, sir.

Nimesh Kampani: Thank you.

Moderator: Thank you. We now invite our next speaker member, Mr. Aspi Bhesania. Please accept the prompt on your screen, unmute your audio and video, and you may proceed with your question.

Aspi Bhesania: Sir, it's nice to see you after three years. So, why don't you keep a physical AGM? Next year when the physical meetings start, please keep a physical meeting only because so many companies are keeping physical meetings, including L&T, Supreme Industry, so many are keeping. I don't know, why you don't want to keep. Sir, I welcome our next company secretary Dimple Mehta and she is very capable person. Sir, quarter one, profits has increased. But if we remove fair value on changes, our profit quarter-on-quarter is very low. So what are your plans for increasing the profits?

Sir, now bonds are going to be introduced. So what are your plans for bonds also? Government wants retail to invest in bonds also. So now Jio is likely to be listed with the muscle power and money power. How do you propose to compete with Jio? Sir, thank you very much and all the best for the future.

Nimesh Kampani: Thank you.

Moderator: Thank you. We now invite our next speaker member Mr. Kirti Shah to accept the prompt on your screen, unmute your audio and video and you may proceed with your question.

Kirti Shah: Chairman, Profit has gone down in March quarter, can you highlight the reason. Nimesh bhai, the prospect of the current Indian government is to make India the third world economy in the world. So how do we plan ahead? Is the Company looking for any joint venture etc., please explain a little on the same. I have sent email to Dimple madam and Kulkarniji. All my emails have been duly acted upon. They are giving us a good service. Our CSR activities is doing very well. I have seen the CSR activity of JM Finance in Bihar, Maharashtra and other areas. It is doing very well in the tribal areas. I am very thankful to you. Wish you all the best. Thank you very much.

Moderator: Thank you. We now invite our next speaker member. Mr. Rajendra Jamnadas Sheth. Please accept the prompt on your screen. unmute the prompt on your screen. unmute your audio and video and you may proceed with the question.

Rajendra Sheth: Chairman sir, management team, shareholder. I am Rajendra. I stay in Pune. Chairman Sir, you have given an excellent presentation. I am very happy that our Company has been able to travel 50 years in business, a long journey. Rajas ji and the new secretary, they have done a good job. I thank the team for preparing detailed annual report .

Sir, I have two questions. One, is that I suggest the Company to consider doing CSR activities more in rural areas Further, as one of the speaker shareholder had also stated, I support his thoughts and request the management to explore consumer sector, like how Bajaj Finance is doing. Please let us know the details of this. I have complete faith in the management. I have been a broker for a long time of JM. I am satisfied with the management of the Company, I fully support all the resolutions.

And sir, I really like this VC meeting, otherwise I would not have been able to attend this meeting today. I am so far from Bombay, sir, so it is better to keep this meeting going, rest is up to you.

I will just sing a small shloka and end my speech. [Recited the Verses of shloka]I wish to god for the prosperity of our Company. I support all the resolution. Thank you for giving a chance to speak. Thank you, sir.

Nimesh Kampani: Thank you.

Moderator: Thank you. We now invite our next speaker member. Ms. Celestine Elizabeth Mascarenhas to accept the prompt on your screen. Unmute your audio and video and you may proceed with a question.

Celestine Mascarenhas: Respected Chairman, Mr. Nimesh Kampani, Vice Chairman Vishal Kampani, Joint MDAtul Mehra, and other members of the Board, my fellow shareholders in this VC meet, I am Mrs C E Mascarenhas , I am speaking from Mumbai. First, I thank the Company's Secretary, Madam Dimple Mehta and her team for sending me annual report and also registering me as a speaker at my request and also giving me this platform to speak, which was much easy to operate. Thank you so much.

Now our annual report is full of knowledge, facts and figures, lot of information and at the same time, self-explanatory and adhering to all the norms of corporate governance, our working this year is not that good, but very good dividend of rupees INR 1.80 per share of INR 1. Our market capitalization is also good and we can beat, our this year's record next year better than year. Now, I congratulate for all the awards and accolades received as already documented in the annual report.

Also, very good CSR work and also that presentation shows actually, what our Company is doing in that corporate social responsibility. Now my queries, number one, I want to ask on this ESG, Have we gone for ESG rating? If so, what is our score and on which platform, we have rated or will be rating? Another thing is coming to my mind, this ESG work, rating and all, valuing and all, our Company can do as an additional business because every company by this year or by next year, has to get some work on this ESG.

So, this is another business opportunity, which will be a very big business. So just give your thoughts on it. The next question is, we have many businesses, which of our business is making a lot of profit and we are enjoying very good margin. Number three is, we have many subsidiaries like ARC, investment banking, AMC, wealth management, etc., so to unlock the shareholder value, is there any plan of getting the most powerful of these businesses listed, which many other companies have done it? So what is your thoughts on this? Which company you are thinking now 50 years are over, to get it listed that way?

Remaining, I don't want to ask further questions. Everything is explained in the Chairman's report and also in your presentation. So, I support all the resolutions. I wish my Company all the best. With this, Mr. Mascarenhas, he wants to say a few lines on this occasion.

Aloysius Mascarenhas: Respected Chairman, Sir, very distinguished members of the Board and my fellow shareholders, good evening to you all. My name is Aloysius Mascarenhas. I'm associated with this prestigious

Company for a very long time and I have seen the up and downs of this Company. I'm happy that our Company is progressing very well. Our results are good as shown in facts and figures in place in the balance sheet, which is very attractive.

