



“37th Annual General Meeting Transcript of JM Financial Limited”

August 02, 2022



MANAGEMENT: **MR. NIMESH KAMPANI - CHAIRMAN.**
MR. VISHAL KAMPANI – NON-EXECUTIVE VICE CHAIRMAN.
MS. JAGI MANGAT PANDA – INDEPENDENT DIRECTOR.
MR. P S JAYAKUMAR – INDEPENDENT DIRECTOR.
MR. NAVROZ UDWADIA, INDEPENDENT DIRECTOR.
MS. ROSHINI BAKSHI, INDEPENDENT DIRECTOR
MR. PRADIP KANAKIA, INDEPENDENT DIRECTOR
MR. SUMIT BOSE – INDEPENDENT DIRECTOR.
MR. ATUL MEHRA, JOINT MANAGING DIRECTOR.
MR. ADI PATEL, JOINT MANAGING DIRECTOR.
MR. MANISH SHETH - CHIEF FINANCIAL OFFICER.
MR. PRASHANT CHOKSI - COMPANY SECRETARY.

Moderator: Dear shareholders, good afternoon and a very warm welcome to the 37th Annual General Meeting of JM Financial Limited held through video conferencing or other audio-visual facility. As a reminder, for the smooth conduct of the meeting, the members will be in mute mode and audio and video will be opened when they will speak at the AGM as per the pre-registration. Please note that for 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: Thank you. It is 4 o'clock. I welcome all the members of the 37th Annual General Meeting. This Annual General Meeting is being held through video conferencing and other audio-visual means, in accordance with the general circular issued by the Ministry of Corporate Affairs in April and May 2020 read with the subsequent circulars issued in this regard, the latest being in May 2022 and in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder including the Circular issued by the Securities and Exchange Board of India in May 2022. I would like to introduce the members of the board to the shareholders. I have Mr. Vishal Kampani, Non-Executive Vice Chairman. Ms. Jagi Mangat Panda, Independent Director, Mr. P S Jayakumar, Independent Director, Ms. Roshini Bakshi, Independent Director, Mr. Pradip Kanakia, Independent Director, Mr. Sumit Bose, Independent Director, Mr. Atul Mehra, Joint Managing Director, Mr. Adi Patel, Joint Managing Director, Mr. Navroz Udwadia, Independent Director will be joining shortly from London. Mr. Prashant Choksi, the Company Secretary, Mr. Manish Sheth, Chief Financial Officer, the representatives of the statutory auditors, secretarial auditors and scrutinisers are also attending the meeting through video conferencing.

Since the quorum for this meeting is present. I declare the meeting in order.

The Company has received 7 authorized representations in respect of 34,98,07,008 , this is only for noting. The register of Directors in KMPs and their shareholding, etc., are available during the meeting for online inspection. The Annual Report 2021-22 inter-alia containing the notice of the 37th Annual General Meeting was sent electronically by email to the members in compliance with the MCA and SEBI circular. With the consent of the members attending the meeting through VC/OAVM, the Notice conveying the meeting is taken as read. The Statutory Auditors Report on Standalone and Consolidated financial statements for the financial year ended March 31, 2022 and Secretarial Auditor's Report do not contain any qualification, observations, adverse comments, reservations, or remarks and thus, they are not required to be read at the meeting. With the permission of the members the said document are taken as read.

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 to be transacted at this annual general meeting through remote e-voting between July 29, 2022 to August 1, 2022, in proportion of their shareholding as on the end of, on the cutoff date of July 26, 2022. Ms. Jayshree S. Joshi, Proprietor of Jayshree Dagli & Associates, Company Secretary, Mumbai, has been appointed as the 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 the Members attending the AGM through VC shall be able to exercise their right to vote through the e-voting facility provided they have not voted through remote e-voting earlier. E-voting facility has commenced.

Dear member,

Good afternoon and a very warm welcome to each one of you to your Company's 37th Annual General Meeting. On behalf of my colleagues on the Board of the Company, I thank you all for joining us today. Your presence through electronic mode is a testimony of your commitment towards the Company and your continued support over the years has been motivating us to scale new heights.

I am sure you have received the Company's Annual Report for the financial year 2021-22 and have got a chance to go through the same. The geo-political disturbances arising on account of the war between Ukraine and Russia, supply chain concerns due to a strict zero COVID policy in China, increasing inflation has led to tightening of accommodative policies across the central banks and volatile capital markets. We are confident of India's strong long term economic outlook in spite of all these conditions prevailing in the world.

Despite economic activities facing interruptions due to pandemic, strong liquidity in the system led to recovery in financial year 2021-22. The robust long-term outlook, structural changes within the financial services landscape and policy framework have set the stage for sustainable growth. Leveraging digital platform and adopting an innovative approach shall play a very important role in the new normal. Our activities in the years gone by were guided by this unfolding reality and overreaching theme.

Our efforts:

Our efforts for financial 21-22 were channeled towards building resilience, scale and creating lasting value for our shareholders. I am pleased to say that we reported the highest ever annual operating net profit for financial year 2021-22 . Financial year 2021-22 ended with a strong growth in the loan book.

The Company has a liquidity of ₹ 2,878 crore as of June 30, 2022. The gross debt/equity ratio stood at 1.1x and the net debt equity ratio stood at 0.83x as on June 30, 2022. The Company continues to be rated as AA stable by various rating agencies.

The financial performance of financial year 2021-22:

The consolidated profit after tax and non-controlling interest in the financial year 2021-22 increased by 31% to ₹ 773.16 crores from ₹ 590.14 crore in the previous financial year, primarily due to increase in the performance of Investment Bank, Alternative and Distressed credit and Platform AWS segment during the year.

The Board of Directors of your Company has recommended a final dividend of ₹1.15 per share, apart from an ingredient dividend of ₹0.50 per share declared in February 2022 aggregating to ₹1.65 per share for the financial year 2021-22 as compared to ₹0.50 per share during the previous year. The final dividend will be paid on and after August 5, 2022, if declared by the members at the 37th AGM.

The performance highlights 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 2021-22.

Consolidated first quarter results for the financial year 23.

I am pleased to report that the Board of Directors of the Company, at its meeting held today, has approved the standalone and consolidated financial results for the first quarter ended June 30, 2022. The key highlights of the consolidated financial performance of the Company for the June quarter are; total income has decreased by 18.8% to ₹ 805 crore compared to ₹ 992 crore last year first quarter. Profit before tax also has decreased by 28.1% to ₹ 259 crore from ₹ 360.4 crore. Net profit after tax and before non-controlling interest decreased by 27.8% to ₹ 198.38 crore from ₹ 274.78 crore. Net profit after tax and non-controlling interest and share of associate decreased by 16.3% to ₹ 170.01 crore from ₹ 203.14 crore. This is been due to the ARC business, which has not done well this year in this quarter because some of the deals they could not close during this period.

