Note: This Disclosure Document is strictly for a private placement and is only an information brochure intended for private use. Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force. This Disclosure Document should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act, 2013 (the Act) and the rules made thereunder. This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipient(s) are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. Further, since the Issue is being made on a private placement basis, the provisions of Section 31 of the Act, shall not be applicable and accordingly, a copy of this Disclosure Document along with the documents as specified under the head Material Contracts and Documents have not been filed with the Reserve Bank of India.

DOCUMENT CONTAINING DISCLOSURES AS PER SCHEDULE II OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AND COMPANIES ACT, 2013 AS AMENDED FROM TIME TO TIME

JM FINANCIAL CREDIT SOLUTIONS LIMITED

Registered and Corporate Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025
CIN: U74140MH1980PLC022644, **PAN:** AAACF0723E, **RBI Registration No.:** B-13.01681,
LEI number: 2549006BN92R4G13MM66, **Tel**: (022) 6630 3030 **Fax:** (022) 6630 3223
Website: www.jmfinancialcreditsolutions.com
Compliance Officer and Company Secretary: Mr. Hemant Pandya, **Email:** hemant.pandya@jmfl.com / investorrelations.com@jmfl.com, **Tel:** (022) 6630 3030
Investors can contact the Compliance Officer of the Company in case of any pre-Issue or post-Issue related matters.
Chief Financial Officer: Mr. Gagan Kothari, **Email:** gagan.kothari@jmfl.com, **Tel:** (022) 6630 3030

Promoter(s)- Our Parent / Promoter is JM Financial Limited, a public limited company incorporated under the Companies Act 1956
Contact Person: Ms. Dimple Mehta, Company Secretary and Compliance Officer
Tel: (022) 6630 3030, **Email:** ecommunication@jmfl.com

DISCLOSURE DOCUMENT (DD) FOR PRIVATE PLACEMENT OF UPTO 10,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BU NCDs") OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH) EACH FOR CASH AGGREGATING UPTO RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORE ONLY) DIVIDED BETWEEN TWO SERIES OF 2,500 NCDS *(SERIES I)* AND 5,000 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 2,500 NCDS AGGREGATING TO 7,500 NCDS *(SERIES II)*.

This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021. The face value of each debt security issued on private placement basis is Rs.1 Lakh

JM Financial Credit Solutions Limited was incorporated under the name of FICS Consultancy Services Limited, a public company limited by shares under the Companies Act, 1956 on May 15, 1980 in the State of Maharashtra with the registration number 022644. The name of the Company was changed from 'FICS Consultancy Services Limited' to 'JM Financial Credit Solutions Limited' with effect from March 4, 2015.

GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in relation to any Tranche of this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Disclosure Document and the Issue including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. Prospective investors are advised to carefully read the risks associated with the Issue of Debentures. **Specific attention of investors is invited to statement of Risk Factors contained under Section II of this Disclosure Document.** These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase the Debentures.

CREDIT RATING

India Ratings and Research Private Limited has assigned a rating of "[IND] AA/ Stable" with a stable outlook to the captioned Issue and ICRA Limited (ICRA) has assigned a rating of [ICRA]AA with stable outlook. Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating agency has the right to suspend, withdraw or revise the rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the rating. Further, the Company may avail ratings from SEBI registered Rating Agencies, as and when required. The detailed press release of the Credit Rating Agencies along with rating rationale(s) adopted is attached.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Disclosure Document contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in this Disclosure Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading.

LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of BSE Limited ("BSE"). BSE has given its 'in-principle' approval to list the Debentures vide its letter dated May 24, 2023.

ELECTRONIC BOOK MECHANISM COMPLIANCE

This Issue will be in compliance with Electronic Bidding Platform (EBP) operating guidelines, allotment and bidding procedure. This Disclosure Document shall be uploaded on EBP Platform of BSE Limited.

ELIGIBLE INVESTORS

All QIBs and any non-QIB Investors.

ISSUER OR ANY OF ITS PROMOTERS OR DIRECTORS IS A WILFUL DEFAULTER

Neither the Company nor any of its promoter and directors of the Company are wilful defaulters.

DETAILS ABOUT UNDERWRITING OF THE ISSUE INCLUDING THE AMOUNT UNDERTAKEN TO BE UNDERWRITTEN BY THE UNDERWRITERS

Underwriting is not applicable for this Issue.

ISSUE DETAILS

SERIES	I	II
COUPON RATE	8.81% p.a.	8.91% p.a.
COUPON PAYMENT FREQUENCY	Quarterly	Quarterly
REDEMPTION DATE	May 29, 2026	June 30, 2026
REDEMPTION AMOUNT	Rs. 1,00,000/- per NCD	Rs. 1,00,000/- per NCD

ISSUE SCHEDULE	
Issue Opens on: May 29, 2023	**Issue Closes on: May 29, 2023**
Pay in Date: May 30, 2023	**Deemed Date of Allotment: May 30, 2023**

This Disclosure Document is dated May 25, 2023.

REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE
KFIN Technologies Limited Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032 Telephone : + 91 040 6716 2222 ; Fax : (040) 2343 1551 E-mail: einward.ris@kfintech.com; Website: www.kfintech.com Contact Person : Mr. S P Venugopal	**IDBI Trusteeship Services Limited** Universal Insurance Building Ground Floor, Sir P.M. Road, Fort, Mumbai – 400 001 Tel: +91 22 4080 7000; Fax: +91 22 6631 1776 E-mail: itsl@idbitrustee.com Website: www.idbitrustee.com Contact Person: Mr. Subrat Udgata, Designation: Senior Vice President
CREDIT RATING AGENCY	
ICRA Limited Electric Mansion, 3rd Floor, Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025 Telephone : + 91 22 6169 3300 Email : shivakumar@icraindia.com Website: www.icra.in Contact Person : Mr. L Shivakumar	**India Ratings and Research Private Limited** Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Telephone : +91 (022) 4035 6138 Email : jinay.gala@indiaratings.co.in Website: www.indiaratings.co.in Contact Person : Mr. Jinay P Gala

TABLE OF CONTENTS

SR. NO.	PARTICULARS
SECTION I	NOTICE TO INVESTORS AND DISCLAIMERS
	DEFINITIONS AND ABBREVIATIONS
SECTION II	RISK FACTORS
SECTION III	DISCLOSURES AS PER SCHEDULE II OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AS AMENDED
	A – ISSUER INFORMATION
	B – ISSUE DETAILS
SECTION IV	DISCLOSURES UNDER FORM PAS-4 PRESCRIBED UNDER COMPANIES ACT, 2013 AND RULES MADE THEREUNDER
SECTION V	ANNEXURES
	A – CREDIT RATING LETTERS
	B – CONSENT LETTER OF THE DEBENTURE TRUSTEE
	C – DUE DILIGENCE CERTIFICATE OF THE DEBENTURE TRUSTEE
	D – AUDITED FINANCIAL STATEMENTS FOR THE FY 2021-22, 2020-21 AND 2019-20 ALONG WITH THE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023
	E – APPLICATION FORM

SECTION – I

NOTICE TO INVESTORS AND DISCLAIMERS

This Disclosure Document (the **"Disclosure Document"** or **"DD"**) **is neither a prospectus nor a statement in lieu of prospectus** under the Companies Act, 2013 (the Act) and rules made thereunder, as amended from time to time. This Disclosure Document (DD) has not been submitted for its approval by the Securities and Exchange Board of India ("SEBI") and has been prepared by JM Financial Credit Solutions Limited (the Company) in conformity with the extant SEBI Regulations. This issue of Non-Convertible Debentures (NCDs) which is to be listed on the WDM segment of BSE Limited (BSE) is being made strictly on a private placement basis. This DD does not constitute and shall not be deemed to constitute an offer or an invitation to the public to subscribe to the NCDs. Neither this DD nor any other information supplied in connection with the NCDs is intended to provide the basis of any credit or other evaluation and a recipient of this DD should not consider such receipt a recommendation to purchase any NCDs. Each potential investor contemplating the purchase of any NCDs should make its own independent investigation of the financial condition and affairs of the Company and its own appraisal of the creditworthiness of the Company as well as the structure of the issue. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and the suitability of an investment to the investor's particular circumstances. No person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this DD or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

The Trustees, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the debentures/Bonds.

This DD and the contents hereof are addressed only to the intended recipients who have been addressed directly and specifically through a communication by the Company. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this DD are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient or made public or its contents disclosed to a third person. No invitation is being made to any person other than the investor to whom this DD has been sent. Any application by a person to whom this DD has not been sent by the Company may be rejected without assigning any reason.

Invitations, offers and sales of NCDs shall only be made pursuant to this DD. You may not and are not authorised to (1) deliver this DD to any other person; or (2) reproduce this DD in any manner whatsoever. Any distribution or reproduction or copying of this DD in whole or in part or any public announcement or any announcement to third parties regarding the contents of this DD is unauthorised. Failure to comply with this instruction may result in a violation of applicable laws of India and/or other jurisdictions. This DD has been prepared by the Company for providing information in connection with the proposed Issue. The Company does not undertake to update this DD to reflect subsequent events after the date of this DD and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Company.

Neither the delivery of this DD nor the issue of any NCDs made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date thereof.

This Issue is a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. Hence, this DD does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the NCDs or the distribution of this DD in any jurisdiction where such action is required. This DD is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. Persons into whose possession this DD comes are required to inform themselves about and to observe any such restrictions. This DD is made available to potential investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

It is the responsibility of allottees of these NCDs to also ensure that they/it will transfer these Debentures in strict accordance with this DD and other applicable laws.

DISCLAIMER CLAUSE OF SEBI

As per the provisions of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, a copy of this DD has not been approved by SEBI. It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company or for the correctness of the statements made or opinions expressed in this DD.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this DD has been filed with BSE in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended. It is to be distinctly understood that submission of this DD to the BSE should not in any way be deemed or construed to mean that this DD has been reviewed, cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DD. BSE does not warrant that the NCDs will be listed or will continue to be listed on BSE nor does BSE take any responsibility for the soundness of the financial and other conditions of the Company, its promoters, its management or any scheme or project of the Company.

DISCLAIMER CLAUSE OF RBI

The Company is having a valid certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not any responsibility nor guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/discharge of liabilities by the company. It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by RBI.

DISCLAIMER CLAUSE OF THE COMPANY

The Company has certified that the disclosures made in this DD are adequate and in conformity with SEBI guidelines and RBI Guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed Issue. The Company accepts no responsibility for statements made otherwise than in the DD or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

DISCLAIMER IN RESPECT OF JURISDICTION

Issue of these Debentures have been/will be made in India to investors as specified under clause "**Who Can Apply**" in this DD, who have been/shall be specifically approached by the Company. This DD is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Maharashtra. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of Mumbai.

FORCE MAJEURE

The Company reserves the right to withdraw the Issue at any time or any Tranche under the Issue prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, collected in respect of that Tranche without assigning any reason.

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Disclosure Document.

General terms

Term	Description
JM Financial Credit Solutions Limited / JMFCSL / the Company / the Issuer	JM Financial Credit Solutions Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India

Company related terms

Term	Description
Auditor	BSR & Co. LLP, the statutory auditors of the Company
Board of Directors/Board	The Board of Directors of the Company or any committee thereof
Director(s)	Director(s) of the Company, as may change from time to time, unless otherwise specified
Memorandum and Articles	The Memorandum & Articles of Association of the Company, as amended from time to time
NBFC	Non-Banking Financial Company as per Reserve Bank of India Act, 1934, as amended from time to time
Registered Office	The registered office of the Company located at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India

Issue related terms

Term	Description
Act	Shall mean the notified provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time and the Companies Act, 1956, which are in force as of the date of this DD
Allotment/Allot	The allotment of the NCDs or Debentures
Application Form	The form in which an investor can apply for subscription to the NCDs
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act
BSE	BSE Limited
Business Day	A day which is not a 2nd or 4th Saturday, Sunday or a public holiday for the purposes of Section 25 of the Negotiable Instrument Act, 1881 (26 of 1881) on which banks are open for general banking business in Mumbai and "Business days" is to be construed accordingly.
CDSL	Central Depository Services (India) Limited
CCPS	Compulsory Convertible Preference Shares of the Company of face value of Rs. 10/- each
Debenture(s)	Upto 10,000 Secured, Rated, Listed, Redeemable, Non-convertible Debentures ("Debentures" or "NCDs" or "Tranche BU NCDs") of the face value of Rs. 1,00,000/- (Rupees One Lakh) each, for cash aggregating upto Rs. 100,00,00,000/- (Rupees One Hundred Crore only) divided between two series of 2,500 NCDs *(Series I)* and 5,000 NCDs with an option to retain oversubscription of upto 2,500 NCDs aggregating to 7,500 NCDs *(Series II)*, to be issued pursuant to this issue.
Debenture Holder	The Debenture holder whose name appears in the register of debenture holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.

Term	Description
Debenture Trustee	Trustee for the Debenture Holders
Deemed Date of Allotment	The deemed date of allotment of Tranche BU NCDs being May 30, 2023.
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996
Disclosure Document/ DD	This Disclosure Document through which the Issue is being made contains the disclosures as per Schedule II of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time and as per Companies Act, 2013, as amended from time to time.
DP-ID	Depository Participant Identification Number
DRR	The Company being a Non-Banking Financial Company, no Debenture Redemption Reserve would be created for the privately placed Debentures, in accordance with the provisions of the Companies Act, 2013.
EBM	Electronic Book Mechanism for issuance of debt securities on private placement basis.
Equity Shares	Equity shares of the Company of face value of Rs. 10/- each
Issue	Private placement of the Debentures
Interest / Coupon Rate	The rate of interest payable, if any, on the NCDs for the period specified in the DD issued for each Tranche of the Debentures
IT Act	Income Tax Act
Market Lot	The minimum lot size for trading of the Debentures on the Stock Exchange, being one Debenture.
Moveable Property	Moveable Property shall mean the specific identified Receivables of the Company which shall be provided as security in relation to the Debentures
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NCDs	Debentures issued pursuant to this Issue
NEFT	National Electronic Fund Transfer Service
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
Promoter	JM Financial Limited
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RBI Guidelines	RBI Guidelines means the guidelines issued by RBI for the purpose of issue of NCDs.
RoC	Registrar of Companies, Mumbai, Maharashtra
Rating Agency/Credit Rating Agency	ICRA Limited / India Ratings and Research Private Limited or any other SEBI registered Credit Rating Agency appointed from time to time
Receivables	Receivables shall mean all amounts payable to the Company by the obligors including principal, interest, additional interest, overdue charges, premium on prepayment, prepayment proceeds, GST (if any) arising out of any of loans and advances of the Company.
Redemption Date	Shall mean the date on which repayment of principal amount and all other amounts due in respect of the Debentures will be made.
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being KFin Technologies Limited

Term	Description
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time
SEBI Operational Circular	Operational Circular dated April 13, 2022, issued by Securities and Exchange Board of India to the extent applicable to this Issue.
Security	Means the security created by the Company to secure its obligations in respect of the Debentures and includes movable properties of the Company
Stock Exchange	BSE Limited / National Stock Exchange of India Limited
TDS	Tax Deducted at Source
Tranche BU	Shall mean upto 10,000 NCDs to be issued under this DD
WDM	Wholesale Debt Market Segment of the NSE / BSE

SECTION – II

RISK FACTORS

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider all the risk factors in this DD for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this DD and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

A. INTERNAL RISK FACTORS

1. We are required to comply with various financial and other covenants under the loan agreements that we are a party to. If we are not in compliance with the covenants contained in such loan agreements, our lenders could accelerate their respective repayment schedules, and enforce their respective security interests, which would lead to an adverse effect on our business, results of operations and financial condition.