Now, I would like to know, we are doing ARC and reviving sick companies. How many are there in hand? and how many are revived by undertaking these sick companies. Then my personal question is nowadays, this dividend which is unclaimed is transferred to the Investor Education Protection Fund. First, it was only dividend. Seven years you had not taken encash, would go. But nowadays, over and above that dividend, the shares are also going. By chance, one, now my personal case, one share of a company was not encash seven years ago. After that, there was no dividend at all. And even with that, because seven years have elapsed, that shares got transferred to this investor education protection fund. Sir, since you all have got a good rapport with the government, see that the shareholders don't lose their money. And even after contacting the registrars and the company, there is no response to all my emails. So kindly help. This is my personal request, sir.

With this, sir, I have nothing more to add. 50 years, glorious years, we are celebrating. How are you going to celebrate this great event? I would like to know. So, I end my speech wishing you personally, all the Board members, and more importantly, all the employees, all the very best in the days and years to come. We are in the midst of a festive season. So I wish each one of you, a very happy festive season. With this, Sir, thank you very much for patient hearing. Thank you.

Nimesh Kampani: Thank you.

Moderator: Thank you. We now invite our next speaker member, Mr. Hiranand Kotwani. Please accept the prompt on your screen, unmute your audio and video and you may proceed with your question.

Hiranand Kotwani: I will restrict. Certainly, so many questions have been asked. Certainly, because of concerned gentlemen, decrease in the revenue and decrease in the profit, Director report page 76, what are the reasons. I will just ask one question. You have commented on the scheme of arrangement on page 76 I do not want to read to save the time. But certainly, you explain this. Please comment on this. What is the relevancy of this?

and your stock option, how much price you give to your employee, your stock? You have to explain to me as a layman, how you give them shares as an incentive, as a payment and what price and how much time, it is a lapse or not. Please explain our ESOP scheme. Thank you. No other thing.

Moderator: Thank you. We now invite our next speaker member Ms. Homayun Pouredehi. Please accept the prompt on your screen, unmute your audio and video and you may proceed with your question.

Homayun Pouredehi: Can you hear me, sir?

Moderator: Yes, we can hear you.

Homayun Pouredehi:

Yeah. Now, I am Homayun Pouredehi. Mr. Kampani, you recall how Beruz and I used to come every year for your AGMs and we were just a few shareholders at the beginning who would attend your AGM and that time only I said, Mr. Nimesh Kampani, you are an authority by yourself and see how you have this, you are a genius, I can only say that. How you have gone into so many investments, businesses, financial sectors, and on and on. We are very happy to see your son undertaking up the responsibility, doing his duties, and we wish him all the best.

But, I want to ask you, Mr. Kampani, regarding you have mention on page 25 of your annual report, public issue, private placement of non-convertible debentures. So, Mr. Kampani, are they really so safe and secure? And then after, of course, we got our money back. There are other companies, also same thing has happened. So, if you can tell us frankly, are they really safe and secure, this non-convertible debenture because I personally have lost trust in them.

And one more thing I want to know, what is the future of the stressed assets, those debts which you are taking over of the various companies? I just want to put, this is a very good thing you are doing, very, very noble thing. In fact, apart from the business sense, I want to know that and, of course, there is some special link between you, the company and the Parsi's. We're proud to have so many Parsi's are on the Board of a company and you are also from a Parsi school, this shows there is some relation and we are very proud of it.

Just one request Mr. Kampani, we had a few, like the way the previous speaker had said. You see, first there used to be taxation of dividend rights from the company before it came in the hands of us shareholders, right? Now they're taxable in the hands of the shareholders. My God, Mr. Kampani, there is so much confusion. TDS gets cut, plus we have to pay taxes still, I'm not filed my IT return. Can you request, I used to tell this to Deepak Parekh all this. Now you are in charge, please tell the government to go back and revert back to the dividend distribution policy. Let the dividend be deducted, right in the hands of the company itself, before it comes to the hands of the shareholders. If I tell you my taxes, but seriously, I have to give INR 8 lakh tax. I am a senior citizen, dividend tax. I don't want to take up more of your time, but this is a fact. Please do whatever you can do. Anything you can do, government will listen and we will be benefited, we all of us and your CSR activity, of course, everybody knows sir, your family is a genuine philanthropist.

You are doing from your heart, not just that you have to do or you think it's necessary to do, no, you're doing the CSR from your heart. That's why in spite of challenges, you built that hospital. Everything is written in your balance sheet. I'm closing here. I don't want to take up too much of your time. Of course, last but not the least, to thank our Company Secretary.

At last, she's made a Company Secretary. She has got years of experience and we have ourselves seen her acquiring experience. Thank you, Mr. Nimesh Kampani. We continue to wish you and bless you, along with your son and all your family members and the Board members, for our company to reach to greater heights. Thank you.

Nimesh Kampani:

Thank you, Homayun. Thank you.

Moderator: Thank you. Thank you. Our next speaker member is Dinesh Gopaldas Bhatia, who has registered it, but did not join the meeting. And we'll move on to Rahul Paliwal please accept the prompt on your screen, unmute your audio and video and you may proceed with your question. Mr. Paliwal may we request you to unmute your microphone and webcam and speak.

Rahul Paliwal: Are you audible now?

Moderator: Yes.

Rahul Paliwal: Thanks for the opportunity. So, this is probably the only time when we can interact with the promoter family. And we hope to listen more and more on the study part of JM Financial going forward. So, we have read a couple of interviews of Vishal, and where he's accepting that the way JM has been approached, since till now, he has been more a centralized approach and very risk aversion approach. And my questions are in context with the same.

So it's about value creation in JM Financial. We have been a very capable and trustworthy brand for a decades, rather, I would call since inception. But somehow we are not able to play it aggressively or at par with the market, where other financial institute like NBFCs like Bajaj or Chola has played it out very well. And probably, a reason could be we are into a conservative mindset space. We wanted to play it safe. Probably the approach was to centralize the approach decision making, making less mistakes, and then at the same time, sustain the earnings , survive and prosper.