I take this opportunity to thank my colleagues on the Board, including the past directors who are retired viz., Mr. E A Kshirsagar, Dr. Vijay Kelkar, Mr. Paul Zuckerman and Mr. Keki Dadiseth, who has ceased to be the independent directors upon completion of their second term, for their valuable contribution during the year. I also convey my sincere gratitude to all our employees, regulators, stock exchanges, lenders, and other stakeholders for their continued support and cooperation at all times, especially during the pandemic.

For a quick insights, we are playing the video of annual highlights for the financial year 2021-22, and thereafter, a short video clipping on the CSR activities undertaken by the JM Financial Group. I am sure you will be pleased to see the same.

I would like to thank all of you for your time and attention.

I now request moderator to play the video for members viewing.

Thank you. I would like to inform that there will be no voting by show of hands. All the resolution as stated in the Notice conveying the AGM at serial number 1 to 10 there in have already been put up, put to vote by remote e-voting and by e-voting facility provided during the AGM. Now, I will request Company Secretary to read out the business stated in the notice of the meeting.

Prashant Choksi:

Thank you, Mr. Chairman. I'll read out the items of resolutions in the notice convening the meeting.

Item No. 1 - Adoption of Annual Standalone Financial Statements along with the reports of the Board of Directors and Auditors thereon.

Item No. 2 - Adoption of Audited Consolidated Financial Statements along with the Auditor's Report thereon.

Item No. 3 - Declaration of Final Dividend.

Item No. 4 - Reappointment of Mr. Nimesh Kampani, a Director retiring by rotation and being eligible offers himself for re-appointment.

Item No. 5 - Appointment of BSR and Co. LLP as the Statutory Auditors of the Company for a period of five consecutive years, commencing from the conclusion of this Annual General Meeting until the conclusion of 42nd Annual General Meeting and authorize the Board to fix their remuneration.

Item No. 6 - Appointment of Mr. Sumit Bose as an Independent Director for a term of five consecutive years, commencing from May 24, 2022 and ending on May 23, 2027.

Item No.7 - Approval for entering into material related party transactions with JM Financial Credit Solutions Limited, for an aggregate amount not exceeding ₹ 500 crore during the financial year, including and up to, the AGM to be held in the financial year 2023-24 as outlined in the said resolution.

Item No. 8 - Approval for entering into material related party transactions with JM Financial Asset Reconstruction Company Limited for an aggregate amount not exceeding ₹ 750 crore during the financial year and up to the AGM to be held in the financial year 2023 -24 as outlined in the said resolution.

Item No. 9 - Approval for entering into material related party transactions with JM Financial Products Limited, for an aggregate amount not exceeding ₹ 750 crore during the financial year including and up to the AGM to be held in the financial year 2023-24 as outlined in the said resolution.

And last item,

Item No. 10 - Approval for issuance of redeemable non-convertible debentures for an aggregate amount of up to ₹1000 crore on a private placement basis or through public offer.

Thank you.

Nimesh Kampani: May I now request the moderator to invite the Members who are registered themselves as speakers to speak in seriatim.

Moderator: Thank you very much. We now begin the question and answer session. We have our first speaker shareholder Mr. Dhawal Kumar Agarwal on audio. Please unmute your line and proceed.

Bimal Kumar Agarwal: Good Evening to everyone. First of all I thank the Company secretary for the excellent work you have done and Sir has explained so well everything. I have got nothing to ask, my question was already answered in that Chairman's speech. I have got nothing to ask, that's all from me. Thank you very much.

Moderator: Thank you. We move to our next speaker shareholder Rajendra Sheth.

Rajendra Sheth: Sir, I am Rajendra Sheth from Mumbai, Thane. Currently I am traveling and I am out of station. I am very pleased after hearing what the Chairman's speech and I have complete faith on the management. The Company Secretary and his Team was also very co-operative and have ensured that speaker shareholders have received required links. They have done good work due to which I was able to join the link, so I am grateful to them. I have a question, in CSR, have we thought something for old age home for people, are we doing something to increase or not. I have complete trust on the management.

Moderator: Thank you. We will move to our next speaker shareholder which is an audio from Dnyaneshwar Kamalakar Bhagwat. Please go ahead.

Dnyaneshwar Kamalakar Bhagwat : Thank you very much. First of all, I would like to say thank you for calling my name. My name is Dnyaneshwar K Bhagwat I am calling from Mumbai, Borivali. First of all, I'll say thanks for Company Secretary, Mr. Choksi, for sending me the soft copy well in advance, which is full of knowledge, easy to understand. So, I thanks to him and his team for doing excellent work. Secondly, I support all the resolutions. Thirdly, about the financial part, Sir in the Chairman's speech the Chairman has given all the details, even he has given the details of CSR activities which has been done by our Company which was also shown in the video, I have seen all the things, no more question about that. While last but not least, this is a Shravan month so we are going for some good festivals and all that 15th August then Ganesh Chaturti and all that, so I wish Company good luck and bright year for us well and expect dividend for next year also. Thank you very much sir.

Moderator: Thank you. We move to our next speaker, shareholder, Vinod Agarwal request you to please unmute your audio, video and proceed.

Vinod Agarwal: Chairman, Mr. Nimesh Kampani, Vice Chairman Mr. Vishal Kampani, CS Mr. Prashant Choksi, CFO Mr. Manish Sheth, Joint MD Mr. Atul Mehra and Joint MD Mr. Adi Patel, Good afternoon to everyone Sir. I've gone through your annual report the way I could. Sir, the last year's revenues were the highest ever even in these tough times. I will give team JM Financial five star marks for all the good things they have done. The PAT was highest at ₹ 773 crore, the dividend

that you paid is ₹ 1.65 is also very good on an EPS of ₹ 8.81 is also very good. Sir, I generally don't speak on CSR activity but the CSR activities which have been mentioned on page 108 to 120 are commendable, I have not seen this kind of CSR activity and the details which have been given in the annual report are marvelous sir. My one or two queries only sir, in the past six to eight months a lot of FIIs withdrew money, since you are in the investment banking and even in the other segments, what is your take on the investor other group viz., FIIs as they started coming last week in small numbers. But will they come back in larger numbers or NO, by when do you feel they will come back if the market should bounce back once they come back, I don't think so. Personally, I don't feel they can avoid India as being the largest and fastest growing economy in the world. I doubt they can avoid India for a long time but, by when can they be coming and hope sir this is my query to you. And I have seen all your four segments and the reporting given for all the four segments are fine, I don't want to repeat all those things for brevity of time, it is better to go on page 101, this was your revenue, and segment part, I don't want to go in detail all those things sir but it is good and sir, I would also like to compliment Rajas and , Dimple from your CS team for helping me in answering investor queries on time, whenever we have them and I wish the Company all the best for the future and I also compliment the Company for receiving all the awards mentioned on page 34 and for all the good work that you keep on doing signing off Vinod Agarwal from Mumbai, I am attending your AGMs for past decade or so now and it has been nice to meet you. But, I think so by January the COVID restriction which are there in place today would be gone by January sir. So do make a get together at least the speaker shareholders, we have been missing you since ages now, three years is a age. Thank you sir, signing off Vinod Agarwal.