2. Our Promoter and Group Companies are involved in certain legal and other proceedings (including criminal proceedings) that if determined against us, could have a material adverse effect on our business, financial condition and results of operations.

3. Significant operational and financial integration among the group companies may adversely affect the credit rating issued to our NCDs.

4. Our business is tied to the 'JM Financial' franchise. Any adverse impact on the 'JM Financial' franchise or any change in control of the Promoter or any other factor affecting the business and reputation may have a concurrent adverse effect on our reputation, business and results of operations.

5. We operate in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect our net interest margins, income and market share. Further, our growth depends on our ability to compete effectively in this competitive environment.

6. Any volatility in interest rates could adversely affect the net interest margin, financial performance and results of operations.

7. Any default or late or non-payment by or from our customers could adversely affect our business, results of operations and financial condition. Any such defaults and late or non-payments would result in provisions or write-offs in our financial statements which may materially and adversely affect our asset quality, cash flows and profitability.

8. An inability to effectively manage and sustain our rate of growth, or maintain operational efficiencies, may adversely affect our business and we may not be able to increase our revenues or maintain our profitability.

9. The Company is a non-deposit taking Systemically Important Non- Banking Finance Company i.e. NBFC-ND-SI and as a Middle Layer (NBFC- ML) in accordance with the Scale Based Regulations issued by RBI.

   Accordingly, the Company is subject to supervision and regulation by the RBI, as an NBFC-ND-SI and as a Middle Layer NBFC, and other regulatory authorities. Non-compliance with RBI inspection/ observations may have a material adverse effect on the business, financial condition or results of operation.

10. The Company operates in highly regulated business and is subject to various laws and regulations and regulatory investigations. Changes in the RBI's regulations and other regulations, and the regulation governing the Company or the industry in which the Company operates may have a material adverse effect on the business, financial condition or results of operation.

11. We may face asset-liability mismatches that could adversely affect our cash flows, financial condition and results of operations.

12. Our business requires substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.

13. The Company's ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on the business and could affect the growth, margins and business operations.

14. Increase in NPA level due to customer defaults impact the quality of our portfolio and our business may be adversely affected if we are unable to provide for such higher levels of NPAs.

15. Any downgrade in credit ratings could increase interest rates for refinancing outstanding debt, which would increase financing costs, and adversely affect future issuances of debt and the ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows.

16. Asset quality in the wholesale lending business of real estate remains inherently vulnerable.

17. We may not be able to recover our secured loans from our clients on a timely basis, or at all, and the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. Our inability to recover outstanding amounts under loans may adversely affect our business.

18. The Company's loan portfolio is significantly exposed to real estate which may lead to an increase in its impairment losses and adversely affect the financial condition and results of operations.

19. The Company significantly depends on and is exposed to risks emanating from economic, regulatory and other changes in the Mumbai Metropolitan Region, which if the Company is unable to manage successfully may have an adverse effect on the revenues, cash flows, profits and financial condition.

20. The Company may experience difficulties in expanding its business into new regions and markets in India and introducing its complete range of products in each of its branches.

21. The real estate industry in India has witnessed significant downturns in the past, and any significant downturn in the future or any adverse developments in the real estate sector could adversely affect the Company's business, financial condition and results of operations.

22. Our business operations are heavily reliant on our information technology and telecommunication systems. Any failure of or disruptions/ security breach in our systems, inability to adapt to the technological changes could have an adverse impact on our business, operations and financial condition.

23. Our risk management measures and internal controls, may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.

24. We are dependent on our senior management and other key personnel, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations, financial condition and cash flows.

25. Unsecured loans that we provide are susceptible to certain operational and credit risks which may result in increased levels of NPAs which may adversely affect our business, prospects, results of operations and financial condition.

26. We may not be able to detect money-laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could expose us to additional liability and harm our business or reputation.

27. Internal or external fraud or misconduct or mis-selling by our employees could adversely affect our reputation and our results of operations.

28. We rely on third-party intermediaries and service providers who may not perform their obligations satisfactorily or in compliance with law. Any such non-compliance with law or unsatisfactory service by the third-party intermediaries and service providers engaged by us for certain services could have an adverse impact on our business and results of operations.

29. We are subject to regulations in relation to minimum capital adequacy requirements and a decline in our CRAR will require us to raise fresh capital which may not be available on favourable terms, or at all, which may affect our business, prospects, results of operations and financial condition. A decline in our capital adequacy ratio could also restrict our future business growth.

30. We may face cyber threats attempting to exploit our network to disrupt services to customers and/ or theft of sensitive internal data or customer information, which may cause damage to our reputation and adversely affect our business and financial performance.

31. If we are not able to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.

32. Failure to maintain confidential information securely or significant security breaches could adversely impact our business, financial condition, cash flows, results of operations and prospects.

33. Our substantial indebtedness and the conditions imposed by our financing and other agreements could adversely affect our ability to conduct our business and operations.

34. We depend on the accuracy and completeness of information about customers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could cause affect our business to suffer financial performance.

35. We may experience negative cash flows in the future.

36. We may have certain contingent liabilities and commitments that could adversely affect our financial condition.

37. The loan portfolio of the Company is Rs. 95,009.9 Million as on March 31, 2023 and Rs. 84,147.5 Million as on September 30, 2022. Any default and late or non-payment by from the Company's clients could adversely affect the business, results of operations and financial condition. Any such defaults and late or non - payments would result in provisions or write-offs in the financial statements which may materially and adversely affect the asset quality, cash flows and profitability. The Company's gross loan portfolio (excluding inter-corporate deposits) is secured by assets, moveable and immoveable. The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of assets and the Company may not be able to recover the estimated value of the assets, thus exposing it to potential losses. Any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could also expose the Company to potential losses.

38. The Company reported a Net NPA of Rs. 3,154.3 Million as on March 31, 2023 and Rs. 3,435.6 Million as on September 30, 2022. Increase in NPA levels due to client defaults could impact the quality of the Company's portfolio and the business may be adversely affected if the Company is unable to provide for such higher levels of NPAs.

39. We have entered into, and will continue to enter into, related party transactions and we cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties

40. There may be potential conflicts of interest with our Promoter, Directors and related entities.

41. Our investments are subject to market risk and other related risks.

42. Our insurance coverage could prove inadequate to satisfy potential claims and our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.

43. Our office locations are not registered in our name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.

44. This Disclosure Document includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company.

45. Considering, our company is operating in India, like other companies are subject to a various of taxes and surcharges.

46. The Company may not be able to recover the secured loans on a timely basis, or at all, and the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. The Company's inability to recover outstanding amounts under loans may adversely affect our business.

47. The Company derives majority/substantial of its revenues from its top 20 borrowers. The Company's inability to maintain relationship with such borrower or any default and non-payment in future or credit losses of its single borrower or group exposure where the Company has a substantial exposure could materially and adversely affect our business, future financial performance and results of operations.

48. The Company also extends loans to real estate developers for acquisition of land parcels which are at a nascent stage and have not received regulatory approvals with respect to development of such land parcels.

49. The Company is exposed to significant credit risk in its business operations which may expose the Company to significant losses and adversely affect the business and results of operations.

50. The Company has a high concentration of loans to certain customer groups. If a substantial portion of these loans were to become non-performing, the quality of the credit portfolio could be adversely affected.

51. The Company may introduce new products for its customers and there is no assurance that the new products will be profitable in the future. Further, the Company faces additional risks as the Company expands its product and service offerings and grow the business.

52. The Company depends on the accuracy and completeness of information about customers and counterparties and any misrepresentation, errors in or incompleteness of such information could cause its business to suffer.

53. The Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.

54. The Company's Promoter, Directors and related entities have interests in a number of entities which are in businesses similar to the Company's business and this may result in potential conflicts of interest with the Company.

55. The Indian Bankruptcy Code 2016 may affect the Company's rights to recover loans from borrowers.

56. The Company will be subject to a number of new accounting standards as part of its transition to IND (AS) that may significantly impact its financial statements in future reporting periods.

57. As the market is growing faster and new players are emerging, the risk of existing employees switching to another company is increasing which may impact the performance of the Company.

58. Potential investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. Potential investors assume the risk that the Company will not be able to satisfy its obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

59. With the growth of its business, the Company will increasingly rely on funding from the debt capital markets and commercial borrowings. The Company's growth will depend on its continued ability to access funds at competitive rates which in turn will depend on various factors including its ability to maintain its credit ratings. If the Company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans or have adequate funds for its investment activities. This may adversely impact its business results and its future financial performance.

60. India Ratings and Research Private Limited has assigned "IND AA/Stable" rating for long term borrowings upto Rs. 4,500 Crore through NCDs and ICRA Limited has assigned [ICRA] AA rating with stable outlook for long term borrowings upto Rs. 5,500 Crore through NCDs. The Company cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

61. JM Financial Limited, the Company's holding company, has not provided any guarantee in any manner with respect to the Debentures and no Investor shall have any recourse against JM Financial Limited or any of its promoters or group companies, except the Company, with respect to the performance of the terms and conditions of the Issue.

62. The terms of the Debentures contain provisions for calling meetings of Debenture Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Debenture Holders including Debenture Holders who did not attend and vote at the relevant meeting and Debenture Holders who voted in a manner contrary to the majority.

63. In terms of Rule 18(7) of Companies (Share Capital and Debentures) Rules, as amended, the Company is neither required to create Debenture Redemption Reserve nor required to make investment @15%, as prescribed in the said rule, in respect of the debentures to be issued under this Disclosure Document.

64. In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of the Debenture Trustee Deed and other related documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of the property offered as security, (ii) finding a willing buyer for such security at a price sufficient to repay the potential investors' amounts outstanding under the Debentures and (iii) market scenario prevalent at the time of enforcement of the security.

65. Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

66. Company's financing arrangements require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangements and such breach continues beyond the stipulated cure period, the Company may be subjected to various consequences as a result of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Company is required to inform / obtain prior approval of the lenders / debentures holders / debenture trustee for various actions. This may restrict / delay some of the actions / initiatives of the Company from time to time.

B. EXTERNAL RISK FACTORS

1. Natural disasters and other disruptions, including any pandemic crisis could adversely affect the Indian economy and could adversely affect the Company's business, results of operations and financial condition.

2. Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.

3. A slowdown in economic growth in India could cause the Company's business to suffer.

4. Political instability or changes in the Government could adversely affect economic conditions in India and consequently the Company's business.

5. Financial instability, economic developments and volatility in securities markets in other countries may also affect the business of the Company.

6. The Indian tax regime has undergone substantial changes which could adversely affect the Company's business and profits.

7. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect the Company's business, prospects, results of operations and financial condition.

8. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our ability to raise financing and our business;

9. The Company's ability to raise foreign debt capital may be constrained by Indian law.

10. Inflation in India could have an adverse effect on the Company's profitability and if significant, on the Company's financial condition.

11. The new bankruptcy code in India may affect our Company's right to recover loans from its borrowers.

C. RISK RELATED TO ISSUE AND THE NCDS

1. Changes in interest rate may affect the price of the NCD. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of the NCDs.

2. The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.

3. Sales of NCDs by any holder may give rise to tax liability as per the applicable provisions of the Income Tax Act, 1961

4. If we do not generate adequate profits, we may not be able to invest an adequate amount representing the value of our outstanding NCDs issued pursuant to this Issue, which may have a bearing on the timely redemption of the NCDs by the Company.

5. There may be no active market for the NCDs on the retail debt market/capital market segment of the Stock Exchange. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.

6. Any downgrading in credit rating of our NCDs may adversely affect the value of NCDs and thus our ability to raise further debt.

7. Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

8. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchange in a timely manner.

C. GENERAL RISK FACTORS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Disclosure Document issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by SEBI or RBI nor does SEBI or RBI guarantee the accuracy or adequacy of this DD.