So, going forward as an investor, we wanted to know what we can expect in terms of genetically change in organisation approach towards growth and taking calculated and risk. That's question number one.

Then, which are the areas identified for the same and how it is so far growing or how it is pacing so far. Furtherthe Chairman, Mr. Kampani spoke about in one of the interview that, many institutions like nowadays putting a team of separate CEOs for verticals, with the focus leadership that can be assigned, is it the way you wanted to grow your vertical including like digital services, your new initiative like BlinkX, and so on.and as an investor, we still feel a lack of very deep and customer-centric modern cutting-edge brokerage institution. And there are only a few examples like Zerodha, and I feel that JM through blinkX can fulfill the gap, being the ethical group and which can really serve with their customer and because we felt across brokerage, their services, their commitment to client, their cost structure to the client, and to the extent regulators are still squeezing the retailers or clients or investors. So, where and how, what kind of value proposition JM can put in front of us? So, these are the few questions to you to focus and respond on.

Moderator: Thank you. We now invite our next speaker member Mr. Dhruvesh Sanghvi. Please accept the prompt on your screen, unmute your audio and video and you may proceed with the question. In the interest of time, may I request you to restrict your question to two minutes. Thank you.

Dhruvesh Sanghvi: Hi, can you hear me?

Moderator: Yes, we can hear you.

Dhruvesh Sanghvi: Sir, just a small suggestion first, if possible, can we move to quarterly concalls, our company is growing multiple divisions, even if we ask one question per quarter, or two questions, it becomes a very small possibility of interaction. So, that was number one.

Number two is on a slightly strategy question. Over the last 5 - 7 years, there may be many problems in the form of, let's say, demon or GST implementation, and then it led to IL&FS freezing up of money markets and COVID lockdowns and then inflation related to geopolitical tensions and multiple things. And however, these are the same macro problems that were faced by almost everyone in the financial markets, almost all players and maybe lenders and other intermediaries, etc.

However, there are those few selected two or three or four in each of the micro categories who have really, really done very well. When it comes to lending, there could be some new Fintechs which have come up, in the SFB space in spite of their hardest time, when they were converting from microfinance to SFBs, they also went down, but really came back very sharply and now growing very, very well.

And similarly, new age broking companies came, some other Fintech companies etc. So, even in the wealth management piece, there were new companies which were created, took reasonable size. Even in the mutual fund side, there were big market share shifts with new players like Mirai coming in the last 10 years, 15 years and taking away market share from incumbents.

So, in this entire scheme of things when we see and these are not complaints, just trying to understand that as we as we evaluate JM, the only worry comes is that we are constantly behind in terms of adapting, except this one excellent piece of investment banking, where the worry further increases if we go micro markets and see what kind of businesses which have come up and now all those spaces are getting filled and if no new business models are remaining, what will happen to us in terms of our edge versus the competition and I'm sure it is not easy.

However, even though it is not easy, the hope is towards JM because of the promoter pedigree, because of the management bandwidth that you are creating, because of the legacy. So, I would just like a slightly elaborate answer over, of course, what has gone wrong is one area, but what are the steps that we are now taking and because of the legacy are we slow or because of what reasons and if Nimesh ji and Vishal bhai both can contribute their thoughts, it would be great.

A couple of small questions now, please. On the, I mean, a couple of them asked about the one-time loss of INR 131 crore in the credit solutions business, what went wrong there? I mean, we thought that all of this is over in the last couple of concalls and things, but now suddenly this has come at the time when it has not come with others. And so what exactly went here on INR 131 crore?

On the mortgage lending side, that is the builder financing side, on the block of let's say 5 years, I think one of the other panelists also talked about what kind of reversals can we expect because

in the last 5 years, 6 years, I think we have written down in JMFCSL approximately INR 600 crore to INR 650 crore that is the impairment on financial instruments, that is the line item that I am talking about.

And what kind of reversals have happened so far out of this, and can happen and some things which cannot happen for sure. So, one is providing it on the P&L, but on the net level, how bad these loans were, is I am trying to understand. And what went wrong on the collective size pre-COVID or pre-IL&FS till date. If you have some broader metric is also fine, not exact numbers required. And the total loan book here I am comparing just to set the context is INR 9,500 crore for JMFCSL that we stand almost on Q4. Q1 results just announced, so I have not seen them.

What is the updates on the IndoStar deal, which I think you will touch base upon the other panelists' questions as well. Sir, one thing, I think there was a talk about HDFC Bank being merging, I mean, the merger going through, and because of that, some opportunity getting in front of us because HDFC will become potentially slow at the builder financing theme. However, due to a very good continued residential and commercial housing cycle, it seems that we are not able to achieve the thought about target of even doubling by 2024 or around that period.

And because there are run downs in the books, etc. So, this is again where even in good times, we have a worry and in the bad times, we have a problem of we can't grow because the environment is not good. So, how should we see this as a segment and connecting it to the question that can how fast can we now reach to when I say fast it's not just being aggressive, just to understand the context that how can we go to INR 20,000, INR 30,000 crore book size is in year or this kind of a good period has given us thoughts that in good time maybe this is a problem and in bad time also this is a problem.

Moderator:

Sorry to interrupt Mr. Sanghvi, may we request you to limit your questions.

Dhruvesh Sanghvi:

Yeah, I have few more questions, I will just complete. One observation on mortgage lending is why are we not expanding to the small builders? I mean, we are restricting it to bigger builders, but is it not possible? And or is it coming again from the mindset that we are very strong in B2B checking out on individual builders is very difficult task. But if we can go to any micro market of Mumbai, let's say there are 20 builders, 30 builders in every smallest of the smallest micro market and almost all people are completing buildings. Almost all people require some sort of financing.