Moderator:

Thank you. We move to our next speaker, shareholder, Rajendraprasad Devprasad Joshi request you to please unmute your audio, video and proceed.

Rajendraprasad Devprasad Joshi: Respected Chairman Sir, Shri Nimesh Kampaniji, Vice Chairman, Shri Vishal Kampani Sir and other Directors present in the meeting and our Company Secretary, Shri Prashantji. Sir, I'm extremely pleased with the services rendered by our Company Secretary Prashant Choksi and his team specially Dimple Mehta, Rajas, etc. I received the annual report well on time, sir our calls and queries are readily attended by this team. My heartfelt thanks to them for their cordial cooperation. Chorus team also is doing a very good job, they have given the link and nicely tested ourselves. Sir so far our Company's performance is concern despite several headwinds and uncertainties, our Company registered the highest ever annual operating net profits this year. This is a great achievement for which our management team deserves a high compliment. Sir, Company has also shown strong growth in the long run, supported by the strong long term and short term debt ratings, this is also very good sign in the balance sheet of our Company. We are pleased to see that Company has given a dividend of ₹ 1.65 this year in aggregate. I wish Company to strengthen its financial foot prints further so as to enhance shareholder value. Very good, please keep it up. Very commendable thing is that even though our Company being very small Company, we are doing a very robust CSR activities. The presentation of CSR activity just shown was really admirable. Now some queries, what will be the impact of recent high in repo rates and interest rates on the business of our Company. Second

is, which business vertical is most lucrative for the Company's revenues. Third, what earning opportunities you see in the present market scenario for our Company. Fourth, what is the net debt position of the Company and how management is planning to reduce the debt. With this, I thank the Chairman, the Company Secretary and CS team for giving me this opportunity to speak from this platform and I strongly support all the resolutions. Thank you very much, thank you sir.

Moderator: Thank you. We have our next speaker shareholder, Bharat Mulchand Shah and Smita Bharat Shah. Request you to please unmute your audio, video and proceed with your question.

Smita Bharat Shah: Respected Chairman Mr. Nimesh Kampani, Vice Chairman Mr. Vishal Kampani and other respected Directors. I am Smita Shah, I welcome all the new directors inducted on the Board and I wish to congratulate the Company for its consolidated performance revenue.. From last 10 years our revenue net worth earning has been excellent so far. The Company also provided dividend of ₹ 1.65 this year in aggregate as compared ₹ 0.50 paid last year, thank you for that. In Balance Sheet I saw your picture and your smile is very nice, and seeing that our happiness has also increased and our strength has also increased which is also evident from the smiles of Vishal Sir and other Board members. You have reported excellent performance and made the whole Company happy. This is your leadership, hard work and your team work which gave us good result, and your dedication towards the Company. CSR activities have also been good, you also contributed for children's education for those who lost their parents in COVID, you gave their fees, digital centers which you opened in the rural area, and your contribution in education and healthcare has been quite good. We wish you keep growing and make our Company grow too. Also, Nimesh Bhai, next month it's your birthday too so wishing you happy birthday in advance. Our Company secretary, Mr. Prashant Choksi has always helped us very patiently and resolved our queries and have handled his position very well by giving us good investor service. Ms. Dimple is also very helpful and hardworking and resolves our queries and same is Ajit too. I thank the complete secretary team and thank you Chorus for their service. And lastly, Nimesh Bhai we are always there with you and we have always joined the AGMs, since these two, three years we were not able to meet physically but, hoping next AGM will be physically held and we can meet you. Also, do invite us in your webinars if you have any, so that we can also get knowledge from that webinar, so do invite the shareholders in that. I am supporting all resolutions which mentioned in the AGM. Please accept my warm wishes for all upcoming festivals. Bharat Shah would talk with you now. Thank you.

Bharat Shah: Respected all, my name is Bharat Shah, I don't have any query because you have handled the Company in difficult times and you have taken it far ahead. Nimesh Bhai has given good dividend too, and always respected investors and always given good returns. I wish the Company does good in future too.

Moderator: We will move to our next speaker shareholder Ms. Lekha Satish Shah. Please unmute your audio, video and proceed with the question.

Lekha Satish Shah: Thank you, sir. Respected Chairman sir, Board of Directors and my fellow members. Good afternoon to all of you, myself Lekha Shah from Mumbai. First of all, I'm very much thankful to our Company secretary Mr. Prashant Choksi Ms. Dimple Mehta and Mr. Ajit, for extending their services and also sending me the AGM notice well in time which is full of knowledge facts figures in place. So, I'm very grateful to the Company Secretary Prashant Choksi. Chairman Sir, I'm confident that with your vision and determination, you will lead our Company to greater heights. And also I pray to god, our Company should progress more and more under you. As our team, thank you Chairman Sir for explaining about the Company and congratulation for excellent work. Sir, I pray to God that he hold his shower blessings upon you. At the offset I congratulate the management and his team for the various award received by our Company. Sir, I would like to ask three questions, my first question is, our Company is leading in merger and associate currently do we have any client for their advisory services. My second question is, how many new institutional and retail customers opened their account in broking services in 2021 and 2022. So, I would like to say I strongly support all the resolutions for today's meeting and my best wishes, always to the Company and its facility. Thank you sir.

Moderator: Thank you. We have our next speaker shareholder Anil Parekh request you to please unmute your audio, video and proceed with the question.