D. ADDITIONAL ASSUMPTIONS

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the NCDs shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the initial subscribers and any subsequent purchasers (Debenture Holder, as referred to hereinabove and hereinafter):

1) has reviewed the terms and conditions applicable to the NCDs as contained in all transaction documents in the DD and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that NCDs are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;

2) has received all the information believed by it to be necessary and appropriate or material in connection with, and for, investment in the NCDs;

3) has sufficient knowledge, experience and expertise as an investor, to make the investment in the NCDs;

4) has not relied on either the Company or any of its affiliate, associate, holding, subsidiary or group entities or any person acting in its or their behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the NCDs set out in this DD;

5) has understood that information contained in this DD is not to be construed as business or investment advice;

6) has made an independent evaluation and judgement of all risks and merits before investing in the NCDs;

7) has understood that the method and manner of computation of returns and calculations on the NCDs shall be solely determined by the Company and the decision of the Company shall be final and binding;

8) has understood that in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder(s) and no liability thereof will attach to the Company;

9) has understood that in the event that the Debenture Holder(s) suffers adverse consequences or loss, the Debenture Holder(s) shall be solely responsible for the same and the Company, its parent, its subsidiaries or affiliates shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder(s) including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;

10) has the legal ability to invest in the NCDs and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or its assets;

11) where the Debenture Holder is a mutual fund / provident fund / superannuation fund / gratuity fund (each a "fund"), that:

    (a) investing in the NCDs on the terms and conditions stated herein is within the scope of the fund's investment policy and does not conflict with the provisions of the trust deed / bye laws / regulations currently in force;

    (b) the investment in NCDs is being made by and on behalf of the fund and that the fund is in force and existing and the investment has been ratified by appropriate resolutions, and

    (c) the investment in NCDs has been duly authorised and does not contravene any provisions of the trust deed / bye laws / regulations as currently in force or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets;

12) where the Debenture Holder is a company/body corporate, that:

    (a) the Debenture Holder is not precluded under any law, rules, regulations and / or circular(s) issued by any statutory authority (ies) including under the Act from investing in the NCDs;

    (b) all necessary corporate or other necessary action has been taken and that the Debenture Holder has corporate ability and authority, to invest in the NCDs;

(c) investment in the NCDs does not contravene any provisions of the Memorandum and Articles of Association or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets;

(d) the Debenture Holder is not debarred from accessing the capital market or has been restrained by any regulatory authority from directly or indirectly acquiring the said securities; and

(e) the Debenture Holder shall pay for subscription of the debentures from his own bank account.

SECTION – III

INFORMATION OF INTERMEDIARIES/STATUTORY AUDITORS TO THE ISSUE

Name, logo, addresses, website URL, email address, telephone number and contact person of the following:

Sr. No.	Particulars	Details
1.	Debenture Trustee to the Issue	**IDBI Trusteeship Services Limited** Universal Insurance Building Ground Floor, Sir P.M. Road, Fort, Mumbai – 400 001 Tel. No: 022 4080 7000; Facsimile 022 6631 1776 Email: rmitra@idbitrustee.com; Website: www.idbitrustee.com Contact Person: Mr. Subrat Udgata, Senior Vice President
2.	Registrar of the Issue	**KFin Technologies Limited** Selenium Tower – B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda Hyderabad – 500 032 Tel. No: 040 23312454 / 23320751, Facsimile 040 23311968 Email: venu.sp@karvy.com; Website: www.kfintech.com Contact Person: Mr. S.P Venu
3.	Credit Rating agencies of the Issue	**ICRA Limited** Electric Mansion, 3rd Floor, Appasaheb Marathe MargPrabhadevi, Mumbai – 400 025 Telephone : + 91 22 6169 3300 Email: shivakumar@icraindia.com; Website: www.icra.in Contact Person : Mr. L Shivakumar **India Ratings and Research Private Limited** Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Telephone : +91 (022) 4035 6138 Email : jinay.gala@indiaratings.co.in Website: www.indiaratings.co.in Contact Person : Mr. Jinay P Gala
4.	Auditors of the Issuer	**BSR & Co. LLP** 14th Floor, Central Wing B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063, India
5.	Arranger	None
6.	Legal Counsel to the Issue	None
7.	Guarantor of the Issue	None

DETAILS OF PROMOTERS OF THE COMPANY

JM Financial Limited holds 46.68% of the total share capital of the Company.

JM Financial Limited (JM Financial), is the flagship listed company of JM Financial Group. It is one of India's prominent integrated financial services group which offers an array of services to corporations, financial institutions, high net-worth individuals and retail.

It is known for diverse businesses which comprises of Investment Banking, Mortgage Lending, Alternative and Distressed Credit, Asset management, Wealth management and Securities business (Platform AWS).

Details of Promoter holding in the Company as on March 31, 2023:

Sr. No.	Name of the shareholders	Total no. of Equity shares	Total shareholding as % of total share capital	No. of Shares Pledged	% of Shares pledged with respect to shares owned
1.	JM Financial Limited with its nominees	13,19,431	46.68%	Nil	-

Declaration confirming that the permanent account number, Aadhaar number, driving license number, bank account number(s) and passport number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the non- convertible securities are proposed to be listed, at the time of filing the draft offer document:

We confirm that the requisite details for promoters and directors have been submitted to BSE Limited

ABOUT THE ISSUER:

Overview of the business of the Issuer along with details of its branches:

The Company is registered with the RBI as a "non-deposit taking systemically important non-banking financial company (NBFC-ND-SI)" Further, in accordance with the Scale Based Regulations issued by RBI, it is classified as a middle layer (NBFC-ML). The Company is a subsidiary of JM Financial Limited which is the flagship listed company of JM Financial Group.

The Company is mainly engaged in providing integrated financial solutions to real estate developers by funding them at various stages in the life cycle of their real estate project.

Details of the branch of the Company as on March 31, 2023

The Company has a branch office at Delhi, Chennai and Bangalore. The address is as mentioned below:

Delhi:
6th Floor, Sood Towers,Unit No. 608, 609 – 610, Barakhamba Road, Connaught Place, New Delhi, Delhi 110 001

Chennai:
Seetakathi Business Centre, 2nd floor 215, 684-690, Anna Salai, Mount Road, Chennai – 600 006

Bangalore:
40/1A, 4th floor, Basappa Complex, Lavelle Road, Bengaluru – 560001

Corporate Structure:

The corporate structure of the Company as on date is as below:

Sr. No.	Name of the Shareholder	No. of fully paid-up equity shares	% of total shareholding
1.	JM Financial Limited along with its nominees	13,19,431	46.68%
2.	INH Mauritius 1	13,84,087	48.96%
3.	Moraine Master Fund LP	84,343	2.98%
4.	Aparna Aiyar Family Trust	38,955	1.38%
	Total	**28,26,816**	**100%**

Project cost and means of financing, in case of funding new projects:

Not Applicable, the funds raised through issue of these NCDs will be utilised to meet the objects stated under the term sheet of this DD.

FINANCIAL INFORMATION:

Columnar representation of the audited financial statements (i.e Profit and Loss Statement, Balance Sheet and Cash Flow Statement) for a period of three completed financial years:

➢ Balance Sheet

(Rs. in Million)

Sr.No	Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
	ASSETS			
1	**Financial Assets**			
A	Cash and cash equivalents	511.7	4,091.0	2,326.0
B	Bank balance other than (A) above	55.9	34.3	2.5
C	Trade receivables	-	-	-
D	Loans	91,975.3	73,478.7	68,307.1
E	Investments	11,950.5	11,690.5	20,277.0
F	Other financial assets	60.7	197.1	59.3
		1,04,554.1	89,491.6	90,971.9
2	**Non-financial Assets**			
A	Current tax assets (net)	484.8	391.0	167.2
B	Deferred tax assets (net)	970.7	1,049.3	887.1
C	Property, plant and equipment	163.1	184.6	151.9
D	Other intangible assets	0.1	0.2	0.9
E	Other non-financial assets	9.7	15.2	22.8
		1,628.4	1,640.3	1,229.9
	Total Assets	**1,06,182.5**	**91,131.9**	**92,201.8**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
A	**Payables**			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	65.8	33.2	76.1
B	Debt securities	39,153.4	38,269.3	35,076.6
C	Borrowings (Other than Debt securities)	23,675.4	12,756.4	19,994.5
D	Lease Liability	181.1	199.0	158.3
E	Other financial liabilities	465.4	406.7	336.0
	Total Financial Liabilities	**63,541.1**	**51,664.6**	**55,641.5**
2	**Non-Financial Liabilities**			
A	Current tax liabilities (net)		-	-
B	Provisions	25.7	20.9	21.9
C	Other non-financial liabilities	46.7	24.8	39.8
	Total Non-Financial Liabilities	**72.4**	**45.7**	**61.7**
3	**EQUITY**			
A	Equity Share capital	28.3	28.3	28.3
B	Other Equity	42,540.7	39,393.3	36,470.3
	Total Equity	**42,569.0**	**39,421.6**	**36,498.6**
	Total Liabilities and Equity	**1,06,182.5**	**91,131.9**	**92,201.8**

Notes:

- *The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.*
- *The above figures for the year ended March 31, 2023, are subject to the shareholders' approval in the upcoming Annual General Meeting.*

➢ Statement of Profit and Loss

(Rs. in Million)

Sr. No.	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2021
I.	**Income:**			
	Revenue from operations			
	Interest income	11,180.8	10,413.3	11,313.8
	Fees and commission income	11.3	62.0	9.9
	Net gain on fair value changes	530.8	613.9	351.1
	Net gain on derecognition of financial instruments under amortised cost category	-	134.7	-
	Other operating income	0.1	0.1	0.1
	Total Revenue from Operations	**11,723.0**	**11,224.0**	**11,674.9**
		2.4	137.0	-
	Total Income	**11,725.4**	**11,361.0**	**11,674.9**
II.	**Expenses:**			
	Finance costs	4,993.6	4,554.3	4,491.3
	Net loss on derecognition of financial instruments under amortised cost category	0.6		
	Impairment on financial instruments	1,368.7	2,245.6	1,850.2
	Employee benefits expense	500.9	356.4	277.9
	Depreciation, amortization and impairment	38.6	31.3	21.9
	Operating and other expenses	294.7	246.2	246.3
	Total expenses	7,197.1	**7,433.8**	**6,887.6**
III.	Profit before Tax	4,528.3	**3,927.2**	**4,787.3**
IV	**Less: Tax expense**			
	Current tax	1,028.9	1,200.1	1,544.6
	Deferred tax	143.6	(175.1)	(347.1)
	Tax adjustment of earlier years(net)	8.3	11.6	-
		1,180.8	**1,036.6**	**1,197.5**
V	**Net Profit for the year**	**3,347.5**	**2,890.6**	**3,589.8**
VI	**Other Comprehensive Income**			
	(i) Items that will be reclassified to profit or loss			
	(ii) Items that will not be reclassified to profit or loss			
	- Actuarial gain/(losses) on post-retirement benefit plans	0.4	(1.9)	0.4
	- Net gain on fair value changes	(258.3)	52.8	-
	- Income tax on the above	64.9	(12.8)	(0.1)
	Total Other Comprehensive Income	**(193.0)**	**38.1**	**0.3**
VII	**Total Comprehensive Income**	**3,154.5**	**2,928.7**	**3,590.1**
VIII	**Earnings Per Equity Share**			
	(Face value of Rs. 10/- each)			
	Basic (Rs.)	1,184.18	1,022.59	1,269.89
	Diluted (Rs.)	1,184.18	1,022.59	1,269.89

Notes:

- *The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.*
- *The above figures for the year ended March 31, 2023, are subject to the shareholders' approval in the upcoming Annual General Meeting.*

➢ Statement of Cash Flow

(Rs. in Million)

Sr. no	Particulars	For the year ended		
		As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
A	**Cash flow from operating activities**			
	Profit before tax	4,528.3	3,927.2	4,787.3
	Adjustment for:			
	Depreciation and authorized expenses	38.6	31.3	21.9
	Net gain on fair value changes	(530.8)	(613.9)	(351.1)
	Loans writen-off	2,248.9	1,161.2	-
	Provision for impairment written back	(1,649.9)	(1,295.4)	-
	Impairment on financial instruments	1,368.6	2,245.5	1,850.2
	Provision for gratuity	2.5	2.2	2.2
	Provision for compensated absences	3.8	1.2	1.0
	Interest on fixed deposits	(1.6)	(6.0)	(1.3)
	Interest income	(11,179.2)	(10,407.3)	(11,312.5)
	Finance costs	4,993.6	4,554.3	4,491.3
	Operating profit before working capital changes	**(177.2)**	**(399.7)**	**(511.0)**
	Adjustment for:			
	(Increase)/decrease in trade receivables	-	-	3.0
	(Increase)/decrease in loans	(19,765.7)	(7,116.8)	1,148.6
	(Increase)/decrease in other financial and non-financial assets	194.1	(40.6)	(47.6)
	Increase in trade payables and other liabilities	113.0	12.8	84.2
	Decrease in Provisions	(1.1)	(6.3)	-
	Interest income received	10,428.4	10,151.8	11,796.8
	Interest expenses paid	(4,934.6)	(5,368.2)	(4,083.1)
	Cash (used in) operations	**(14,143.1)**	**(2,767.0)**	**8,390.9**
	Direct taxes paid	(1,131.1)	(1,435.5)	(1,614.7)
	Net cash (used in) operating activities	**(15,274.2)**	**(4,202.5)**	**6,776.2**
B	**Cash flow from investing activities**			
	Purchase of investments	(95,998.1)	(1,21,962.4)	(76,125.6)
	Sale of investments	96,010.6	1,31,215.6	65,271.1
	Fixed deposits placed with bank	(21.6)	(31.8)	(2.5)
	Interest received on bank deposits	1.9	5.8	4.1
	Purchase of fixed assets	(3.6)	(1.2)	(1.0)
	Net cash (used in)/ generated from investment activities	**(10.8)**	**9,226.0**	**(10,853.9)**
C	**Cash flow from financing activities**			
	Proceeds from issue of equity share			
	Share issue expenses			
	Dividend paid	(7.1)	(5.7)	(4.2)
	Repayment of lease obligations	(48.7)	(38.2)	(24.3)
	Proceeds from debt securities	6,277.0	12,991.6	9,189.6
	Repayment of debt securities	(5,442.7)	(8,948.4)	(4,966.0)
	Proceeds from borrowings other than debt securities	14,040.0	8,200.1	20,612.4
	Repayment of borrowings other than debt securities	(3,112.8)	(15,457.9)	(18,687.6)
	Net cash generated from financing activities	**11,705.7**	**(3,258.5)**	**6,119.8**
	Net increase in Cash and cash equivalents	(3,579.3)	1,765.0	2,042.1
	Cash and cash equivalents at the beginning of the year	4,091.0	2,326.0	283.9
	Cash and cash equivalents at the end of the year /period	**511.7**	**4,091.0**	**2,326.0**

Notes:

- *The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.*
- *The above figures for the year ended March 31, 2023, are subject to the shareholders' approval in the upcoming Annual General Meeting.*

Key operational and financial parameters:

Parameters	FY 2020-21	FY 2021-22	FY 2022-23
	Audited		
	(Rs. in million, except number of accounts / groups)		
Balance Sheet			
Net Fixed Assets	152.8	184.8	163.1
Current Assets	51,614.9	39,114.9	31,596.5
Non-Current Assets	40,586.9	52,017.0	74,586.0
Total Assets	92,201.8	91,131.9	1,06,182.5
Non-current liabilities (including maturities of long term borrowings and short term borrowings)	32,630.2	41,810.4	47,208.9
current liabilities - Financial (borrowings, trade payables, and other financial liabilities)	23,073.0	9,899.9	16,404.6
Provisions	21.9	20.9	25.7
Deferred tax liabilities (Net)	-	-	-
Other non-current liabilities	290.5	179.6	198.9
Equity (equity and other equity)	36,498.6	39,421.6	42,569.0
Total equity and liabilities	92,201.8	91,131.9	1,06,182.5
Profit and loss			
Total revenue	11,674.9	11,361.0	11,725.4
From operations	11,674.9	11,224.0	11,723.0
Other income	-	137.0	2.4
Total expenses	6,887.6	7,433.8	7,197.1
Total comprehensive income	3,590.1	2,928.7	3,154.5
Profit / loss			
Earnings per share: (a) basic and (b) diluted	1,269.9	1,022.6	1,184.2
Continuing operations	3,590.1	2,928.7	3,154.5
Discontinued operations	-	-	
Total continuing and discontinued operations	3,590.1	2,928.7	3,154.5
Cash Flow			
Net cash generated from operating activities	6,776.2	-4,202.5	-15,274.2
Net cash used in / generated from investing activities	-10,853.9	9,226.0	-10.8
Net cash used in financing activities	6,119.8	-3,258.5	11,705.7
Cash and cash equivalents at the beginning of the period/year	283.9	2,326.0	4,091.0
Balance as per statement of cash flows	2,326.0	4,091.0	511.7
Additional Information			
Net worth	36,499	39,422	42,569
Cash and Cash equivalents	2,326	4,091	512
Current Investments	19,728	4,827	4,894
Assets under Management	72,192	77,873	95,010
Off Balance Sheet Assets	-	-	-
Total debts to Total assets	59.73%	55.99%	59.17%
Debt Service Coverage Ratio	NA	NA	NA
Interest Income	11,311.8	10,413.3	11,180.8
Interest Expense	4,491.3	4,554.3	4,993.6
Interest Service Coverage Ratio	2.07	1.86	1.91
Provisioning & Write offs	1,850.2	2,245.5	1,368.7
Bad debts to Account receivable ratio	NA	NA	NA
Gross NPA (%)	4.0%	5.3%	5.09%

Net NPA (%)	2.3%	3.7%	3.32%
Tier I Capital Adequacy Ratio (%)]	38.9%	44.0%	39.59%
Tier II Capital Adequacy Ratio (%)	1.3%	1.2%	0.98%

Note:

The above figures for the year ended March 31, 2023, are subject to the shareholders' approval in the upcoming Annual General Meeting.

Gross Debt: Equity Ratio of the Company

Before the issue of NCDs*#	1.48
After the issue of NCDs*^#	1.50

* As per the audited financials as on March 31, 2023.

^ Assuming issuance of upto 10,000 NCDs.

Gross debt equity ratio without netting off cash / cash equivalents

The above figures for the year ended March 31, 2023, are subject to the shareholders' approval in the upcoming Annual General Meeting.

Details of any other contingent liabilities of the issuer based on the latest audited financial statements:

(Rs. in Million)

Sr. No.	Particulars	As at March 31, 2023
1.	Contingent Liabilities	2.47
2.	Corporate Guarantee given	-
3.	Undisbursed commitment	25.39

Disputed matter

During the year ended March 31, 2023, the Company had received an Income tax notice for FY 2019-20 wherein the Company believes that the Income-tax Department has erroneously computed the income by making addition in gross taxable income of Rs. 1,272.88 Crore towards double counting of gross interest income resulting into additional tax liability of Rs. 636.40 Crore. The Company has filed a rectification application before the jurisdictional assessing officer for deletion of this erroneous amount. The Company has also filed an appeal before the Commissioner of Income-tax (Appeals) against the same. Accordingly, this has not been classified as contingent liability.

Background of the Issuer:

a. Details of Share Capital as on March 31, 2023:

Share Capital	Amount
Authorised Share Capital	Rs. 5,00,00,000 comprising: - 30,00,000 Equity Shares of Rs. 10/- each - 20,00,000 Preference Shares of Rs. 10/- each
Issued, Subscribed and Paid up Share Capital	Rs. 2,82,68,160/- (Rupees Two Crore Eighty-Two Lakh Sixty-Eight Thousand One Hundred and Sixty only) representing 28,26,816 fully paid up equity shares of the face value of Rs. 10/- each.

b. Changes in its capital structure as on March 31, 2023, for the last three years:

As on March 31, 2023, there has been no change in the authorised share capital of the Company in the last three years.

c. Equity Share Capital History, for the last three years:

The history of equity share capital raised by the Company till March 31, 2023, is as under:

Date of Allotment	No. of equity shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (Rs.)	Equity Share premium (in Rs.)
On incorporation	7	10	10	Cash	Allotment to Subscribers[1]	7	70	Nil
September 9, 1980	49,993	10	10	Cash	Initial Public Offer[2]	50,000	5,00,000	Nil
November 3, 2014	12,00,000	10	2,870	Cash	Rights Issue[3]	12,50,000	1,20,50,000	3,43,20,00,000
November 20, 2014	4	10	4,320	Cash	Private placement[4]	12,50,004	1,25,00,040	3,43,20,17,240
February 9, 2017	12,15,292	10	-	-	Conversion of CCPS into Equity Shares[5]	24,65,296	2,46,52,960	8,66,99,25,760*
July 21, 2017	34,204	10	-	-	Conversion of CCPS into Equity Shares[6]	24,99,500	2,49,95,000	8,81,73,45,000*
September 28, 2018	3,22,565	10	25,205	Cash	Private placement[7]	28,22,065	2,82,20,650	16,94,43,70,175
September 28, 2018	19,837	10	25,205	Cash	Private placement[8]	28,41,902	2,82,60,324	17,04,43,28,818
November 30, 2018	4,751	10	25,205	Cash	Private placement[9]	28,46,653	2,83,07,834	17,16,40,30,263

* 1,249,496 CCPS were allotted on November 20, 2014 at a premium of Rs. 4,310 per CCPS. The securities premium account was accordingly credited with a total of Rs. 5,385,327,760 upon allotment of the CCPS.
#The above Equity Share Premium amount is exclusive of Share Issue Expenses.

1. Allotment of Equity Shares to Navinchandra Kampani (1), Mahendrakumar Kampani (1), Nimesh Kampani (1), Aruna Kampani (1), Nalin Mehta (1), Lila Mehta (1) and Belman Anchan (1).
2. Allotment of Equity Shares to several applicants pursuant to Initial Public Offer (49,993) (2).
3. Allotment of Equity Shares on rights basis to JMFL (12,00,000) (3).
4. Allotment of Equity Shares pursuant to private placement offer to INH Mauritius 1 (4).
5. Allotment of Equity Shares upon conversion of CCPS held by INH Mauritius 1(12,15,292) (CCPS were allotted on November 20, 2014) (5).
6. Allotment of Equity Shares upon conversion of CCPS held by Ms. Aparna Aiyar (34,204) (CCPS were allotted on November 20, 2014) (6).
7. Allotment of 3,22,565 fully paid up Equity Shares pursuant to Private Placement offer to JM Financial Limited (69,431), INH Mauritius 1 (1,68,791) and Moraine Master Fund LP (84,343) (7).
8. Allotment of 19,837 partly paid up Equity Shares pursuant to Private Placement offer to JM Financial Limited, wherein the amount partly paid up on the face value of such Equity Shares is Rs. 2 per Equity Share (8).
9. Allotment of 4,751 fully paid up Equity Shares pursuant to Private Placement offer to Ms. Aparna Murthy Aiyar (9).

19,837 partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. The Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020. Accordingly, the Equity Share capital of the Company consist of 28,26,816 fully paid up equity shares of Rs. 10/- each aggregating to Rs. 2,82,68,160/-.

The details of preference share capital raised by the Company till March 31, 2023, are as under:

Date of Allotment	No. of Preference shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of preference shares	Preference Share Capital (Rs.)	Preference Share premium (in Rs.)
November 20, 2014	12,49,496	10	4,320	Cash	Private placement	12,49,496	1,24,94,960	5,38,53,27,760

The details of preference share capital converted by the Company as on March 31, 2023, are as under:

Date of conversion	No. of Preference shares	Face value (Rs.)	Nature of conversion	No. of Preference Shares post conversion	Preference Share Capital post conversion (Rs.)
February 9, 2017	(12,15,292)	10	CCPS	34,204	3,42,040
July 21, 2017	(34,204)	10	CCPS	Nil	Nil

d. Details of any Acquisition or Amalgamation with any entity in the last one year:

No acquisition of an entire company or amalgamation with any entity.

e. Details of any Reorganisation or Reconstruction in the last one year:

None

f. Details of the shareholding of the Company as on March 31, 2023:

Sr. No.	Name of the Shareholder	Number of fully paid-up equity shares held	Face value per equity share (Rs.)	% of total shares
1.	JM Financial Limited along with its nominees	13,19,431	10/-	46.68
2.	INH Mauritius 1	13,84,087	10/-	48.96
3.	Aparna Aiyar Family Trust	38,955	10/-	1.38
4.	Moraine Master Fund LP	84,343	10/-	2.98
	Total	**28,26,816**	-	**100.00%**

Note: All the equity shares of the Company are held in demat mode. The promoters have not pledged or encumbered any shares of the Company.

g. List of top 10 holders of equity shares of the Company as on March 31, 2023:

Sr. No.	Name of the Shareholder	Number of fully paid-up equity shares held (face value of Rs. 10/- each)	% of total shares
1.	INH Mauritius 1	13,84,087	48.96
2.	JM Financial Limited along with its nominees	13,19,431	46.68
3.	Aparna Aiyar Family Trust	38,955	2.98
4.	Moraine Master Fund LP	84,343	1.38
	Total	**28,26,816**	**100.00%**

Note: Entire shareholding of the Company is in demat

DETAILS OF THE DIRECTORS OF THE COMPANY

a. Details of the current directors of the Company:

Sr. No.	Name, Designation	DIN	Age	Address	Date of Appointment	Whether wilful defaulters (Yes/No)
1.	Mr. Vikram Pandit Non-Executive Chairman	07062676	66	310 East 53rd Street Apartment #29C New York, 10022 United States of America	06/01/2015	No
2.	Mr. Vishal Kampani Vice-Chairman & Managing Director	00009079	46	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	01/08/2019	No
3.	Mr. Hariharan Aiyar Non-Executive Vice-Chairman	01374306	55	1501, 15th Floor Lodha Costiera Nepean sea Road Mumbai – 400036	20/11/2014	No
4.	Mr. V P Shetty Non-Executive Director	00021773	75	C/o Hardally Sheenappa Shetty, 590, Jayashree, 8th B Main, Vijaya Bank Layout, Off Bannerghatta Road, Bengaluru, Karnataka – 560076	15/07/2014	No
5.	Ms. Dipti Neelakantan Non-Executive Director	00505452	64	1203A, Birchwood, Hiranandani Gardens, Powai, Mumbai 400076	28/10/2015	No
6.	Dr. Anup Shah Independent Director	00293207	46	502, Doli Chambers Strand Road, Colaba Mumbai 400005	29/03/2016	No
7.	Mr. Satish Chand Mathur Independent Director	03641285	65	804, 8th Floor, Casa Grande CHSL, C.T.S. Number 249, Senapati Bapat Road, Opp Peninsula Park, Lower Parel, Mumbai – 400013	01/08/2019	No
8.	Mr. K. G. Krishnamurthy Independent Director	00012579	67	403, Meru Heights, 268, Telang Road, Matunga East, Mumbai – 400019	25/08/2021	No

Details of other directorship of the current directors of the Company as on date:

Sr. No.	Name of the Director	Details of other directorship
1.	Mr. Vikram Pandit	Westcor Land Title Insurance Company EXL Service The Orogen Group
2.	Mr. Vishal Kampani	JM Financial Limited JM Financial Capital Limited JM Financial Institutional Securities Limited JM Financial Home Loans Limited

Sr. No.	Name of the Director	Details of other directorship
		JM Financial and Investment Consultancy Services Private Limited JM Financial Services Limited JM Financial Asset Reconstruction Company Limited JM Financial Products Limited JM Financial Asset Management Limited JM Financial Singapore Pte. Limited Infinite India Investment Management Limited Capital Market Publishers India Private Limited
3.	Mr. Hariharan Ramamurthy Aiyar	SV India Opportunities Advisors Private Limited Sical Infra Assets Limited INH Mauritius 1 INH Mauritius 2
4.	Mr. Vaddarse Prabhakar Shetty	JM Financial Products Limited JM Financial Asset Reconstruction Company Limited JM Financial Home Loans Limited JM Financial Asset Management Limited Sunteck Realty Limited
5.	Ms. Dipti Neelakantan	JM Financial Services Limited JM Financial Institutional Securities Limited Infinite India Investment Management limited JM Financial Trustee Company Private Limited Kampani Consultants Limited Parag Parikh Financial Advisory Services Limited
6.	Dr. Anup Shah	JM Financial Services Limited JM Financial Capital Limited JM Financial Home Loans Limited Adani Wilmar Limited Claris Limited Claris Lifesciences Limited Health and Education Foundation Knowhowhub.com Private Limited Landmark Business Service Centre Private Limited Macro Investment and Financial Consultants Private Limited
7.	Mr. Satish Chand Mathur	JM Financial Asset Reconstruction Company Limited Tilaknagar Industries Limited Indiabulls Housing Finance Limited Inidabulls Commercial Credit Limited Ring Plus Aqua Limited Kesar Petroproducts Limited Green Planet Logistics Private Limited
8.	Mr. K G Krishnamurthy	Ajmera Realty & Infra India Limited Booker India Limited Vascon Engineers Limited MMK Toll Private Limited Shriram Properties Limited Puravankara Limited Indiabulls Real Estate Limited Meerut Budaun Expressway Limited Fiora Online Limited

b. Details of change in directors since last three years:

Sr. No.	Name and Designation	DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
1.	Mr. Vishal Kampani	00009079	01/08/2019 (Date of appointment)	-	Appointed as: (i) Nominee Director w.e.f. 01/08/2019; and (ii) Vice-Chairman a Managing Director w.e.f. 01/10/2021
2.	Mr. Satish Chand Mathur	03641285	01/08/2019 (Date of appointment)	-	Appointed as an Additional (Independent) Director w.e.f. 01/08/2019 and Independent Director w.e.f. 21/07/2020
3.	Mr. Darius E Udwadia	00009755	16/07/2020 (Date of reappointment)	16/07/2015	Re-appointed as Independent Director for a further term of 3 years w.e.f. 16/07/2020 and ceased to be an Independent Director w.e.f. 20/10/2021
4.	Dr. Anup Shah	00293207	29/03/2021 (Date of reappointment)	-	Re-appointed as an Independent Director for a further term of 5 years.
5.	Mr. K G Krishnamurthy	00012579	25/08/2021 (Date of appointment)	-	Appointed as an Additional (Independent) Director w.e.f. 26/08/2021 and Independent Director w.e.f. 29/10/2021

FOLLOWING DETAILS REGARDING THE AUDITORS OF THE COMPANY

a. Details of the auditor of the Issuer:

Name of the Auditors	Address	Auditor since
BSR & Co. LLP Chartered Accountants	14th Floor, Central Wing B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063, India	October 29, 2021

b. Details of change in auditor for last three years:

Name of the Auditors	Address	Date of appointment	Date of cessation, if applicable	Date of resignation, if applicable
Deloitte Haskins & Sells LLP	Indiabulls Finance Centre, Tower 3, 27th – 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400 013, India	July 21, 2020	-	October 21, 2021
BSR & Co. LLP Chartered Accountants	14th Floor, Central Wing B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063, India	October 29, 2021	-	-

Details of the following liabilities of the Company as on March 31, 2023

a. Details of Outstanding Secured Borrowing Facilities as on March 31, 2023:

(Rs. in Million)

Name of Bank / FI	Date of Sanction	Type of Facility	Sanctioned Amount	Outstanding Amount	Repayment Date / Schedule
Bank of Baroda – V	06-09-2019	Term Loan	2,000.0	375.0	16 quarterly installments with door to door tenor of 48 months
Bank of Baroda – VI	15-03-2022	Term Loan	4,000.0	3,284.2	20 quarterly installments with door to door tenor of 60 months
Bank of India	12-12-2019	Term Loan	3,000.0	1,307.7	16 quarterly installments after moratorium of 12 months with door to door tenor of 60 months
Canara Bank - II	15-03-2021	Term Loan	2,000.0	1,183.3	equal quarterly installment with door to door tenor of 60 months
Canara Bank - III	08-12-2022	Term Loan	2,000.0	1,999.5	equal quarterly installment with door to door tenor of 60 months
HDFC Bank - V	25-03-2021	Term Loan	1,500.0	625.0	Tenor : 36 months with principal payable quarterly
HDFC Bank - VI	21-09-2022	Term Loan	1,250.0	1,041.7	Tenor : 36 months with principal payable quarterly
ICICI Bank	22-02-2023	Term Loan	1,490.0	1,490.0	Tenor : 36 months with principal payable quarterly
IDBI Bank	20-03-2021	Term Loan	250.0	232.1	14 equal quarterly instalments after 18 months of moratorium with door to door tenor of 60 months
IDBI Bank	10-02-2022	Term Loan	1,000.0	1,000.0	16 equal quarterly instalments after 12 months of moratorium with door to door tenor of 60 months
IDFC First Bank Ltd	28-09-2020	Term Loan	2,500.0	2,333.3	36 equal monthly installment from disbursement of each tranche after moratorium of 24 months
State Bank of India - IV	09-07-2020	Term Loan	3,750.0	2,577.9	16 equal quarterly installment payable from the end of first quarter after moratorium of 12 months
State Bank of India - V	21-03-2022	Term Loan	2,500.0	2,416.5	Monthly instalments payable after 6 months moratorium with door to door tenor of 60 months
Bajaj Finance - III	19-10-2020	Term Loan	750.0	328.1	16 equal quarterly installments from the date of disbursement
Bajaj Finance - IV	29-03-2023	Term Loan	1,000.0	500.0	16 equal quarterly installments from the date of disbursement
HDFC Limited	29-12-2022	Term Loan	2,500.0	2,500.0	12 equal quarterly installment payable from the end of first quarter after moratorium of 12 months
TATA Capital Financial Services Limited	23-01-2023	Term Loan	600.0	600.0	Quarterly repayment as per the Schedule of repayment
HDFC Bank	01-03-2016	Cash Credit/WCDL	100.0	-	On demand / WCDL upto 60% for minimum of 7 days
IDBI Bank	20-10-2015	Cash Credit/WCDL	500.0	-	On demand / WCDL upto 60% for minimum of 7 days
		Total	**32,690.0**	**23,794.4**	
Note: Above loans are secured by way of hypothecation of loan receivable on pari passu charge with other lenders					
Figures shown above are principal (gross) borrowing without considering any adjustement on account of IND AS / Books of Accounts					

b. Details of Outstanding Unsecured Borrowing Facilities as on March 31, 2023:

None

c. Details of outstanding Non-Convertible Debentures as on March 31, 2023:

(Rs. in Million)

Debenture Series	Tenor/ period (days)	Coupon (p.a.) in %	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating
Tranche AR	2556	9.75	1,000.0	18-07-2019	17-07-2026	ICRA AA(Stable) / IND AA/Stable
Tranche AR	2923	9.75	1,000.0		19-07-2027	
Tranche AR	3288	9.75	1,000.0		18-07-2028	
Tranche AR	3653	9.75	1,000.0		18-07-2029	
Tranche AS	1826	SBI 1 Year MCLR + Spread	5,970.0	24-07-2019	23-07-2024	ICRA AA(Stable) / IND AA/Stable
Tranche AU	1095	9.40	1,250.0	18-05-2020	18-05-2023	ICRA AA(Stable) / IND AA/Stable
Tranche AV	1084	9.40	750.0	29-05-2020	18-05-2023	ICRA AA(Stable) / IND AA/Stable
Tranche AW	1095	9.10	333.3	16-06-2020	16-06-2023	ICRA AA(Stable) / IND AA/Stable
Tranche AZ	3651	9.20	550.0	02-11-2020	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BA	3641	9.20	500.0	12-11-2020	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BB	3612	9.20	450.0	11-12-2020	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BC	3601	9.20	500.0	22-12-2020	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BD	3580	9.20	500.0	12-01-2021	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BE	819	8.25	100.0	05-02-2021	05-05-2023	ICRA AA(Stable) / IND AA/Stable
Tranche BE	910	8.25	100.0		04-08-2023	
Tranche BE	1004	8.25	100.0		06-11-2023	
Tranche BE	1095	8.25	100.0		05-02-2024	
Tranche BF	4383	8.60	300.0	25-03-2021	25-03-2033	ICRA AA(Stable) / IND AA/Stable
Tranche BG	3651	8.50	500.0	19-07-2021	18-07-2031	ICRA AA(Stable) / IND AA/Stable
Tranche BH	1002	8.35	3,000.0	29-07-2021	26-04-2024	ICRA AA(Stable)
Tranche BI	3522	8.50	350.0	25-11-2021	18-07-2031	ICRA AA(Stable) / IND AA/Stable
Tranche BJ	3510	8.50	750.0	07-12-2021	18-07-2031	ICRA AA(Stable) / IND AA/Stable
Tranche BK	2557	8.99	750.0	24-01-2022	24-01-2029	ICRA AA(Stable) / IND AA/Stable
Tranche BK	2922	8.99	750.0		24-01-2030	
Tranche BK	3287	8.99	750.0		24-01-2031	
Tranche BK	3651	8.99	750.0		23-01-2032	
Tranche BL	3412	8.50	1,000.0	15-03-2022	18-07-2031	ICRA AA(Stable) / IND AA/Stable
Tranche BM	3651	8.65	250.0	30-05-2022	28-05-2032	ICRA AA(Stable) / IND AA/Stable
Tranche BN	3627	8.65	500.0	23-06-2022	28-05-2032	ICRA AA(Stable) / IND AA/Stable
Tranche BO	3593	8.65	500.0	27-07-2022	28-05-2032	ICRA AA(Stable) / IND AA/Stable
Tranche BP	912	8.50	2,000.0	10-10-2022	09-04-2025	ICRA AA(Stable)
Tranche BQ	3510	8.65	750.0	18-10-2022	28-05-2032	ICRA AA(Stable) / IND AA/Stable
Tranche BR	1127	8.50	1,027.0	30-01-2023	02-03-2026	ICRA AA(Stable)
Tranche BS	1188	9.38	1,250.0	09-03-2023	09-06-2026	ICRA AA(Stable) / IND AA/Stable
Public Tranche I -Option III	1826	9.50	3,653.1	07-06-2018	07-06-2023	ICRA AA(Stable) / IND AA/Stable
Public Tranche I -Option IV	1826	9.11	170.3	07-06-2018	07-06-2023	
Public Tranche I -Option V	3653	9.75	2,148.1	07-06-2018	07-06-2028	
Public Tranche I -Option VI	3653	9.34	119.4	07-06-2018	07-06-2028	
Public Tranche II -Option III	1826	10.10	490.9	13-12-2018	13-12-2023	ICRA AA(Stable) / IND AA/Stable
Public Tranche II -Option IV	1826	9.67	428.7	13-12-2018	13-12-2023	
Public Tranche II -Option V	3653	10.25	250.4	13-12-2018	13-12-2028	
Public Tranche II -Option V	3653	9.81	161.5	13-12-2018	13-12-2028	
		Total	**37,802.9**			

Note: Above NCDs are secured by way of hypothecation of identified book/loan/assets receivables on pari passu charge basis with other investors and non bank

Figures shown above are based on face value and do not include any adjustements on account of IND AS / Books of Accounts.

d. List of top 10 Debenture Holders as on May 19, 2023:

Sr. No.	Name of Debenture Holders*	Amount (Rs. in Million)	% of total NCDs outstanding
1	Life Insurance Corporation of India	7,000	19.6%
2	ICICI Prudential Mutual Fund	4,950	13.9%
3	Aditya Birla Sun Life Trustee Mutual Fund	3,600	10.1%
4	Star Health and Allied Insurance Company Limited	2,900	8.1%
5	HVPNL Employees Pension Fund Trust	1,830	5.1%
6	HPGCL Employees Pension Fund Trust	1,280	3.6%
7	Sporta Technologies Private Limited	1,233	3.5%
8	Indian Oil Corporation Ltd (Refineries Division) EPF	1,150	3.2%
9	Navodaya Vidyalaya Samiti Contributory Provident Fund	1,150	3.2%
10	Aditya Birla Finance Limited	1,080	3.0%

** Name of the debenture holders have been obtained from the latest beneficiary position statement made available by the RTA, viz., Kfin Technologies Limited.*

**The Top 10 debenture holders are derived basis the holding of the NCDs on private placement basis and through public issuance.*

e. Details of Outstanding Commercial Paper as on March 31, 2023:

None

f. Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference shares) as on March 31, 2023:

None

g. Details of any outstanding borrowings taken/ debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option:

None

Disclosure on Asset Liability Statement:

Disclosures as specified for NBFCs in SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 date August 10, 2021 as per the financial year ended March 31, 2023 are as under:

I. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC:

i. Lending Policy:

The Board of Directors of the Company have adopted the Lending Policy ("the Policy").

The Policy broadly deals with the following:

- Primary Product Offering of the Company:
  a) Loan against Commercial Real Estate, including lending by subscribing to the NCDs of Borrower(s), funding of interest during construction;
  b) Loans against Securities;
  c) IPO Financing;
  d) ESOP Funding.
- Risk containment measures to mitigate the credit and market risk for the gamut of products offered by the Company
- Loan sanctioning authority and delegation
- Sectoral exposure limits
- Policy for demand/call loan
- Provisioning norms
- Policy on write off

ii. Classification of loans given to associate or entities related to Board, senior management, promoters, etc.

As of March 31, 2023, there are no loans given by our Company that are outstanding towards associate companies or entities / persons related to the Board, senior management, Promoter or other parties covered in the registered maintained under Section 189 of the Companies Act, 2013.

iii. Classification of loans into several maturity profile denomination as on March 31, 2023

Period	**₹ in Million**
Less than 1 Month	696.7
1-2 Months	1,095.6
2-3 Months	1,709.2
3-6 Months	8,215.1
6 Months – 1 Year	13,578.3
Above 1 Year	69,715.1
Total	**95,009.9**

iv. Aggregate exposure to top 20 borrowers as on March 31, 2023

(₹ in Million)

Total exposure to 20 largest borrowers	60,736.3
Percentage of exposures to 20 largest borrowers to total exposures of our Company	63.40%

v. Details of loans overdue, classified as Non-Performing Assets as on March 31, 2023

Movement of gross NPA	Rs. in Million
Opening gross NPA	**4,160.1**
- Additions during the year	4,921,3
- Reductions during the year	4,245.8
Closing balance of gross NPA	**4,835.6**

Movement of provisions for NPA	Rs. in Million
Opening balance	**2,845.3**
- Provisions made during the year	1,791.3
- Write-off / write-back of excess provisions	1,487.9
Closing balance	**3,148.7**

II. Details of borrowing made by NBFC as on March 31, 2023:

i. Portfolio Summary of borrowing made by NBFC

Sr. No.	Particulars	Amount (Rs. in Million)
1.	Non-convertible debentures	39,153.4
2.	Term loans	23,675.4
3.	Inter corporate deposit	-
4.	Working Capital Demand Loan	-
5.	Commercial paper	-
	Total	**62,828.8**

ii. Quantum and percentage of Secured vs. Unsecured borrowings

Sr. No.	Type of Borrowing	Amount (Rs. in Million)	Percentage
1	Secured	**62,828.8**	100.0%
2	Unsecured	-	-
	Total	**62,828.8**	**100.0%**

III. Details of change in shareholding:

Any change in promoter's holdings during the last financial year beyond a particular threshold of 26% as prescribed by RBI:

None

IV. Disclosures of Assets under Management as on March 31, 2023:

Segment wise breakup and type of loans

a. Type of loans:

Sr. No.	Type of loan	Rs. in Million
1.	Secured	88,473.1
2.	Unsecured	6,536.8
	Total assets under management (AUM)	**95,009.9**

b. Sectoral Exposure:

Sr. No.	Segment-wise breakup of AUM	Percentage of AUM
1.	**Retail**	
a.	Mortgages (home loan and LAP)	-
b.	Gold Loan	-
c.	Vehicle Finance	-
d.	MFI	-
e.	M&SME	-
f.	Capital Market Funding (loan against shares, margin funding)	-
g.	Others	-
2.	**Wholesale**	
a.	Infrastructure	-
b.	Real Estate (including builder loans)	83.5%
c.	Promoter Funding	-
d.	Others	16.5%
	Total	**100.0%**

V. Details of Borrowers as on March 31, 2023:

Geographical location wise

Sr. No.	Top 5 states	Percentage of AUM
1.	Maharashtra	47.3%
2.	Karnataka	20.6%
3.	Tamil Nadu	13.1%
4.	NCR	11.6%
5.	Telangana	4.3%
6.	Kolkata	3.2%
	Total	**100.0%**

VI. Details of Gross NPA as on March 31, 2023:

Segment wise

Sr. No.	Segment-wise gross NPA	Gross NPA (%)
1.	**Retail**	
a.	Mortgages (home loan and LAP)	-
b.	Gold Loan	-
c.	Vehicle Finance	-
d.	MFI	-
e.	M&SME	-
f.	Capital Market Funding (loan against shares, margin funding)	-
g.	Others	-
2.	**Wholesale**	
a.	Infrastructure	-
b.	Real Estate (including builder loans)	100.0%
c.	Promoter Funding	-
d.	Others	-
	Total	**100.0%**

VII. Details of Assets and Liabilities as on March 31, 2023:

Residual maturity profile wise into several bucket (in line with RBI format)

	1 to 7 days	8 to 14 days	15 days to 31 days	>1 months – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 year – 3 year	>3 years – 5 years	> 5 years	Total
Liabilities											
Borrowings	34.3	-	344.9	2,625.4	5,584.7	2,405.5	4,836.9	23,500.9	8,435.3	15,060.9	62,828.8
Foreign Currency Liabilities											
Assets											
Advances	13.0	-	692.1	1,088.4	2,349.1	8,167.5	13,859.3	44,216.6	17,499.4	4,160.3	92,045.7
Investments	-	-	-	1,820.0	2,680.9	393.0	-	-	920.8	6,135.8	11,950.5
Foreign Currency Assets			-	-	-	-	-	-	-	-	-

VII. Disclosure of latest ALM statements to Stock Exchange:

Please find below the link for the latest ALM statement intimated to BSE Limited:
https://www.bseindia.com/xml-data/corpfiling/AttachLive/684c4130-c91f-4809-92be-d3e84b57193c.pdf

MATERIAL INFORMATION:

Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years:

None

Any material event / development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities:

None

Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company

None

Details of default and non-payment of statutory dues:

None

If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document

Not applicable

DETAILS OF THE DEBENTURE TRUSTEE TO THE ISSUE:

The Company has appointed IDBI Trusteeship Services Limited as the Debenture Trustee for the Issue. The address and contact details of the Debenture Trustee are as under:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R Kamani Marg,
Ballard Estate, Mumbai 400 001
Tel: +91 22 4080 7000x
Fax: + 91 22 6631 1776
Contact Person: Mr. Subrat Udgata, Senior Vice President, Email: subrat@idbitrustee.com
Website: www.idbitrustee.com

IDBI Trusteeship Services Limited has vide its letter dated May 24, 2023, given its consent to the Company under regulation 8 of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended to be appointed as the Debenture Trustee for this Issue. A copy of the said consent letter has been enclosed as an Annexure.

Disclosure in terms of SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

The details with respect to the fees charged, details of security created and process of due diligence carried out by the debenture trustee, forms part of the Debenture Trustee Agreement entered into by and between the Company and the Debenture Trustee.

The due diligence certificate dated May 24, 2023, issued by the Debenture Trustee to BSE in accordance with the SEBI circular is enclosed as an Annexure to this Disclosure Document.

DISCLOSURES RELATED TO WILFUL DEFAULT AS PER SEBI AS PER SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021:

a. Name of the bank declaring the entity as a wilful defaulter – **None**
b. The year in which the entity is declared as a wilful defaulter – **Not Applicable**
c. Outstanding amount when the entity is declared as a wilful defaulter – **Not Applicable**
d. Name of the entity declared as a wilful defaulter - **Not Applicable**
e. Steps taken, if any, for the removal from the list of wilful defaulters – **Not Applicable**
f. Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions - **Not Applicable**
g. Any other disclosure as specified by the Board - **Not Applicable**

ISSUER UNDERTAKING:

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 17 under the section 'General Risks'.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the Disclosure Document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

OTHER DETAILS:

Debenture Redemption Reserve:

Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company being a Non-Banking Finance Company is exempted from the requirement of creating Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures issued by way of public issue and private placement.

Issue/instrument specific regulations:

The Debentures are governed by and will be construed in accordance with the Indian laws. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Act, regulations/guidelines/directions of RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time. The Debenture-holders, by purchasing the Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures.

Further, the said Debentures shall be subject to the terms and conditions as contained in the application form, Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement, Deed of Confirmation and other Transaction / Security document, if any.

Default in Payment:

In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the documented rate will be payable by the Company for the defaulting period;

Delay in Listing:

BSE will be the designated stock exchange for the Issue. NCDs will be listed on the wholesale debt market segment of BSE.

As per SEBI circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/167 dated November 30, 2022 the Company shall complete the listing of NCDs within T+ 3 trading day (T being the date of closure of the Issue).

In case of delay in listing of NCDs beyond the timeline specified above, the Company will pay penal interest of 1% p.a. over and above the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) and the Company would be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchange.

Delay in allotment of NCDs:

The issuer shall ensure allotment of debt securities issued on a private placement basis and credit to the dematerialized account of the investors, is made within such time as may be specified by the SEBI

Application Process:

How to Apply

Applications for the NCDs must be made in the prescribed Application Form as provided by the Company and must be completed in block letters in English by the investors., The amount to be paid for the subscription of NCDs should be paid from the bank account of the person subscribing to such NCDs.

Any payment made through any electronic mode of payment such as RTGS/NEFT/NACH/ Direct Credit, the funds have to be credited to the Company's current account, the details of which are provided in the Application Form.

It may be noted that payment by any other means shall not be accepted. The Company assumes no responsibility for any applications lost in mail or in transit or any failure of electronic fund transfer.

Who can apply

Nothing in this DD shall constitute and/or deem to constitute an offer or an invitation to offer, to be made to the public or any section thereof through this DD and this DD and its contents should not be construed to be a prospectus under the Act. The Issue is a domestic issue and is being made in India only. This DD and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and only such recipients are eligible to apply for the NCDs. The categories of investors eligible to subscribe to the NCDs in this Issue, when addressed directly, are:

a. Banks;
b. Financial Institutions;
c. Non-Banking Financial Companies;
d. Companies/LLP;
e. Mutual Funds;
f. Insurance Companies;
g. Provident Funds, Gratuity, Superannuation and Pension Funds, subject to their investment guidelines; and
h. Individuals
i. Hindu Undivided Family (HUF)
j. Any other eligible investor authorized to invest in the Debentures.

All investors are required to check and comply with applicable laws including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of NCDs and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company, are eligible to apply for the Debentures. No other person may apply. Hosting of DD on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the NCDs and the same has been hosted only as it is stipulated by the SEBI Regulations. Investors should check their eligibility before making any investment.

Submission of Documents

Investors should submit the following documents, wherever applicable:

a. Memorandum and Articles of Association/Documents governing constitution
b. Government notification/certificate of incorporation
c. SEBI registration certificate, if applicable
d. Resolution authorizing investment along with operating instructions
e. Power of Attorney (original & certified true copy)
f. Form 15AA granting exemption from TDS on interest
g. Form 15H for claiming exemption from TDS on interest on application money, if any
h. Order u/s 197 of IT Act
i. Order u/s 10 of IT Act
j. Specimen signatures of authorised persons
k. Certified true copy of PAN card
l. Registered / communication address
m. Foreign Account Tax Compliance Act (FATCA) Form

The list of documents required to be provided by an investor as mentioned above is only indicative and an investor will be required to provide all additional documents / authorizations / information, which may be required by the Company. The Company may, but is not bound to revert to any investor for any additional documents / information and can accept or reject an application as it deems fit, without assigning any reasons.

Submission of completed Application Form

All applications duly completed accompanied by fund transfer instrument / fund transfer instructions from the respective investor's account to the account of the Company, shall be submitted at the Registered Office of the Company.

Applications under Power of Attorney / Relevant Authority

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organisation or Trusts etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's office where the application has been submitted failing which the applications are liable to be rejected.

Application by Mutual Funds

In case of applications by Mutual Funds registered with SEBI, a separate application must be made in respect of each scheme of the Mutual Fund and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustee/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason thereof. Application Forms that are not complete in all respects may be rejected at the sole and absolute discretion of the Company. Any application, which has been rejected, would be intimated by the Company along with the refund warrant.

Fictitious Applications

Fictitious Applications will be rejected. Attention of applicants is specially drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable for action under Section 447 of the Companies Act, 2013."

Debentures in Dematerialised mode

The Company will make allotment of NCDs to investors in due course after verification of the application form, the accompanying documents and on realization of the application money. The allotted NCDs will be credited in dematerialized form within 2 (two) trading days from the closure of the Issue. Investors will have to hold the NCDs in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form.

Notwithstanding the foregoing, investors have the option to seek rematerialisation of NCDs (i.e. investors shall have the right to hold the NCDs in physical form) at any time in the future.

A. ISSUE DETAILS

The Company proposes to issue upto 10,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures – Tranche BU (NCDs), of the face value of Rs. 1,00,000/- (Rupees One Lakh only) each and at an issue price of Rs. 1,00,000/- each, for cash, aggregating to Rs. 100,00,00,000/- (Rupees One Hundred Crore only), divided between two series of 2,500 NCDs *(Series I)* and 5,000 NCDs with an option to retain oversubscription of upto 2,500 NCDs aggregating to 7,500 NCDs *(Series II),* to be issued pursuant to this issue..

Pursuant to a resolution dated October 25, 2018 passed by the Company's shareholders in accordance with provisions of the Companies Act, 2013, the Board has been authorized to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to Rs. 12,500 Crore. The present issue of NCDs in terms of this DD is within the overall powers of the Board as per the above resolution and in accordance with the approval of the members of the Credit Committee at their meeting held on May 10, 2023.

This present private placement of NCDs is being made pursuant to the resolution of the Board of Directors passed at its meeting held on May 17, 2022 and by the members at its Annual General Meeting held on July 25, 2022, who has inter-alia approved the issue of Non-Convertible Debentures of Rs. 8,000 Crore by way of private placement and public issuance of NCDs.

The following is a summary of the terms of the Issue.

SUMMARY TERM SHEET – TRANCHE BU

Private placement of up to 10,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures – Tranche BU (NCDs), of the face value of Rs. 1,00,000/- (Rupees One Lakh only) each and at an issue price of Rs. 1,00,000/- each for cash aggregating to Rs. 100,00,00,000/- (Rupees One Hundred Crore only) divided between two series of 2,500 NCDs *(Series I)* and 5,000 NCDs with an option to retain oversubscription of upto 2,500 NCDs aggregating to 7,500 NCDs *(Series II)*, ("The Issue" or "This Issue")

A. Common Terms of the Tranche BU NCDs

Issuer	JM Financial Credit Solutions Limited
Arranger	None
Trustee	IDBI Trusteeship Services Limited
Registrar and Transfer Agents	KFin Technologies Limited
Type of Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior, on pari-passu basis with current and future secured NCD holders.
Mode of Issue	Private placement
Eligible Investors	In accordance with paragraph "Who can apply" of this Disclosure Document.
Listing	The NCDs are proposed to be listed on WDM segment of BSE. BSE has given its in-principle approval to list the NCDs to be issued and allotted in terms of this DD vide its letter dated May 24, 2023. As per SEBI circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/167 dated November 30, 2022 the Company shall complete the listing of NCDs within T+3 trading day (T being the date of closure of the Issue).
Rating of the Instrument	ICRA Limited and India Ratings and Research Private Limited have assigned a rating of "AA/Stable" (Pronounced as double A with Stable Outlook) to the long term non-convertible Debenture issue program of the Company.

Anchor Portion Details	~~Yes /~~ No
Total Amount Anchor Portion (not exceeding 30% of Base Issue size)	Not Applicable
Name of Anchor Investor(s)	Not Applicable
Quantum for each Anchor Investor (Rs.)	Not Applicable
Objects of the Issue	The following table details the objects of Issue and the amount proposed to be financed from the proceeds: **Objects of Issue** / **% of amount proposed to be financed from Net Proceeds** For the purpose of onward lending/ disbursement/financing to borrowers, repayment / prepayment of interest and /or principal of borrowings of the Company, augmenting the long-term resources of the Company and working capital requirements: At least 75% General Corporate Purpose: Maximum upto 25% **Total 100%** No part of the proceeds shall be utilized directly/indirectly towards the purposes which are restricted by the concerned regulator and/ or the Government of India from time to time.
Details of the utilization of the Proceeds	The proceeds of the Issue would be utilised by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, long term investments and for the eligible purposes. Further, the Company, may pending utilization of the proceeds out of the issue of the NCDs, temporarily invest funds in income bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade income bearing securities as may be approved by the Board / any Committee thereof, as the case may be.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format	The funds shall not be utilised to entail loan to any entity who is a 'group company'.
Step Up/Step Down Coupon Rate	None
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	None
Day Count Basis	Actual/ Actual
Interest on Application Money	Not Applicable
Default Interest Rate	In case of failure by the Company in the performance of its material obligations such as failure to make the payment, inadequacy of the security cover, breach in financial covenants (subject to cure period) under the Transaction Documents, the Company shall be liable to pay Penal Interest which shall be calculated at the rate of 2% (Two Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate from the end of the cure period till the period it is rectified.