Does it not make arithmetic sense on the business level to go to these builders and lend? And the last part is you were talking about the NBFC financing because the spreads were supportive. The other financial institutions where we will lend to them. So, is this a one-time opportunity or sustainable? And if it is sustainable, what if the spreads again narrow down? How does this work? And sir, as a shareholder, this is just a comment, not a question.

And most of the employees also whom we speak, they are never excited about the Company and the growth and the ESOP related wealth that they will ever make, unlike a Kotak or HDFC. So,

some of your comments on that and sir slightly on a jovial note, we have as investors of bond made far bigger returns than the investor of equities and we hope that that should reverse. Thank you. Thanks a lot.

Nimesh Kampani: Thank you.

Moderator: Thank you. We now invite our next speaker member, Mr. Tejas Shah. Please accept the prompt on your screen, unmute your audio and video, and you may proceed with your question.

Tejas Shah: Am I audible sir?

Moderator: Yes sir.

Tejas Shah: Yeah, thank you. Respected Chairman Nimesh Bhai and all other Board members. My name is Tejas Shah, talking for the first time from Ahmedabad. Nimeshji you are one of the India's leader in investment banking Investment Banking and Financial Services. Sir, my wish is whenever you come in Ahmadabad, I will be happy and glad to become your host and meet you, sir.

Sir, our CSR activities that we have done is very unique and heart touching. The blessings of the beneficiaries will lift us higher and higher in the future. Sir, our Company has built a remarkable reputation over the years. But I am very much disappointed the way the Secretarial Department works. I had mailed to the company on 26th July for speaker registration. But unfortunately, the Secretary Department did not reply till 3pm today.

So I mailed to the Governing Regulatory bodies like SEBI, MCA, BSE and NSE. Sir, after this mail, the Secretarial Department awoke and contacted me and sent me the link to join the AGM. In my mail of 26 July, I had also requested for the hard copy of the Annual Report and subsidiaries' balance sheet. But till this day, I did not receive the same. This shows how deep leniency is in the work of the Secretarial Department, sir.

Sir, I am genuinely invested in the success and growth of our Company and believe that the AGM is an essential platform for the stakeholders to engage, provide valuable insights, and contribute to the company's future directions. So, Chairman sir, my humble request to you to send me the hard copy of the Annual Report and subsidiaries balance sheet. Once I receive the same, I will send my queries regarding to the accounts in writing by email.

Lastly, sir, kindly explain the next three years roadmap and so thank you very much and all the best for great future. Thank you, Nimesh.

Moderator: Thank you. We now invite our last speaker member, Mr. Anil Parekh to accept the prompt on your screen. Unmute your audio and video and you may proceed with your question. We'll wait for a moment while Mr. Parekh unmutes the audio.

Anil Parekh: Hello.. Am I audible?

Moderator: Yes you are.

Anil Parekh: Chairman Shri Nimesh Bhai, Non-Executive Chairman Shri Nimesh Bhai, Vishal Bhai, other Board members and my fellow shareholders. Chairman sir, I am audible sir?

Nimesh Kampani: Yes, yes. We can hear you.

Anil Parekh: How is your health Chairman sir?

Nimesh Kampani: Fine, everything is fine.

Anil Parekh: I hope you both are fine at your respective end. Chairman sir, I'm thankful to our CS team for providing all kinds of assistance and quite a few times they have called me to attend the meeting and sent me the link. Chairman sir, my first grievance is now it is high time to have a physical meeting. Since it seems that this is just a formality attending meeting at VC conference.

Many of you shareholders have said that continue with VC conference. But sir, what is the importance of shareholders meeting that we can understand when we meet each other physically, greet each other and exchange our each other's thinking and suggestions. Sir, so my humble request to you is to kindly initiate a physical meeting next year. Sir, I have gone through the balance sheet of our journey so far from 1973 to 2022. Excellent! Which is depicted on page number 4 and page number 5. Sir, I am quite satisfied with the robust performance of our Company. Our asset under management for private wealth tax management is approx INR 56,000 crore and so and so forth, everything I am not going to read, but I am very much pleased profit after tax (excluding non-controlling interest) has reached to almost INR 600 crore and I hope that next year it should reach to INR 800 crore.

Sir, I am your investor, as far as our debt instrument is concerned. When next trench of our debt instrument you are announcing, I am eager to invest in that because last time when I invested, you have already timely given me my money back. Now I want to invest it again. Chairman sir, many have said many things, but I don't want to waste your time asking so many questions. I am very much satisfied with all the things given in the Annual Report. I am thankful to Rajas and all the Secretarial team for extending all kinds of support. Thank you for the patient hearing. Thank you so much.

Moderator: Thank you. That was the last question. I now hand over the meeting to the Chairman sir, for further proceedings. Over to you, sir.

Nimesh Kampani: Thank you.

Bimal Kumar Agarwal talking about plan for celebration, on that only thing I can say is next year we will have a physical meeting. Then we have Vinod Kumar Agarwal who had question on CSR to be spent in a year. Mr. Agarwal, CSR can be spent over 4 years. There is a new regulation, the Government of India has come out with. And therefore, there we have annual action plan and the money can be spent over a period of 4 years because it is difficult to spend all the money in the one year. So, government has only come out with the regulation. You may not be aware of it, but that is what it has happened now. Consumer loans and car loan, etc also you wanted.

We are looking into a retail plans, we cannot just now say that is consumer or car will be included or not.