Anil Parekh: Chairman sir, and fellow shareholders. So my name is Anil Parekh and I'm speaking from Bombay. First of all, I would like to extend my whole hearted support to you and your all the Board members and executives and hope you all are safe at your respective ends. We miss physical interferences since last two years due to COVID-19 and this is the third year, I hope next year if we can plan for physical meeting that will give us a essence of meeting to you physical. Our CS team Prashant Choksi, Dimple, Rajas, etc., are very good at their job and assist us whenever we need their assistance to get the query closed. Next sir, financials, excellent set of numbers this year our income has grown to ₹ 3,763 crore, profit is ₹ 1348 crore, and profit after tax is ₹ 773 crore, excellent sir. Strong performance and our total assets under private wealth management is ₹ 61,211 crore. Sir we have 112 branches. How many more branches you'd like to add this year and do we have any other branches in direct two, three and four cities. Sir, also our overseas locations are only four. So do we have any plans to grow our numbers from four to maximum numbers. Sir, our long term and short term debt rating are also very strong CRISIL AA stable, ICRA AA stable, very fine sir. So it shows that investors' confidence in you so much, sir even myself I have invested in our NCDs and I would like to state that I receive always interest very much in time. So, I am very much satisfied investor. Sir, how much this year would be asset under reconstruction we are seeing and how many more IPOs and equity capital market transactions we would like to see, and how many mergers and acquisitions at your disposal we are looking at. Sir, everything is given in detail in the annual report. So, I don't want to waste much of your time. I would go through the details of my questions in the balance sheet, and I would end up here saying that you are doing an excellent job and rewarding shareholders time to time, thank you for patient hearing and I support all the resolutions. Thank you sir.

Moderator: Thank you. Our next speaker shareholder Aspi Bhesania, request you to please unmute your audio, video and proceed with the question.

Aspi Bhesania: Sir congrats on excellent results your results are very good, good increase in top line and bottom line. Can I expect the same trend to continue. Now, however mortgage lending segment, top line and bottom line is reduced what is the reason for that. When the entire Company is doing well, why only one segment is not doing well. Sir thank you and all the best for the future. Thank you.

Moderator: Thank you. We have the next speaker shareholder Dinesh Bhatia, request you to please unmute your audio video and proceed. While we check the line for Mr. Bhatia, we will move to our next speaker shareholder Homayun Pouredahi. She has registered, however not joined the meeting. Hence we will move to our next speaker shareholder Himanshu Upadhyay, request you to please proceed with the question.

Himanshu Upadhyay: Good afternoon. So, I have sent my list of questions. So, the first data were broken into three sets, one is financial institution funding business. Congrats on a very good set of numbers or at least on disbursements on FIF site, but I wanted to have a much better understanding on that business. So, we have started doing this FIF to NBFCs, how good is our internal assessment team and in the annual report we have stated that above our rating system only we will take or fund the institutions. So, are we completely dependent on third party credit rating agencies or the assessment is also done by our own Company professionals. This lending is in the book of which subsidiary or it is in the JM Financial Limited lending book. So, where is this lending situated, if you can give some idea on that. Second question, why not go ground up to small NBFC which are promoter driven and are at an infant stage with interest rates maybe better, and the customer can be for a longer period of time with us. From the annual report, it seems that we'll be focusing on medium or larger size of NBFC hence this question. Third, what will be the products where an NBFC is doing business, we would not like to lend to it in FIF funding. So what business models of an NBFC we are not ready to fund. Fourthly, will we likely to take a pool of assets as collateral for the funding we do in FIF and do we monitor the pool how the pool is behaving regularly. Have we build the internal processes and team and structures around the monitoring those pool of assets and finally there is again it is written that financial institution funded NBFC we want to focus on. But here I had a question, We have seen many NBFCs which are focused on growing fast and have altered over a period of time, even when they were funded by global investors and had a professional team, how to mitigate such a risk and find the right NBFCs to fund in this business. So these were five questions on FIF.

Something else on AMC business, where we have been building the business for two, three years, slowly steady. This business we are trying to build from ground up, but still some of the fundamental aspects are not very clear. What will be the basic philosophy of managing the money at JM Financial, are we looking at active or passive products and what type of client requirements we want to fulfill through our JM Financial AMC products, although value and growth can be the philosophical differences in Fund houses, but just some aspects of where we want to particularly create our positioning. Secondly, what type of clients will we want to do

business with and what requirements of the client we want to fulfill. Third, what is our go to strategy to the bank's distributors and IFAs to get more business. Sadly, the focus of distribution in this country or across the globe remains on high commission, which also eats into the returns for the client. So how you grow your business or AMC business in a sensible, profitable and sustainable way over a longer period of time. And you partner to garner assets. The fourth question, the biggest challenge in asset management is getting the right quality of people with the right value system, and who do, what they say in a product mandate. How do we choose the people for this business, and how do we track the people behavior, especially on the asset management side because the reputation is very, very important. So what procedures are we doing to internally monitor the people performance, not just on the returns, but also on their behavior and when they are doing what has been said in the product mandate. Finally, when do we think of launching newer products in AMC business, so we have been building the team, but we have not seen anything on new product launches or on the side. Finally, miscellaneous questions on various other businesses. So, for investment banking, how do you increase the modes and the business. And what are we doing to increase the modes in this business. As an outsider, to me an investment banking business seems to be a low entry barrier, whatever if somebody has a relationship, we can enter the business. So, for us in a JM Financial where our core is this investment banking how do you increase or the depth of your relationship and build stronger relationships and what can be the modes in this business. Second, we are in investment banking, wholesale, retail, equity, brokerage, and various businesses. Can you give me your views on which business we progress the most in terms of client relationship and strengths and where we believe we made our positioning much more stronger. And we think this over a period of time and where our positioning has got weakened in last two to three years and we need to focus more in all these bucket of products.

The question is on wholesale lending, though, we've been very optimistic on this business for at least now 18 months, but the loan book continues to reduce. So that is also a thing which I wanted to understand. Thirdly, why is it important to grow in many businesses simultaneously for us, so we have last year started FIF and again, bond and all those businesses previous year, we started focusing on retail lending, why not focus on few business, grow them to a size become market leaders and then venture into new business. So we have very strong relationship or positioning in investment banking, why not in few other businesses where we are already there, build a stronger position and then enter other businesses. And, I finally, in case of investment banking on IPO, M&A, private equity, early stage funding and QID, how does our market share changed in last three to five years, and how closely do we track it and how relevant is the yearly change in it. So these are my questions. Some of these questions are very basic, but they will be helpful in my understanding so if you can help me understand your business and give some light on these questions it will be very helpful. Thank you for my side.

Moderator:

Thank you. We move to our next speaker shareholder Dinesh Bhatia on audio, request you to please proceed.

Dinesh Bhatia:

I am Dinesh Bhatia from Bombay. Chairman Sir I would like to congratulate you and your whole team for giving such good results in pandemic too. Our Company is earning profit in such times as well, it's low but it depends on business as well, but if we see Earning Per Share is of ₹ 3.44 against the face value of ₹ 1 each, so this shows the sincere hard work of the management. . We can see that revenue is ₹ 560.55 crore on standalone basis, that is a very good revenue and net profit is also ₹ 327.78 crore which shows your progress and efforts. And I support in all your resolutions and thank your secretarial team for helping and providing us assistance to attend the meeting. I just have one question, in last meeting we heard that JM Asset Management has 40% of our holding so Asset Management are those shares kept with us as security or it's their equity share with us. And what is the lock in period of that, if we get good price like ₹40, so at what price we were allotted and what's the position today. So, please give us that information and rest we don't have anything to ask in front of you, you and your team is excellent and I support all resolutions. All the best and thank you.