Discount at which security is issued and the effective yield as a result of such discount.	None
Redemption Premium	Nil
Put Option Date	None
Put Option Price	Not Applicable
Call Option Date	None
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Minimum Application and in multiples of 1 Debt securities thereafter	Minimum 10 Debentures and in multiples of 1 thereafter
Issue Timing 1. Issue Opening Date 2. Bidding Date 3. Issue Closing Date 4. Pay-in Date 5. Deemed Date of Allotment	 May 29, 2023 May 29, 2023 May 29, 2023 May 30, 2023 May 30, 2023
Bid Book Type	Close Bid
Allocation Option	Uniform Yield
Mechanism of Settlement	Indian Clearing Corporation Limited (ICCL)
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Demand Draft / Pay Order / Direct Credit / ECS / NEFT / RTGS / NACH / other permitted mechanisms.
Depository(ies)	NSDL / CDSL
Business Day Convention	If the interest payment date falls on a holiday or non-Business day/ Working day for the banks in Mumbai, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day/Business Day for the banks in Mumbai, the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. Also refer Note 10 herein below.
Record Date	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date on which interest, is due and payable and/or the Redemption Date and/or such other date as may be determined by the Board of Directors or any other Committee thereof from time to time in accordance with the applicable law. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the Redemption Date. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.

Description regarding Security (where applicable) including type of security movable / immovable/ tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/Information Memorandum.]	A Debenture Trust Deed dated October 3, 2022, has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited for creating security to the extent of Rs. 2,000 Crore in favour of the Debenture Trustee to cover various issuances up to Rs. 2,000 Crore. Under the above Debenture Trust Deed, the NCD issued and outstanding amount is Rs. 602.70 Crore, as on the date of issue of this DD (excluding the amount of the present issue of NCDs). This DD is issued under the said Debenture Trust Deed dated October 3, 2022. The security cover will be maintained post issuance of Tranche BU NCDs. The Issuer undertakes that the assets on which charge is created under this Disclosure Document are free from any encumbrances (except to the extent already disclosed) and the charge is on pari-passu basis. It is further clarified that necessary consent and/or no objection certificate has been obtained from existing lender(s) and/or creditor(s) in respect of the assets provided as security under this Disclosure Document. Further the NCDs will be secured as per the terms of this Disclosure Document / Information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. Also, please refer to note no. 11 of this Disclosure Document.
Minimum Security Cover	The Company shall maintain a security cover of 1 time.
Transaction Documents	Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement, any security creation document including deed of hypothecation, indenture of mortgage and forms for filing of charge and any other document that may be designated by the Debenture Trustee as a Transaction Document. This Disclosure Document shall be read in conjunction with the other Transaction Documents and in case of any ambiguity or inconsistency or differences with any Transaction Document including the Debenture Trust Deed, this Disclosure Document shall prevail.
Covenants of the issue (including side letters, accelerated payment clause, etc.)	All covenants of this issuance are covered in this Disclosure Document and the Debenture Trust Deed dated October 3, 2022, including any amendment, from time to time.
Conditions Precedent to Disbursement	None
Condition Subsequent to Disbursement	None
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, the Companies Act, 2013 and the rules made thereunder, the Debenture Trustee Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)	As per Note 14 of this Disclosure Document and the Debenture Trust Deed dated October 3, 2022
Creation of recovery expense fund	The Company has created the fund in the manner as may be specified by SEBI from time to time.

Conditions for breach of covenants (as specified in the Debenture Trust Deed)	All conditions for breach of covenants of this issue are covered in Debenture Trust Deed dated October 3, 2022, including any amendment, from time to time.
Provisions related to Cross Default Clause	As per the Debenture Trust Deed dated October 3, 2022, including any amendment, from time to time.
Risk Factors pertaining to this Issue	As per Section II of this Disclosure Document.
Governing Law and Jurisdiction	The Debenture Documents shall be governed by the laws of India. The Courts in Mumbai will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.

Following disclosures as per NCS Regulation are forming part of this Disclosure Document:

1) If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change.
2) The list of documents which has been executed in connection with the issue and subscription of debt securities has been annexed.
3) While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.
4) The granular disclosures in this placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the “object of the issue”, has been provided.

B. <u>Specific terms of each Series:</u>

Particulars	**Series I**	**Series II**
Security Name	8.81%JMFCSL29/05/2026	8.91%JMFCSL30/06/2026
Number of Debentures	2,500 NCDs	5,000 NCDs with an option to retain oversubscription up to 2,500 NCDs
Issue Size	Rs. 25 Crore	Base issue size of Rs. 50 Crore with an option to retain oversubscription up to Rs. 25 Crore
Base Issue Size	-	Rs. 50 Crore
Option to retain oversubscription (Amount)	-	Rs. 25 Crore
Issue Price	Rs. 1,00,000/- per NCD	Rs. 1,00,000/- per NCD
Face Value	Rs. 1,00,000/- per NCD	Rs. 1,00,000/- per NCD
Discount at which security is issued	None	None
Implicit yield	Not applicable	Not applicable
Step Up / Step Down Coupon Rate	None	None
Coupon Payment Frequency	Quarterly	Quarterly

Particulars	Series I	Series II
Coupon payment dates	August 30, 2023 November 30, 2023 February 29, 2024 May 30, 2024 August 30, 2024 November 29, 2024 February 28, 2025 May 30, 2025 August 29, 2025 November 28, 2025 February 27, 2026 May 29, 2026	August 30, 2023 November 30, 2023 February 29, 2024 May 30, 2024 August 30, 2024 November 29, 2024 February 28, 2025 May 30, 2025 August 29, 2025 November 28, 2025 February 27, 2026 May 29, 2026 June 30, 2026
Coupon Type	Fixed	Fixed
Coupon Rate	8.81% p.a.	8.91% p.a.
Tenor	36 months (1,095 days)	37 months (1,127 days)
Redemption Date	May 29, 2026	June 30, 2026
Redemption Premium	None	None
Redemption Amount	Rs. 1,00,000/- per NCD	Rs. 1,00,000/- per NCD

Illustrative Cash flows for the above Tranche BU NCDs:

Series I

Cash flows	Day, Date	No. of days	Amount (in Rs.) (per NCD)
1st Coupon Payment	Wednesday, August 30, 2023	92	2,220.60
2nd Coupon Payment	Thursday, November 30, 2023	92	2,220.60
3rd Coupon Payment	Thursday, February 29, 2024	91	2,190.46
4th Coupon Payment	Thursday, May 30, 2024	91	2,190.46
5th Coupon Payment	Friday, August 30, 2024	92	2,214.54
6th Coupon Payment	Friday, November 29, 2024	91	2,190.46
7th Coupon Payment	Friday, February 28, 2025	91	2,196.47
8th Coupon Payment	Friday, May 30, 2025	91	2,196.47
9th Coupon Payment	Friday, August 29, 2025	91	2,196.47
10th Coupon Payment	Friday, November 28, 2025	91	2,196.47
11th Coupon Payment	Friday, February 27, 2026	91	2,196.47
12th Coupon Payment	Friday, May 29, 2026	91	2,196.47
Principal Payment	Friday, May 29, 2026	1,095	1,00,000.00

Series II:

Cash flows	Day, Date	No. of days	Amount (in Rs.) (per NCD)
1st Coupon Payment	Wednesday, August 30, 2023	92	2,245.81
2nd Coupon Payment	Thursday, November 30, 2023	92	2,245.81
3rd Coupon Payment	Thursday, February 29, 2024	91	2,215.33
4th Coupon Payment	Thursday, May 30, 2024	91	2,215.33
5th Coupon Payment	Friday, August 30, 2024	92	2,239.67
6th Coupon Payment	Friday, November 29, 2024	91	2,215.33
7th Coupon Payment	Friday, February 28, 2025	91	2,221.40

Cash flows	Day, Date	No. of days	Amount (in Rs.) (per NCD)
8th Coupon Payment	Friday, May 30, 2025	91	2,221.40
9th Coupon Payment	Friday, August 29, 2025	91	2,221.40
10th Coupon Payment	Friday, November 28, 2025	91	2,221.40
11th Coupon Payment	Friday, February 27, 2026	91	2,221.40
12th Coupon Payment	Friday, May 29, 2026	91	2,221.40
13th Coupon Payment	Tuesday, June 30, 2026	32	781.15
Principal Payment	Tuesday, June 30, 2026	1,127	1,00,000.00

Note:

- The Company reserves the right to amend the above timetable.

Note 1. Interest on coupon bearing NCDs & Tax Deduction at Source (TDS):

a. Interest rate

The Interest Rate may be fixed or floating.

Any interest payable on the Debentures may be subject to deduction at source at the rates prevailing from time to time under the provisions of the Income tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by the Company. Please refer to the note 15 on Tax Deduction at Source (TDS) for further details.

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source for which a certificate will be issued by the Company. As per the provisions of the Income Tax Act, 1961, with effect from June 1, 2008, no tax is deductible at source from the amount of interest payable on any listed dematerialised security, held by a person resident in India. Since the NCDs shall be issued in dematerialised mode and shall be listed on the WDM segment of NSE, no tax will be deductible at source on the payment/credit of interest/implicit yield on NCDs held by any person resident in India. In the event of rematerialisation of the NCDs, or NCDs held by person resident outside India or a change in applicable law governing the taxation of the NCDs, the following provisions shall apply:

a) In the event the NCDs are rematerialized and the Company is required to make a tax deduction, the Company shall make the payment required in connection with that tax deduction within the time allowed and in the minimum amount required by applicable law;
b) The Company shall within 30 (thirty) days after the due date of payment of any tax or other amount which it is required to pay, deliver to the Debenture Trustee evidence of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

Interest on Application Money shall be subject to TDS at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company.

For seeking TDS exemption / lower rate of TDS, relevant certificate / document must be lodged by the Debenture Holder(s) at the Registered Office of the Company atleast 15 days before the interest payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money should be submitted along with the application form.

For detailed tax implications of the investment in NCDs, investors should get in touch with their tax consultant.

b. Computation of Interest

Interest for each of the interest periods shall be computed on an actual / 365 days a year basis on the principal outstanding on the relevant NCDs at the applicable Interest Rate. However, where the interest period (start to end date) includes 29th February, interest shall be computed on 366 days a year basis, on the principal outstanding on the relevant Tranche of NCDs at the applicable Interest Rate.

c. Payment of Interest

Payment of interest on the NCDs will be made to those of the Debenture Holder(s) whose name(s) appear in the register of Debenture Holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and/or as per the list provided by the Depository to the Company of the beneficiaries who hold NCDs in dematerialized form on such Record Date, and are eligible to receive interest. The first interest payment due in respect of the NCDs shall be for the period calculated from the Deemed Date of Allotment till the end of the month/quarter/half year/full year /other frequency as per the DD and the last interest payment due in respect of the NCDs shall be for the period calculated from the preceding Interest Payment Date till the Redemption Date and shall be paid along with the redemption payments towards principal. Other interest payments will be paid at the end of the month/quarter/half year/full year /other frequency as per the DD. The interest periods applicable in respect of the issue shall be specified in the DD issued.

Note 2. Zero coupon NCDs:

Zero coupon NCDs shall carry an implicit yield at the rate mentioned in the DD based on which discount at which the NCDs are to be issued or the redemption premium payable by the Company at maturity shall be calculated. The yield may be subject to deduction at source at the rates prevailing from time to time under the provisions of the Income tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by the Company. Please refer to the paragraph on Tax Deduction at Source (TDS) for further details.

Note 3. Interest on Application Money:

Interest on application money will be paid to investors at the Interest Rate / implicit yield from the date of realization of subscription money up to one day prior to the Deemed Date of Allotment. Such interest shall be payable within 7 (seven) Business Days from the Deemed Date of Allotment. This clause will not be applicable where the Deemed Date of Allotment is the same as the Issue Closing Date and Pay-in-Date. Please also refer to the paragraph on Tax Deduction at Source (TDS) for further details.

Note 4. Redemption:

Unless previously redeemed or purchased and cancelled as specified below, the NCDs shall be redeemed at such price, at the expiry of the tenor and/or at the exercise of put/call option, if any, as mentioned in the DD.

Note 5. Payment on Redemption:

The Company shall compute the redemption proceeds to be paid to the Debenture Holder(s) based on the DD. The Company's liability to the Debenture Holders of the NCDs in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity of the NCDs, in all events save and except for the Debenture Holder's right of redemption. Upon dispatching the payment instrument towards payment of the redemption amount in respect of the NCDs the NCDs, the liability of the Company in respect of such NCDs shall stand extinguished.

Note 6. Redemption Payment Procedure:

a) NCDs held in physical form:

The Debenture certificate(s), duly discharged by the sole / all the joint holders (signed on the reverse of the Debenture certificate(s)) will have to be surrendered for redemption on maturity and should be sent by the Debenture Holder(s) by registered post with acknowledgment due or by hand delivery to the Company or to such persons at such addresses as may be notified by the Company from time to time, seven days prior to the Redemption Date. In case of any delay in surrendering the Debenture certificate(s) for redemption, the Company will not be liable to pay any interest, income or compensation of any kind for the late redemption due to such delay.

The Company may, at its discretion, redeem the NCDs without the requirement of surrendering of the certificates by the Debenture Holder(s). In case the Company decides to do so, the redemption proceeds would be paid on the Redemption Date to those Debenture Holder(s) whose names stand in the register of Debenture Holders maintained by the Company on the Record Date fixed for the purpose of redemption. Hence the transferee(s), if any, should ensure lodgement of the transfer documents with the Company before the Record Date. In case the transfer documents are not lodged before the Record Date and the Company dispatches the redemption proceeds to the transferor, the Company shall be fully discharged and claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against the Company.

b) NCDs held in dematerialised form:

Payment of the redemption amount of the NCDs will be made by the Company to the beneficiaries as per the beneficiary list provided by the Depositories as on the Record Date. The NCDs shall be taken as discharged on payment of the redemption amount by the Company to the Debenture Holders as per the beneficiary list. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holders of the NCDs. On such payment being made, the Company will inform the Depositories and accordingly the account of the Debenture Holders of the NCDs with Depositories will be adjusted.

Note 7. Issue Schedule:

The schedule for the Debentures issued under this Issue has been specified in the Summary Term Sheet.

The Company shall have the sole discretion to issue such number of Debentures on such terms as it may deem fit.

Note 8. Deemed Date of Allotment:

The Deemed Date of Allotment is mentioned in this DD issued. All benefits relating to the NCDs will be available to the investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. The Deemed Date of Allotment may be changed (advanced/ postponed) by the Company at its sole and absolute discretion.