Rajat Setiya, you have sent a long question. So, we will try and cover as much as we can. Mainly is on the lending business. Only first question is on demerger. Whenever we do a demerger of division at that time, naturally it will be separately listed company and when it is separately listed company, we will give share to all shareholders. But if we are demerging from our subsidiary company, which is 100% owned, the shares are not issued because they are 100% owned subsidiary and therefore, it comes to the shareholder of the holding company. So, automatically, they are getting the benefit of that. On the lending business, I'll hand over to Vishal to answer those questions.

Vishal Kampani:

Yeah. Rajat, your first question on INR 50,000 crore loan book. I think we will get there at some point in time difficult to say which year, fifth or sixth or seventh. The idea is to keep growing, but to grow in a calibrated manner. As you know that there is more focus on growing retail lending businesses and we have already made investments in the same over the last 6 years and they're growing well. We are hoping to keep a growth rate of 25% to 30% for retail assets over the next 5 years.

On the wholesale side, we'll grow the book around 15%. so our first target right now is to hit a INR 25,000 crore loan book. Once we have hit that target, we will re-evaluate on where and how we get to INR 50,000.

Second question is on the IndoStar housing finance merger. We are in the process of diligence and unfortunately I cannot comment more on specifics. But your question is extremely well noted. If the terms are not favorable to us, and if diligence throws out any kind of doubts, then we will not do the merger with IndoStar. Asset quality has improved a lot in the last few quarters but again, it is taken some hit this quarter and we will take a hit again maybe next quarter or quarter after that because our restructured book, our DCCO book which happened in COVID is all coming for final repayment started this year all the way till the end of the year and therefore, we expect that asset quality will increase and we will have to make some more provisions of which we have done so in the first quarter.

We expect another INR 100 crore to INR 135 crore of additional provisioning in this year. But the good thing is that this is the peak of the of the asset quality issues that we have faced on the real estate business and I think we are we are done with it.

And there's another question on the amount of provision we've taken. So I'll answer that question and this question together. Yes, we have roughly INR 600 crore, INR 650 crore of provisions in the real estate side, and you expect to recover anywhere between 50% to 70% on the same.

Another question was on banks get upper hand in rising rate scenario more so after this debt mutual fund taxation, how are we competing with them? So, we don't actually compete with the banks too much. Most of our lending happens in spaces where banks don't lend. For example, banks don't do real estate financing, banks don't do affordable housing finance, banks do not do

capital market loans. So, actually we are quite indifferent and we actually look to borrow money from banks and banks support our growth plans on the financing side.

How is access to capital today? We are getting funds from everywhere, banks, as well as capital markets, as well as CPs. Our rating is quite strong and therefore we have a good diversified borrowing. Almost 80% of our borrowing is long term in nature and almost 40% of our assets are short term in nature. So, we enjoy a very good asset liability position where literally we have no mismatch.

We have a lot more sort of repayments every year than liabilities. We learned this the right way after we went through the ILFS crisis and we are always long on the liability side compared to how long we are on the asset side.

Next fundraising, no, we are already overcapitalized. We have raised, as someone mentioned earlier, INR 1,420 crore of equity, which was very imperative and very important to do. Very easy to not raise equity and say it's going to dilute shareholders. But if you're in a leveraged business, if you cannot borrow at the right rates, and you have a rating downgrade, it becomes worse for equity shareholders.

I think it's important that shareholders understand over a long period of time preserving capital is equally important than growing your business. There are times when there are crisis, you have to preserve capital, you have to make sure you adequately capitalize so your business can sustain. And when things get better, you can grow faster. And that's exactly the strategy we are deploying, which is holding us in a good position today. And on the financing business, we don't need any form of equity capital for the foreseeable future.

Prop trading, our prop trading is largely in cash futures arbitrage. Yes, and this is at cost. And, you know, we do not increase it more than 10% of networth. And the currently the number is 6%-7% of networth. We largely do the arbitrage to make a higher sort of return than what we can get in investing in equity mutual funds.

Which businesses do I spend most of my time on? I spend my time on all businesses. It's largely driven by the criticality of the business unit. If they need more time from me, I'm happy to devote more time. I don't decide any quarter or any year in advance where I'm going to be spending more time. But 40% to 50% of my time does go on resolving management issues. And so it depends on which business needs me and where they want me to spend time.

When you look at the Company top down, which one two businesses think will really drive value creation. I think, all of our businesses were poised to create value creation. As you all know, that the last four or five years have been very, very difficult, for any business that's dealt with credit. And I think we've performed extremely well coming out of the crisis. And I think we will be behind most of the provisioning and issues that we are facing in this financial year, and we've already started growing.

Our loan book has grown almost 25%, 30%. Our revenues Q-on-Q in this quarter are 20%. And so I think each of our businesses will create value. The investment bank is already generating a 14%, 15% ROE at a very low leverage. The ROA in that business consistently has been more than 5% to 6%. It is doing extremely well. The mortgages business is going through its last phase of provisioning. We are already seeing growth in the business.

The only one challenge that we are facing is that there is an extremely good sales environment. So many of the current loans that we have, we see prepayment and early repayment issues. And therefore, even though we are growing the book because of the velocity of prepayments and repayments, you are not seeing the growth on the net book side. But I think it's a challenge we've seen in the past. And I would imagine that next three to four years, we should be consistent to be able to grow the real estate lending book at close to 15%.

Kotak is a bank, a bank is managed in a extremely different way. One thing which people keep me telling and which is very common between us and Kotak is a stable management team which has stayed, at JM for many, many years. And we like that stability. We like people who understand the organisation very well and who are able to help the organization integrate when they get new people into the organization and that helps our culture being maintained as well as new people when they come, they also bring new ideas and fresh thoughts from the organisation they've worked in.