Moderator:

Thank you. We now invite Homayun Pouredahi she joined the meeting. On audio, I request you to please proceed with your question.

Homayun Pouredahi:

How sad there isn't a physical AGM where we can meet each other. Every year my late husband used to attend your AGM. It was such a pleasure really, I am missing all that. So, I only want to say one thing, the real fact, your family members have been chosen by the al mighty to do good to the society, you all have been chosen and you all are doing it that is why we assure you blessings will be upon you to get more and more funds, to get more and more profit of course benefiting our shareholders also and benefiting all the people, all the underprivileged people of the society. I heard the beginnings speech how you have been, what you are doing in Palghar, many places. Because of your investment in Alok, the share prices went up and thousands of shares were offloaded and many shareholders made profits, thank you very much. I want to know what were the challenges actually you all faced during the pandemic, I know that we can say we have but still that has affected us, what challenges you have faced during the pandemic, I want to know what do you all have been doing CSR activities regarding COVID also I want to know any plan of taking over any other companies because there are many who have not been able to repay their debts, any other plans of taking any other companies. And, also know you have ventured into many other fields so that you can avail up the benefits of other things always see our Chairman in authority a genius and he is still the same. Sir, you and the management have our blessings and we wish our Company all the best and also let me know of any new venture, any new where you are planning to go ahead I want to know, how you all are planning towards that. –1:07:00 I close on, I am very happy I speak here, and of course I thank all your team and Chorus team. All the best, thank you very much.

Moderator:

Thank you. We have a next speaker shareholder, Mr. Kotwani, request you to please unmute your audio, video and proceed with the question.

Mr. Hiranand Kotwani: Respected Chairman, other dignitaries of dais attending this meeting greetings to all. It is great privilege to join you. Mr. Kampani primarily is a producer and director of capital market don't need of rating agency ₹ 3800 crore profit available for the appropriation consolidated is a great Company. Huge lock value and not unlock value of land and all this, there is no question of financial instrument, so it has a locked value. I want to comment on our organization subsidiary JM Financial Overseas Holding Private Limited (Mauritius) what we are doing, how much our main investment in this, what are those functions are. And similarly the JM Financial Singapore Pte Limited and JM Financial Securities Inc, (United States), how many employees are there. What is our main companies investment in these three, what we are doing, how's the revenue and net profit is coming in dollar term to our organizations. Can you elaborate all these things, because that very few people ask the balance sheet question I will mail because so many questions I don't want to waste time, but generally I want to know the resolution has been passed regarding the related party transactions, particularly their asset recovery, ARC business, there's huge demand, huge NPAs on the sale, what is your call, how this business will be and how our role will be in this direction, how profit will come in, it's a long way to go. But certainly you are a director and producer of the capital market. So, I don't want to say much we know the third generation people, I was associated with you 1984-85 the great gentleman was there. So, I want to comment on future growth, prosperity and if you increase the equity from ₹ 1 to ₹.5 raising the ₹ 4 capital and ₹ 10 premium right issue, Company will be great in the stock market rather ₹ 1 lingering for so many years at ₹1, you have done 25 shares of 1 share we remember that. But we want to grow as per you globally, that if our face value is ₹ 5 then we will get a dividend of ₹ 10, ₹ 20, ₹ 2, ₹ 0.50, that is fine, but what is your vision and mission, how are you going to increase our wealth and prosperous organization. Thank you, good luck.

Moderator: Thank you. We take our next speaker shareholder Celestine Elizabeth Mascarenhas on audio request, you to please unmute your audio and proceed with your question.

Celestine E. Mascarenhas: Thank you, I go on with the formal part. Respective Chairman, members of the board, my dear fellow shareholders attending this meeting I am Mrs. C A Mascarenhas. I'm speaking from Mumbai, greetings to all. First I thank the Company secretary Prashant Choksi for sending me the annual report, I would have much preferred a physical copy as my eyes watered from page to page to read because of age. Anyway, I hope I get the physical copy. Our working is very good and a good dividend. Thank you so much. Sir, as many speakers have spoken before me and come nearly at the far end, I feel that most of the questions are asked and answers will be given. I only say one sort of slogan, sir you beat all your earlier records. So that it becomes a sustainable growth, every year Company beats its own record and that is the benchmark you keep. I even congratulate for all the awards and applauds, all are in the annual report also, I appreciate good CSR work, also lots of ESG initiatives are taken, I would like to know any rating is done, if rating done, then the name the rating agency and the score we have got because now all mutual funds and all will see to the ESG rating when investing. You have done a very good job I have to really give you kudos especially which NPA like Hotel Lila you took as an NPA and we shareholders I'm also shareholder of Hotel Lila, I have not lost completely. Maybe the valuation is less but happy days will definitely come with all the way you have done

restructuring. But there are some companies where we have lost completely, lost and out. Like I can tell you about DHFL, SR Steel and Lakshmi Vilas Bank, we have been totally thrown out. So, I really want people like you all to restructure so that our shareholders are not lost. They are sort of gone completely, I don't want that and I really pray for your good health of your whole team. I have supported all the resolutions so that you all will perform better and better day after day. Now, Mr. Mascarenhas, AB Mascarenhas, he also wants to take a few words.

AB Mascarenhas:

Hello, I've also registered as a shareholder. So, I will proceed. Respected Chairman sir, very distinguished members of the board and my fellow shareholders. Good evening to you all my name is A Mascarenhas. I thank the management and the secretarial team for sending the e-balance sheet which I received on time, it is full of information, knowledge, transparent and adhering to all the parameters required for a good corporate governance. Our results are excellent, with facts and figures and a handsome dividend of ₹.1.65 in aggregate. Very good sir, keep it up I hope this trend will continue. Sir, I am very happy with your presentation, video presentation was very good. As you showed the progress of our Company and on all the CSR work, especially the children's education and medical treatment of cows. Very good, sir. I am also happy to note that we are in mutual funds and restructuring work. Now restructuring work we have done very well. My wife has spoken, now on the mutual fund front, how are we faring, I would like to know sir, in the mutual fund and any plans for acquisition this is a time of acquisition nowadays, so I would like to know. Since many questions have been asked by my predecessor shareholders, I would not like to repeat it. So, I end my speech wishing you personally, all the board members, and more importantly, all the employees, we will come into a festive season so I wish you and each of one of you all a happy festive season in advance, with this thank you very much for patient hearing. Thank you, god bless you.