But from a leadership perspective, majority of our people have been with us for a very long time, and we are very blessed and happy to have that. Valuation for the Company good relative absolute performance. I think we witnessed some businesses, some challenges in few of our businesses in ARC as well as our real estate lending business. We are focused on recoveries in both those businesses.

So I think two or three things may happen over the next couple of years. One is we will see growth. We are already growing the lending book, which is visible from our numbers. And on top of that, we will see recoveries from many of these provisions that we have made. Yes, there has been a delay. One thing we have learnt is that on average, we have always imagined that recovery from bad assets would be a one to three year cycle.

But we have realized that when you come out of something like COVID and a global war, that recovery cycle no longer is one to three years. The recovery cycle can be delayed to as much as 2 to 5 years. And that's exactly the problem which, you know, many wholesale lenders are facing. Luckily, most of our assets are very well secured. And it's really a timing mismatch on when we will recover the money.

So we are hoping next 2-3 years, not only we will see book growth, but we will also see recovery. If you look at JM Financial Products, NBFC's P&L last year, they have had phenomenal amount of recoveries. They had almost INR100 crore of recoveries from the provisions that they have made. So the corporate recovery is always the first, followed by real estate and followed by ARC. It follows that trend because corporate balance sheets are the strongest, followed by real

estate and disbursed assets. So in order of recovery also, corporates will recover first, real estate will recover second and distress will recover third.

We have some question on buyback. I think at the appropriate time we may consider a buyback. Yes, sir. Himanshu Upadhyay's questions. The first question is a good question. You know, I always think about capital preservation first, then crazy amount of growth. I think people tend to forget that India is still an emerging market. It's nice to have India as top three economies in the world and it's something we all should be very, very proud of.

But that's because of the sheer size of the Indian economy. But if you look at many other factors like per capita GDP, core development, the amount of infrastructure needed when you actually divide that infrastructure by a population. When you look at the society, you look at changes that are required at a rural level. I think we are still 15 to 20 years away from really being a developed market. And therefore, you'll always have emerging market risk. We are lucky to have a fantastic leader in our Prime Minister and a government who is very focused on minimizing these risks. And therefore, we are able to attract a ton of capital globally that flows into our country and allows for more development.

But having said that, we still run the risk of being an emerging market. We are not yet a developed market. And therefore, careful and calibrated growth is very, very important when you're actually building out businesses and businesses which are credit linked. So we've, that's what we've done. We started off lending in loan against shares, we moved to real estate finance, we slowly moved to wholesale real estate finance, then to real estate finance in the retail side, SME lending, FIF. So every two or three years, we've added new categories of assets.

If you see a book on a forward basis, FY 24, FY 25, FY 26 will be a lot more diversified. The concentration risk of any single vertical like real estate will be a lot lesser. And that will allow us to bring down our cost on the liability side, as well as mitigate any sort of issues that we may face as an emerging market or any sort of issues that the world may face. And, you know, hopefully, you know, allow us to better tide through any kind of emergency situation.

You know, globally, I think the world is in a very precarious sort of position, right? You're seeing the highest interest rates America has seen a very, very long time. You're seeing inflation, which has been biting the Western world. You're seeing all sorts of moves on de-globalization, you're seeing barriers to trade, you're hearing of, you know, a lot of issues the U.S. has with trade with China, you're hearing about imminent attacks where China could actually attack Taiwan and leading to another war when we still haven't recovered from Russia to Ukraine.

So all of this makes, you know, India a very bright spot and a shining spot. By the same time, if any of these issues were to materialize or stay the course for longer, it is not going to be immune to India. India will also get impacted. And therefore, my view is that we still need careful, calibrated planning when we are running any business over the next two to three years. And that is what we will carefully do.

Yes, I already answered the culture question earlier. Yes, we have started investing in our AMC business in the last two years, we think that even though the mutual fund space and the alternative investment space in India has grown a lot in the last five to seven years, a large part of the push came in COVID. We still think it's a very nascent business. Indian savings and the proportion of Indian savings in the capital markets are still low when we compare them to developed markets.

And as people get more wealthier, as per capita GDP goes up over the next decade or two decades, we see more and more investments in the financial markets and not in hard assets like real estate and gold. That our brand JM Financial being very strong in Western banking and broking, we believe still has a play in the asset management space. And therefore, even though we are small in the asset management space, we will continue to invest over the next couple of years. We may also look for certain important partnerships. And if we find the right partner at the right point in time, we will even engage with the partner to make this business larger.

Question on capital, I think we're sitting with adequate capital, at least for the next two to three years, we do not require equity capital for growth. What we do require is debt capital for growth. Our leverage ratios are still 1.5. We can easily take those leverage ratios to anywhere between 2.5 to 3 on a consolidated level, 3 to 3.5 or maybe even 4 times at the NBFC level. So for us, raising debt capital today is more important than focusing on equity capital.

New businesses for JM? No, I think we are very, very focused on scaling the current businesses that we have. And I do not think we will be entering any new business or any large new business for the next two years. Yes, we are becoming more retail focused and that will require more brand building. And we are already undertaking the same. And you will see more of that in the next 6 months to 9 months.

Yeah the short duration fund is just outflows because of the change in the interest rate scenario. That is the only reason why the AUM from INR 156 crore came down to INR 110 crore.

Nimesh Kampani:

Yeah, there's a question for me. What are my thoughts on the journey building JM Financial now? I think very clearly, the tremendous opportunity in investment banking and securities business and which ROE is very good, and we should continue to build that very strongly. Because a lot of people want to raise capital in this market, and tremendous opportunities are going to come up.

At the same time, there are new venture capitalists also are coming in, ultimately, they will also list the companies on the stock exchanges. Therefore, that two business, you know, are, we are going to focus a lot on that. And that's our strength. Number two, is that we must manage our risk very well. That's a very clear focus. Because we are not Tata, Birla and Reliance or something like that, we can, and Reliance, or something like that. We can go on pumping capital or give money.