Moderator:

Thank you. We move to our next speaker shareholder Rajat Setiya. Request you to please unmute your audio, video and proceed with the question.

Please proceed you're your question.

Rajat Setiya:

Thanks for the opportunity. So, I had sent my queries over the email as well. If you have that email in front of you, I can then skip reading the questions please suggest. I was saying, I had sent my queries over the email as well. So, if you have that email, I can skip reading the questions and save some time.

Moderator:

Mr. Setiya we are just checking request you to please hold.

Management:

We have the questions.

Rajat Setiya:

Alright sir, you can answer them. That's it from my side. Thank you.

Moderator:

Thank you. We now move on to the next speaker shareholder Kirti Jayantilal Shah request you to please proceed with the question on audio.

Kirti Jayantilal Shah: It's great to see you handling the Company Mr. Chairman in such difficult times of Corona. We got a break in ARC business. ARC business could not do that clear but how is the situation now as Coronas is mild and how is your ARC position in this quarter do let us know, as major money is in ARC so accordingly let us know. And there are lot of companies for investment in today's time so you can invest in share market as well like CNBC, Moneycontrol and TV18. Five years ago we had a loss of 60 crore and today it's 950 crore net profit so if you invest in such companies then we can get good returns. Wish you all the best, thank you very much.

Moderator: Thank you. Sir that was the last speaker shareholder.

Mr. Nimesh Kampani: First question was there on the old age CSR. We have been doing work on a lot of old people in the rural area. So that is continuing to work, but there is no specific for the old age CSR work, we will consider it and we'll see what we can do about it. This was a question by Rajendra Sheth.

Vishal Kampani: I'll take over some of the business questions, this is Vishal Kampani here thank you. Mr. Vinod Agarwal asked a question on FDI outflows and when they will come back. Every time one sees, recession kind of environment in the west and a higher increase in interest rates, especially in the short term, which they call yield curve conversion. You normally see outflows from all emerging markets and the yield curve in the west is still inverted. And therefore, it is difficult to say when the FPI selling actually will stop. So, we need sort of normalization in the interest rates, and then you'll be able to see more stable FDI flows into the country. Having said that, India definitely is a very dominant sort of story in every investor's mind internationally. And when flows across emerging markets will pick up, I'm very confident that India will be a big beneficiary of the same. But again, very difficult to put a timeline on when they will start. The last few weeks have been encouraging where we've seen positive outflows and inflows and I hope that continues towards the end of the year.

The next question is from Rajendra Prasad Devdhar Joshi on the repo rate. And so, in fact a recent hike in repo rates and interest rates yes, so roughly almost two thirds of our borrowing is fixed rate in nature and 1/3 of our borrowing is floating. Also, the commercial paper is sort of all floating because we borrow short term commercial paper for our working capital financing in the broking business as well as our margin lending business. So, if you take the short term commercial paper as well as the floating rate borrowing that we have in the Company, our cost of borrowing is going up, it has already increased almost by more than 100 basis points on the commercial paper side and it will, once the bank hike their lending rates linked to repo and their MCLR we will of course see a hike in our floating borrowing rate. But we will not see the full impact, as I said earlier that two thirds of our borrowing is fixed in nature. And therefore, we will not see a full impact on the cost of borrowing this year. But if inflation remains high, interest rates remain high, then starting a year or two years from now, when our fixed rate bonds come up for maturity, then you will see an increase in interest rates. But that is at least 12 months to 18 months away from now. So far we are in good sort of territory.

What business vertical is most lucrative for the Company's revenue. All of our business verticals are lucrative. We have some cyclical businesses, and we have some annuity like businesses. Some of our annuity, like businesses have seen headwinds in the last four or five years as you can imagine, we are impact of R&FS in the country, we are the impact of few of the NBFCs closing down, one or two banks having to completely restructure their ownership. And of course, COVID-19 with two deadly waves after that. So those annuity businesses have been slow in terms of their revenue growth. But now with most of these issues behind us, we see a substantial pickup happening in the annuity based businesses. And what worked out really well for us in the last two years is actually the capital market businesses did extremely well led by our investment bank, as well as a brokerage businesses as well as a margin lending business which is a loan against security business and therefore we could continue the growth in the earnings led by a bond capital market which this year is going to be difficult compared to last year considering what is happening globally. And of course, the outflow of money from most FPIs than FIIs. But having said that, we see a substantial pickup in the annuity business. And we are hoping that we will make up the lost revenue that we could have, if capital markets don't stabilize from our annuity lending businesses.

I've answered what earning opportunities also we see in the present market scenario. And, we are a financial services Company, a question you asked is that, how will we reduce our net debt position, we already have an extremely low net debt position, which is 0.83 times compared to most financial institutions in the country. And the question actually to ask is when will you increase your net debt position and we are building the book and we are hoping that we will be able to increase the leverage and therefore increase the ROE. Our ROE has been very stable. we've reported even in very difficult times, we've consistently reported more than 3% ROA in fact we will cross 4% ROA in many of the years in the last decade. And so we are hoping now to increase leverage over the next two, three years and have a much substantially higher ROE.

Next question is from Anil Parekh. Anil your question was on branches, on the broking side, broking branches around 35, 36 in number, and we have a plan to increase our franchises more than our branches. But, we should be adding at least seven to eight branches in the broking side this year. On the home loan side, we should be increasing our branches a lot more. We are at roughly 63- 64 branches and we should be going to 75 branches by December and then our plan is over the next calendar year to roll out another 25 branches. So by December 24 we are at a 100 branches plus.

Next question is from Lekha Satish Shah on how many new institutional retail customers opened their account in broking services. On the institutional side, we've opened 53 accounts and on the retail side we've opened 21,000 accounts.

The next question is from Aspi on the mortgage lending segment. As I explained a bit earlier that, mortgage lending is an annuity business. It saw a lot of headwinds in the last four years, both first on the liability side for COVID, on the asset side during COVID. And this year is the year of stability, we should be able to stabilize our balance sheet by the end of the year

completely. And we've already started growing our book, you would have seen substantial growth in the book by June 30th this year, but we also had a lot of repayments in the corporate and the wholesale lending book. And that is why even though we've started the process of doing the book, some amount of repayment is showing the net number to be flat. But we're very confident that over the next two, three years we will be able to achieve the growth that we've outlined in our annual earnings call that we had in May earlier this year.

The next question is by Mr. Bhatia on Alok, in Alok Industries, we are SR holders so we do not own equity. We own the debt of the Company and we are very glad that the Company is doing well. And it's being able to service its liabilities on time.