And therefore, the risk management is extremely important so that we don't make mistakes. And therefore, sometimes we come slow, because we are risk averse from that point of view. And

lastly, we'll focus more on the retail side in future now, so that we diversify our portfolio from wholesale to retail. On that three lines, we know we will grow our business.

Next was Rajendra Kumar Joshi. Mr. Kotwani, you asked question on scheme of arrangement. Scheme of arrangement which has you seen in the balance sheet was arrangement of the transfer of some of the business which were in a wholly owned subsidiary company, which has come into the holding company. And therefore, there were no separate listings, you know, of those businesses.

And therefore, we require NCLT approval, and that has been obtained and that that scheme of arrangement is completed on that basis where the portfolio management division and wealth management division has been brought into the holding company. The stock option question which you asked also, the stock options is given to the employees of the company on the basis of the market price of the share taken into account for the purpose of bonus, but the shares are issued at INR 1 to them. And therefore, that difference between the market price and a INR1 is considered as his gain and to that extent, the cash bonus is not given but the stock bonus is given to them.

Hodayun, you asked a question on NCD. Are they secured? Yes, of course they are secured. And there was a question from Rahul Paliwal. Sorry, there was a question from Mascarenhas . Can you answer? Atul? It's is on ESG.

Atul Mehra:

I will take the question. Ms. Celestine Mascarenhas, you had asked two questions relating to ESG and I will attempt to answer both of them. The first one was relating to the JM's commitment to ESG. Yes, we are very, very committed to the ESG. This year, we are working along with our partner, E&Y, to work out a strategy which will outline our vision, our commitment to the environment. And once we have the strategy piece in place, we will work out a plan, whereby we take some steps to implement and execute that strategy. And this is a plan which will be implemented over the next 2 to 3 years time.

Your second question relating to ESG was, are we rated? Today, the answer is no, we are presently not rated. But over the next 2 years, we intend to get rated.

Nimesh Kampani:

Then, Mr. Rahul Paliwal, had a question?

Vishal Kampani:

Yeah, sure. Rahul only had one question, I think is blinkX part of the listed entity? Yes, it is. It is part of a 100% subsidiary JM Financial Services.

Nimesh Kampani:

Yeah. Then there is Dhruvesh Sanghvi , Vishal.

Vishal Kampani:

Yeah. Where is he?

Nimesh Kampani:

Talked about lot of things.

Vishal Kampani:

Specific questions or not?

Nimesh Kampani: There is a question on strategy.

Vishal Kampani: I think there were two speakers, Mr. Sanghvi as well as one more question. Tejas Shah, we have a lot of questions on the broad strategy of the Company. So, maybe I will just talk about the broad strategy instead of specifically trying to answer each question. It will give you a good perspective and be able to clarify many of your questions.

So we have four businesses, which you know, investment bank, mortgage lending, our alternative and distressed credit business and platform AWS, which is the retail form of what we want to do in the capital markets with retail customers. And the idea is that we want to grow each of these businesses, we are very committed to each of these businesses. And if you see out of these four, two businesses have gone through challenges in the last four or five years.

It's the mortgage lending on the wholesale side as well as ARC. We've made adequate provisions so far. There could be some more provisions to take on the real estate and ARC side, but there'll be adequate profitability to make sure that the provisions don't impact the business. But our idea is that, and as you were describing that, you know, we've seen a difficult time. We saw a great opportunity. We grew into it right from 2010 to almost 2017-18.

And then for the last 4-5 years, we've seen crisis. And we think that over the next 6-7 years, there is going to be again an opportunity to be able to build back and grow in size on this business. What we are seeing right now, where there is excessive amount of repayment and repayment, I think is a short term blip. There is a lot of sales activity on the wholesale real estate side. And there are some delays in the recovery side, because as I mentioned earlier that we underestimated the impact of once in a 100 year event like COVID and what it could do on the asset side recovery.

Our estimate always was that when NPAs happened, our recovery timing would be 1 to 3 years to resolve them. And now we feel that the time to resolve these NPAs is actually 2 to 5 years and not 1 to 3. And therefore, there is a timing mismatch in terms of when we get the cash flow back from assets that are stuck. Having said that, on the growth side, there is a lot of activity, there is a lot of action. Our pipeline is very, very strong. There are lots of real estate developers who want more money from us.

It is us, it is we who are taking a more calibrated approach. We spend the last 18 months in recruiting more people, strengthening our risk systems and making sure that we are ready and we've learned from what right from ILFS to COVID, what has been taught to us as management, where we can be more careful to make sure that those mistakes do not repeat. So, we have tightened a lot of standards across the risk side, as Chairman said. And after that, now we are very focused on growth.

We see the opportunity on the real estate lending side coming out of HDFC merger into HDFC bank. We are seeing that this is a 7 to 8 year opportunity, not a short term opportunity and we will build back. Having said that, we also realize that valuations on the markets are coming more

to real estate, to retail asset players and lesser to wholesale asset players. The amount of risk that we take on the wholesale side, first of all, it is not easy to get credit.

Our credit, our levels of credit, our levels of borrowing are elevated when we are a larger wholesale business compared to a retail business. And on top of that, the retail businesses give much better valuations because they are more granular and less risky. And therefore, we have already moved, as you have seen in the last 5 years, we moved to make our assets more retail.

But because our wholesale business is large in size, it is not easy to achieve that very quickly. Even, if wholesale is growing at 15% and retail grows at 25%, the fact is that retail is INR 3,000 crore in our book and wholesale is INR 12,000. And therefore, for us to be able to reach kind of an equal number will be almost 5 to 7 years. And therefore, we have to be even more careful that nothing blows up in wholesale and we are doing it very carefully.