The next question is from Mrs. Behroz. On challenges during the pandemic. Yes, we have faced substantial challenges during the pandemic. As you would be aware that most companies had operating challenge, being a group with over 2000 employees, making sure that their safety is first top priority. Also challenges in terms of making sure that all these employees can work from home and effectively be able to deliver to our clients. Then we also had of course, challenges in the business in terms of our real estate portfolio, our asset reconstruction portfolio. We had a big slowdown in recoveries during the quarters when there was a big wave of COVID-19. But, everybody has come out more resilient and most of our 2000 people have come out stronger. Each of our business has grown bigger in size and of course has grown much more resilient and so we are fairly confident that now with the pandemic behind us and hoping that we don't have more waves and more viruses to deal with, there is a clean good environment to grow business.

Himanshu Upadhyay, Himanshu, you have a lot of questions, let me try and address them or we will send you a separate email with more details. Some of your questions also will reflect on some amount of information that have to be competitor sensitive. So, I will try and answer to the best possible, so your first question was on financial institutions. And why are we lending to financial institutions, this is a very big opportunity. So, if you go back in history, just last four, five years the entire ILFS crisis actually created this opportunity where a lot of the smaller NBFCs or midsize NBFCs, were not getting access to capital. If you look at the financial structure of India, there are very few banks. And of course, it's the prerogative decision of RBI whether they should be having more banks or less banks. But if you just see the length and breadth of our country, the population of our country, clearly, the penetration of financial services is still very, very low compared to most markets, internationally. And therefore we believe that from a longer term perspective and even from a medium term perspective, the role of NBFC is very, very important, they are able to reach the last mile, they are able to offer more sort of innovative and structured products to the clientele and therefore, more and more as we see the outlook banks will become liability managers, they will be servicing clients from their liability needs as well as their savings needs. But banks will only lend a lot of capital to NBFC, they become partners with NBFC that allow NBFCs to actually grow lending in the country. And because of our high rating and our extremely strong debt to equity position, we think we are in a very good place to be able to grow this business. Your specific question on risk, we do

not rely on pure external ratings. We have a full fledged risk management team internally, which is being built under a Chief Risk Officer to basically risk analyze the specific NBFC, not only NBFC, but specific sub sectors within the NBFC that we want to lend to. So, of course we take the help of external rating agencies and those are very useful, but loans are only given once they have cleared an internal rating analysis and there is a sort of rating score which is given internally via rating team and then only it goes to credit committee and after the credit committee takes a decision whether we should be lending and starting a business with a specific NBFC the loan is approved. So it is a very well thought through process and we are going to be recruiting a lot more people. Currently we are just around 25 to 30 people and the team size over the next two years will cross 100 people. We have the book, the book is in our 99.7% owned subsidiary which is JM Financial products that is the Company which is building out the FIF business.

Next, you had some questions on the AMC business. So the AMC businesses are complete rebuild right from the start. The last two years has been completely focused on adding people. And, we've been very thoughtful about the kind of people we want to add. This time we've added people who've had long stints in the asset management business, we don't have any biases towards active or passive or value or growth kind of funds, we want to be a all product service provider to our clients. Yes, so we will have active funds, we will have passive funds, we will have value funds, we will have growth funds, we will be present both in equity as well as fixed income as well as balanced funds. And the idea is to have a broad base set of products through which we can have a very well diversified and large customer base.

Yes, we are already working with a lot of banks. So, as I said, the first step was recruiting the team, 80% of the job is done. The next job for us is to actually ground up, rebuild our entire distribution relationships whether it's banks, whether it's IFAs, whether it's wealth management outfits, and the team is working extremely hard, led by the CEO rebuilding all of those relationships for us. And after that, the step will be to launch a lot of new products. Somebody else also asked a question about new products in the AMC and we already have a plan to launch four new products this year. And, as we rebuild our entire distribution channel, we will be able to even garner a good amount of AUM in all of these new product launches.

Yes, you had a question on wholesale lending business and loan book growth. As, I said that the journey to rebuild the book has already started. To give you an example, we have strengthened the entire origination and risk management teams in the wholesale side, we've added almost 20 new people. But what's been happening is that, our mature book on the real estate side and the corporate side is paying us back very quickly. For example, in real estate in parts of the country like Mumbai and Bangalore, we have witnessed very strong sales. And so our escrow collections have been very, very strong they were running at +100 crore per month last year. And because of that, we've almost had 1200 to 1300 crore of pure recovery that has gone into principal payment. So, events like these have basically shrunk our loan book through natural sales or natural takeovers by banks because the projects are almost at the final stage or they're completed and therefore even though we've been able to grow the loan book, we have not seen the percentage increase in loan book, we see less risk of repayment and prepayment going forward

over the next two to three years. And therefore, as I said earlier, we are very confident of reaching the target that we set for ourselves earlier this year in May.

Notes around the IB business. That's exactly the reason why we restructured our business. If you see around two years ago, we moved all of our institutional, our ultra-high net worth, as well as our corporate relationships under one division, which we call the investment bank. And the biggest mode is our brand. And the second biggest mode that we have is the integration among all these verticals. Because of the strong integration, we are able to offer scheme to our clients, we are able to offer size to our clients and we are able to offer structured solutions, which are very well thought through which most of our competition will not be able to do. So, most for us in the investment bank are very, very strong, you have seen the performance of this Company, of this division even for the June quarter where despite a difficult capital market, we've been able to increase earnings and this is because of the integration that we are creating within the investment bank, as well as the strong push on all products, whether it's equity debt, private equity, private wealth, ECM, all of it put together and the engine is firing really well.

Your next question is, which clients you want to do business with. So, we are covering the entire space. India is a big growth story. So if you look at us, we have our capital markets, and our investment bank and our brokerage businesses. And we have the lending business where we are concentrating on real estate as collateral, whether it's wholesale mortgages or retail mortgages. And of course, we do corporate lending, which is in conjunction with our investment bank, and increasingly, even the ARC business which is in conjunction with our investment bank. So for us, we have a full play if you look at JM Financial, it's a full play on what India growth offers. And it offers two very strong sectors. One is real estate, and the second is capital markets. And within those sets, we are working with all of the clients, we are working with for example, we are giving construction finance to large developers and midsize developers. We give home loans on the affordable housing side, we give LAP loans to small business customers. So we're covering the entire real estate gamut, whether it's right from constructing a building to a loan on a finished property. On the capital market side, we service all of the corporate clients, we service all of the institutional clients, we service the high net worth clients, we have a retail brokerage, we are building a strong elite wealth management group to service basically salaried professionals who have a lot of wealth and are not being able to dedicate time to manage their wealth. We already have a retail wealth division through IFDs, where we have almost 18,000 IFDs through which we manage retail wealth, that whole division has grown really well through COVID. So, we're covering a whole host of clients, right from institutions to retail, and that will continue to be our focus.

Next question is from Hiranand Kotwani . On overseas, yes so our overseas businesses basically support all of our local businesses. So they are not major revenue drivers for us, but they actually support revenue. So they are not global revenue drivers for us, they are not local revenue drivers for us. So for example in Singapore, we have distribution for wealth, and we also have distribution for our institution clients and the same thing is there for example in US, we cover all the institutional clients to our New York offices. So we have around six, seven people

globally, but they're largely working to support the needs of the investment bank in India. And that will continue to be the case. And the Mauritius Company overseas is just a holding Company. The operations are really in the Singapore and the New York area. We do some business in Mauritius, but that is more from a balance sheet perspective. But really, it's more supporting the growth in distribution for the investment bank. The next question is from, Hiranand itself on ARC business growth. So, as I said ARC had a very difficult time through COVID, books being short and recoveries being delayed. It did pick up last year some bit because we had a bunch of recoveries from the first COVID wave which actually got realized closer to the second COVID wave and later, we hopefully will see some business growth over the next two to three years. But, this year again we'll be more focused on recovery. There is still some debt on that balance sheet which needs to be cleared. There are a few assets, four or five large assets, which have seen delayed recoveries, and the teams are very focused on making sure that they see cash flows from those accounts over the next 18 months.

Celestine your question again was on mutual funds, which I've already outlined in my earlier answer. Again, there was a question on ARC which again, I have outlined right now from Mr. Shah, and there was some queries from Rajat. Rajat, your first question is right to win. So, the way we've structured our business, at least on the investment bank, and the mortgage lending business, it is very clear that we have a right to win. We are one of the higher rated NBFC, who've gone through a tumultuous time and yet doing exceedingly well, on the mortgage lending side, we're going to see reduced competition. One of our largest players in the segment is actually merging with a bank. That opens up more opportunities for players like us. On the investment bank, as I said we have a very strong moat, and the integration that we are doing is working wonderfully for our clients. So, we have a clear right to win in both those businesses. In the ARC again, relative to competition we've done extremely well, we clearly have a right to win. We've seen some very complicated cases that we've resolved. But just the sheer volume of business and distressed assets has gone down currently. When that picks up, we clearly have a right to win in that business. On platform AWS, we are building the business, I wouldn't say we have a right to win, we have an extremely profitable business on the AMC side, the remodeling, we are changing the way we are. We've been functioning over the last decade. And hopefully we'll be able to build strong moats around that business over the next three to five years. On the brokerage side, we're investing in digital capabilities, that is the future, that investment will be almost close to 30 to 40 crore a year, over the next couple of years. It will also mean at some point we'll be burning in terms of marketing and adding clients. But, we don't have a choice, the brokerage business will move rapidly towards digital. And my personal feeling is that almost 75% of all broking volume by 2030 will be digital. So if you want to be a large player, and an important player in that space we have to make those investments which we will continue to.

In both RE, lending book I've already answered that question. I've already answered the question on the non-RE loan books that you have in terms of opportunities and risks it's a very integrated book that we operate in the investment bank. Most of our clients are originated from our investment bank, they are clients who we know well that is the reason why we've had

extremely low NPA, in that business and we are building now on the FIF side and we are also building in our subsidiary there, the home loans, which is the affordable housing business.

On asset quality, do we expect the slippage ratio to start improving this year. Yes, it should, but it's hard to say, we have a restructured book which is almost 20% on the real estate side, that entire restructured book will cover for repayment this year. So we are watching it very, very carefully, but my guess would be, there will be some slippages from that book. But we are very well covered in terms of security covers. Even if there are slippages we do not expect a significant amount of LGD which was your next question. Our LGD history has been very, very small, we really haven't had large loan losses in the last five years or even 10 years, our recovery in most of our assets has been extremely strong. Having said that a few of the assets have seen a significant depletion in terms of security cover through COVID and few of those COVID impacted assets we may see LGDs, but again nothing substantial that would eat into our balance sheet.

There is a change in leadership of RE lending business. Yes, there is a slight change in leadership but, almost 95% of the team remains intact and as I said we've added almost 10 new people and we are really looking forward to growing that business again and having a leading market share. Investment banking deal pipeline continues to remain very strong at last count, we have close to 100 mandates and the issue there only is timing. Many of those deals may get delayed because of the capital market environment that we are in today. But we are working hard to make sure that we can have other kinds of revenues ECM is slow, we'll make some more money and DCM will push private equity and the teams are working on making sure that even the ECM market remains, sort of a lull state for the next two or three quarters, we'll try and make up the revenue from other products.

Yes we will, on the IPO funding income yes we lost, we will lose almost 120 crore of net income not income. So, in our ₹ 773 crore of net profit last year almost ₹ 125 crore of net profit is purely from IPO funding and as you all know that RBI and SEBI both have almost made this product non-existent one is for the loan size becoming as low as one crore which is not very attractive for wealth clients to basically borrow and secondary allotment rules have been completely changed by SEBI which actually makes it absolutely a non-starter for wealth clients to borrow and invest in IPOs. So, yes we do lose almost ₹ 125 crore of income. So, if you take ₹ 125 crore out of ₹ 770 crore, effectively this entire revenue stream gone this last year's profit would have been close to around ₹ 650 crore. But having said that, we will work on annuity businesses, we will work hard on investment banking on the DCM as well as some of the other products. And we'll try and make up for the loss of income that we faced because of a regulatory change.

Are you satisfied with performance of the wealth division, well we can do better in wealth, we have had a change of leadership there. We've got a new CEO for ultra-high net worth business, we've had a new CEO who has joined us three years ago to run our elite wealth business. And we could have done a lot better. And I'm hoping that over the next two to three years, both wealth and asset management will have a much larger share in our revenues as well as our profits.

And we're working hard to make that happen. Thank you. I've answered most of the business questions. Thank you.

Mr. Nimesh Kampani: Thank you. We have completed the answer. So now, the e-voting facility shall remain open till 15 minutes after the closure of this meeting. The result of the remote e-voting and e-voting facility will be declared after the receipt of the scrutinizers report. And the same will be intimated to the stock exchanges and will be uploaded on the website of the Company exchanges and NSDL. So, now I thank all the shareholders who attended and participate in the meeting through this VC program. And with this, I would like to close the meeting. Thank you very much to be there all of you out there. Thank you.

Moderator: Dear members as instructed by the scrutinisers. We request all members participating in the AGM and who have not yet cast their vote to do so in the remaining period of 10 minutes. Thank you. Dear members as advised by the scrutinizers the time for e-voting has elapsed, and they are of the view that all members who are participating in the annual general meeting have been given adequate time and opportunity to vote at the AGM. This concludes the proceedings of the AGM. Thank you all for participating in the AGM and e-voting.