Another reason why we do not want to underwrite small real estate developers, if you see the loan default rates, if you see our own book, we used to lend to small real estate developers. And the biggest problems that we've had are with the small developers. The large developers manage to raise capital, they manage to refinance, and their projects manage to get sold. They also have deeper management capabilities and they know how to handle a crisis situation.

Therefore, our strategy is to actually work with larger developers in more cities and actually go granular and do the SME kind of lending to the smaller developers. That is something we 100% want to avoid more and more as we build a business. And the opportunity on the larger developer side is large enough for us to be able to grow.

On the ARC side also, you would have seen the last two quarters, we have seen phenomenal amount of asset addition. Our ARC AUM today is at the highest ever point in the history of the ARC, we are almost at INR 15,000 crore AUM. There again, we have challenges, NCLT delays, and there are lots of assets which are stuck in court. We have very valuable assets. Our issue is the timeline to actually achieving cash flow from these assets, right?

And we will work hard on those. At the same time in ARC, we have certain regulations that if assets do not achieve resolution in a certain time frame, we are supposed to make provisions on them. And therefore you may see incrementally non-cash charge provisions that we have to make in our ARC book over the next two or three years. And that will continue. But with the volume of growth that we have in the last two months, last two quarters, and what we will add over the next couple of quarters, I think we will see profitable growth despite the provisions that we have to make.

Now we come to the investment bank business. I think the investment bank business is our best business, no doubt. It's our oldest business. We have integrated lots of financial services in the capital markets, all integrated for the institutions in our investment bank. What is our simple strategy for the investment bank?

We want to bank the top 2000 corporates and promoters in the country. And we want to work with all the important financial institutions, whether private equity, whether it's mutual funds, and across sovereigns across the globe who want to invest in India. So the idea is that these are the large institutions, these are the big capital providers, and we know all the corporates who will raise the capital.

And we've also added private wealth management, private equity to the business, because the same corporates are going to have their wealth increasing at a disproportionate sort of size over the next 5 to 10 years and we want to be asset managers for their wealth. And therefore, we've integrated our investment banking services, our institutional equity services, our private wealth management services, all of our capital market lending as well as corporate lending products, all of our private equity and our portfolio management services products under one roof.

And this is the business which we call the investment bank. This generates a 5%-6% ROE at a very low leverage, it generates 15-16% ROE. The TAM for this business is massive. Our pipeline on the investment banking side, for example, is the strongest ever. Our client addition on the institutional equity, the fixed income and the wealth platform is at the highest ever. And I feel this business can grow very, very comfortably at 20-25% K. There will be dips, there will be one quarter which is slow, or one year which is slow when the capital markets are not doing well.

But can you rule out that India growth rate over the next 5 to 7 years is not going to be one of the fastest in the world? It is going to be one of the fastest in the world. And with the issues we are facing with China, there could be a case where more and more long-term capital gets invested into India over the next 7 to 8 years. This would mean you will have the biggest boom in the Indian capital markets that any one of us have seen. And that is what the investment bank is geared to capitalize on.

Our last business again, which we call platform AWS, is geared again for the same opportunity but for the retail Indian customer, across asset management, across the securities platform, as well as wealth management. We have elite wealth management and retail wealth management, which is basically addressing financial savings needs for AUMs below INR 30 crore per investor. Our equity broking business has done extremely well.

We are building out all of our digital platforms. They are all ready. They've effectively been launched in the month of July. The soft launch is done. We are seeing very, very good traction. And before we start growing them faster, we are test casing them, working with our existing clients, and we are removing all the sort of initial issues that we have through our testing. And we are very, very bullish on what we can do in terms of digital and the build on digital.

So I think, you know, we made a lot of investments, even through the COVID crisis, even though through all of the issues we faced, I think we've invested over INR 200 crore of rupees combined on people, on technology, on branches, to retailize our business across lending, as well as the fee and advisory services. And I think all of this should pay off over the next five years. And we

will continue and actively invest in further retailizing through our retail mortgage platform as well as our platform, AWS platform.

And I think a lot of value will emerge from there once people see profitable growth coming out post the investment phase. So, I think a lot of value will emerge from there once people see profitable growth coming out post the investment phase. So, I think I am very excited. Our management team is very excited and we look forward to a very interesting future for us over the next 5 to 7 years. Thank you.

There was one more question on, by someone on the net gain on fair value changes for the first quarter. So, almost 45% of that is from our ARC. So, in our ARC, we, as you know, we do not get steady income, but when you have a resolution of an asset, it comes in as a net gain of fair value. And this one is an almost 100% cash receipt because we have had an extremely good quarter where we have had more than INR 1100 crore of recoveries in our ARC. And therefore, you are seeing an inflated number. It is captured as income in net gain of fair values, but almost 40%-45% of that is a cash receipt.

Nimesh Kampani:

Otherwise, there are other investors, Smita Shah spoke, Lekha Shah spoke, Kirti Shah. I think they are all covered. Rajender Seth. I think we have covered everything, anybody is left out, tell us. So with this, we've to put resolution to vote, those who are left out. The Company Secretary had mentioned the whole agenda, so that voting is more or less done. But those who are left out, they are available another 15 minutes after the closure of the meeting, so they can vote it.

So now I thank all the members for participating in the AGM through video conferencing and their cooperation for a smooth conduct of the meeting. Thank you very much. With this, I close the meeting.

Vishal Kampani:

Thank you.

Moderator:

Dear members, as instructed by the Chairman, we request all the members participating in the AGM and who have not yet cast their vote to do so in the remaining period of 15 minutes. Thank you.