Note 9. Payment of outstanding amounts on the NCDs:

In terms of the Debt Listing Agreement, the Company shall ensure that services of ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) are used for payment of all outstanding amounts on the NCDs, including the principal and interest accrued thereon.

Note 10. Effect of Holidays:

If the date of payment of Coupon does not fall on a Business Day, then the succeeding Business Day will be considered as the effective date for such payment of Coupon. However, the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the NCDs.

In case the Redemption Date (also being the last Coupon payment date) does not fall on a Business Day, the payment will be made on the preceding Business Day, along with Coupon accrued on the NCDs until but excluding the date of such payment.

Note 11. Security:

The NCDs being issued under the DD are secured through a first ranking pari passu charge / hypothecation over portions of the moveable properties or such other property as may be identified by the Company as set out in the relevant debenture trust deed / security documents.

The Company has created Security for NCDs in accordance with applicable laws in India.

Subject to the provisions of the relevant Deed of Hypothecation / Debenture Trust Deed, the Company shall be entitled to replace / substitute any of the Moveable Property provided as Security in terms of the DD with other Moveable Property. The Company shall for such replacement issue a letter to the Debenture Trustee describing both the original Moveable Property being replaced and the Moveable Property with which such original Moveable Property is being replaced, which letter shall be duly acknowledged by the Debenture Trustee ("**Replacement Security Letter**"). The Debenture Holders upon subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to execute such documents as may be required by the Debenture Trustee to give effect to such replacement / substitution by acknowledging the Replacement Security Letter, without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due and the Auditor of the Company/ independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs shall be maintained post such replacement.

Further, in the event that the Moveable Property provided as Security by the Company is of a value greater than the Security Cover stipulated in the DD, the Company shall be entitled to require the Debenture Trustee to release the excess Moveable Property and the same shall cease to form part of the Security on such release. The Company shall, for such release, issue a letter to the Debenture Trustee describing the Moveable Property to be released and the Debenture Trustee shall release the same by duly acknowledging the letter so addressed by the Company. The Debenture Holders upon subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to give effect to such release without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due and the Auditor of the Company / independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs of a particular Tranche as stipulated in the DD for that Tranche shall be maintained post such release.

The Company may provide or cause to be provided (without being obliged to) such further security (including over immoveable property) for securing its obligations in respect of the Debentures or any Tranche(s) thereof as may be decided by the Company after obtaining the consent of the Debenture Trustee and/or the Debenture Holders ("Further Security Option").

If the Company in exercise of the Further Security Option has provided or caused to be provided security over immoveable property, the Company (or an affiliate which has created the mortgage over the immoveable property) shall be entitled to offer the immoveable property which is part of the Security in terms of the Deed of Hypothecation / Debenture Trust Deed as security for any other borrowing of the Company or any of its affiliates (including borrowings raised by issue of debentures) on a pari passu / subservient charge basis, as the Company (or an affiliate which has created the mortgage over the immoveable property) may deem fit with the prior written consent from the Debenture Trustee and after following the procedure as stated in the Debenture Trust Deed. The Debenture Holders upon subscription to the Debentures shall be deemed to have consented to the creation of such additional security over the immoveable property, without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due in respect of Debentures and the Auditor of the Company/ independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs including further borrowings shall be maintained post such borrowings.

In case the actual Security Cover falls below that stipulated in this DD, the Company shall restore the Security Cover to the stipulated level within a period of 45 Business Days from the date of such shortfall.

The Company shall be entitled, from time to time, to make further issue of non-convertible debentures or such other instruments to any other person(s) and/or raise further loans / advances and/or avail of further financial and/or guarantee(s) facilities from Indian and/or international financial institutions, banks and/or any other person(s) on the security of the Moveable Property or any part thereof (other than that comprising the Security) and/or such other assets and properties as may be decided by the Company from time to time with the prior written consent from the Debenture Trustee and after following the procedure as stated in the Deed of Hypothecation / Debenture Trust Deed.

Notwithstanding anything contained in this DD, so long as the stipulated Security Cover is maintained, the Company shall have all rights to deal with the charged assets in normal course of business including inter-alia the right to securitise and/or to assign, lien mark the Moveable Property comprising part of the Security and/or to create a further first and pari passu (subject to maintaining the required Security Cover) vis-à-vis the entire financial indebtedness secured by such Moveable Property or a subservient charge on the Security after obtaining consent from the Debenture Trustee.

Note 12. Time Limit for creation of Security:

A debenture trust deed dated October 3, 2022, has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating an upfront security in favour of the Debenture Trustee to cover various issuances up to Rs. 2,000 Crore. This DD is issued under the said Debenture Trust Deed dated October 3, 2022. The security cover will be maintained post issuance of Tranche Bu NCDs.

The Debenture Trustee shall not be required to obtain any prior consent of or provide any intimation to the Debenture Holders for the creation of any additional charge on the Movable, provided that no Event of Default has occurred as specifically laid out in Debenture Trust Deed.

Note 13. Events of Default:

The occurrence of any of the following events shall be deemed to be an Event of Default in terms of this Deed:

a) When the Company fails to make payment when due on any given series/tranche of Debentures which ought to have been paid in accordance with the terms of the issue of such series/tranche of Debentures;
b) When the Company without the consent of Debenture Holders ceases to carry on its business or gives notice of its intention to do so;
c) When an order has been made by the Tribunal or a special resolution has been passed by the members of the Company for winding up of the Company;
d) When any material breach of the terms / covenants of this Information Memorandum is committed by the Company;
e) When the Company creates or attempts to create any charge on the Mortgaged Properties or any part thereof without the prior approval of the Debenture Trustee/Debenture Holders;
f) When the value of the Security not being sufficient to maintain the Security Cover, and the Company fails to cure such default within a maximum period of 45 (Forty Five) days from the date on which the Security Cover was breached and in the opinion of the Debenture Trustee the Security by reason of this is in jeopardy;
g) When in the opinion of the trustees the security of debenture holders is in jeopardy; and
h) Any governmental or other authority (whether de jure or de facto) compulsorily acquires, expropriates or seizes all or any part of the principal business of the Company or the Secured Properties for the Debenture Holders, provided that the Company fails to provide alternate or additional security.

Consequence of Event of Default

a) On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall, if so directed by Debenture Holder(s) of the relevant series/ tranche of the Debentures (holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the relevant tranche or series of the Debentures for the time being outstanding), be entitled to:

    i. accelerate the redemption of the relevant series/ tranche of the Debentures and the amounts due under the security documents shall become immediately due and payable; and/or
    ii. enforce its charge over the Security in terms of the security documents to recover the amounts due in respect of the relevant series/ tranche of the Debentures; and/or
    iii. exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.

b) If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default has happened, the Company shall, promptly give notice thereof to the Debenture Trustee, in writing, specifying the nature of such Event of Default.

In addition to the above, and without prejudice to the Company's obligation to make payment of default interest on account of any delay in relation to making of any payments due in relation to the Debentures, so long as there shall be an Event of Default other than an event of default pertaining to as payment default, the Company shall pay an additional interest of 2% (two per cent) per annum over the implicit yield / Coupon Rate until such Event of Default is rectified, without any prejudice to the remedies available to the Debenture Holder(s) or the consequences of Events of Default.

Additional covenants:

a. **Default in Payment:** In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the interest/coupon rate / implicit yield will be payable by the Company for the defaulting period;

b. **Delay in Listing:** In case of delay in listing of the NCDs, the Company will pay penal interest, of 1% p.a. over and above the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) and the Company would be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchange.

The interest rates mentioned in above three cases are independent of each other.

Note 14. Governing Law and Jurisdiction:

The Debentures are governed by and will be construed in accordance with the Indian Law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Act, regulations/guidelines /directions of RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time. The Debenture-holders, by purchasing the Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures.

The investor would also be required to comply with the Foreign Account Tax Compliance Act (FATCA) laws and would be required to fill the FATCA form while making the investment.

Note 15. Currency of Payment:

All obligations under the NCDs are payable in Indian Rupees only.

Note 16. Right of the Company to Purchase, Re-sell and Re-issue NCDs:

a. Purchase and Resale of NCDs:
The Company may, subject to applicable law at any time and from time to time, at its sole and absolute discretion purchase some or all of the NCDs held by the Debenture Holders at any time prior to the specified date(s) of redemption / put / call as specified in the DD. Such buy- back of NCDs may be at par or at discount / premium to the face value at the sole discretion of the Company and subject to the consent of the Debenture Holders. The NCDs so purchased may, at the option of the Company, be cancelled, held or resold.

b. Reissue of Debentures:
Where the Company has repurchased / redeemed any such NCDs, subject to the applicable provisions of the Companies Act, 2013 and other applicable legal provisions, the Company shall have and shall be deemed always to have had the right to keep such NCDs alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such NCDs either by reissuing the same NCDs or by issuing other NCDs in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

Note 17. Future Borrowings:

The Company shall be entitled to create a charge or otherwise encumber the Secured Properties (or any part thereof) in favour of any Person as and by way of security for any further Financial Indebtedness (including in the form of Debentures) incurred by the Company (**"Future Borrowings")** with prior written consent of the Debenture Trustee (**ITSL**) or creation of such charge or encumbrance. It is clarified that for obtaining such prior written consent from the Debenture Trustee (**ITSL**) the Company shall strive to provide:

i. A written intimation of the proposal to avail such Future Borrowing at least 3 (three) days prior to the date on which such Future Borrowing is availed;

ii. A Certificate issued by Company duly signed by Key Managerial Personnel (**KMP**) confirming no Event of Default in relation to the Secured Debentures has occurred and/ or is continuing;

iii. The Statutory Auditor of the Company/ Independent Chartered Accountant in practice together with the Managing Director/ Chief Financial Officer/ Director of the Company having provided a written confirmation addressed to the Debenture Trustee (ITSL) confirming that the Security Cover for the relevant series of the Secured Debentures shall continue to be maintained as per the respective Tranche Information Memorandum/ Tranche Prospectus even post the creation of the additional charge over the Secured Properties (or any part thereof).

iv. Certificate from the Statutory Auditor/ Independent Chartered Accountant confirming that the value of the Secured Properties (or any part thereof) is equivalent to at least the Stipulated Security Cover for each series of the Secured Debentures outstanding for which the Secured Properties constitute security on a first *pari passu* basis.

Provided further that in the event any of the aforesaid condition is not satisfied with in point no. iv or any of the aforesaid certificates are not provided with by the Company, the Company shall not be entitled to create encumbrance on the Secured Properties (or any part thereof) and/ or avail such Future Borrowings in respect of which there is such non-compliance.

In the Event of Default in relation to the Secured Debentures has occurred and is continuing and/ or stipulated Security Cover is not maintained on a first *pari passu* basis, the Company shall create additional security in favour of the Debenture Trustee on first *pari passu* basis for the benefit of the outstanding Secured Debentures. It is clarified that such additional security is required to be created prior to the Debenture Trustee issuing its consent for allowing creation of further charge or encumbrance of the Secured Properties (or any part thereof).

Provided further that, the Debenture Trustee may, where the Security has diminished substantially such that the stipulated Security Cover as mentioned in the Shelf Prospectus/ Tranche Prospectus/ Information Memorandum is not maintained, call for additional Security to be created in its favour in order to maintain the stipulated Security Cover for each series of the Secured Debentures.

Note 18. Rights of Debenture Holders:

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The NCDs shall not confer upon its holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

Note 19. Modification of Rights:

The Debenture Holders' rights, privileges, terms and conditions attached to the NCDs may be varied, modified or abrogated with the consent, in writing, of the majority Debenture Holders of the outstanding amount of the NCDs or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the NCDs, if the same are not acceptable to the Company.

Note 20. Notices:

The Company agrees to send notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013 shall be applicable for such meeting. The notices, communications and writings to the Debenture Holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post to the sole / first allottee or sole/first registered Debenture Holder as the case may be at its address registered with the Company.

All notices, communications and writings to be given by the Debenture Holder(s) shall be sent by registered post or by hand delivery to the Company at its Registered Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

Note 21. Splitting and Consolidation:

Splitting and consolidation of the NCDs is not applicable in the dematerialised mode form since the saleable lot is 1 (one) Debenture.

In case the NCDs are in physical mode as a consequence of rematerialisation of the NCDs by any Debenture Holder, the request from Debenture Holder(s) for splitting/consolidation of Debenture certificates will be accepted by the Issuer only if the original Debentures certificate(s) is/are enclosed along with an acceptable letter of request. No requests for splits below the Market Lot will be entertained.

Note 22. Transfers:

The NCDs may be transferred to any person duly qualified to acquire such NCDs under the applicable laws.

Note 23. Succession:

In the event of demise of a Debenture Holder, the Company will recognize the executor or administrator of the demised Debenture Holder or the holder of succession certificate or other legal representative of the demised Debenture Holder as the registered holder of such NCDs, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may, in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the NCDs standing in the name of the demised Debenture Holder on production of sufficient documentary proof or indemnity. In case a person other than individual holds the NCDs, the rights in the NCDs shall vest with the successor acquiring interest therein, including liquidator or any such person appointed as per the applicable law.

Note 24. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed:

The list of documents which has been executed or will be executed in connection with the Issue and subscription of NCDs are as follows:

a. Debenture Trustee Agreement;
b. Debenture Trust Deed including Supplemental Trust Deed, if any;
c. Deed of Confirmation.

Note 25. Additional information

a. The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
b. It shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed within specified time frame;
c. Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding;
d. It shall use a common form of transfer for the NCDs;
e. The Company shall disclose the complete name and address of the Debenture Trustee in its Annual Report;
f. The Company undertakes that the necessary documents for the creation of the charge, including the addendum to the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc;
g. The Company undertakes that permission / consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favor of the trustees to the proposed issue would be obtained.

A statement containing particulars of the dates of and parties to all material contracts, agreements involving financial obligations of the issuer:

By the very nature of its business, the Company is involved in a large number of transaction involving financial obligations and therefore it may not be possible to furnish details of all material contracts / agreements / documents involving financial obligations of the Company. However, the contracts / agreements / documents listed below which are or may be deemed to be material, have been entered into / executed by the Company:

1. Memorandum and Articles of Association of the Company, as amended from time to time
2. NBFC registration certificate dated August 27, 2003 issued by Reserve Bank of India
3. Resolution of the Board of Directors passed at its meeting held on May 17, 2022, approving, inter-alia, the issue of Non-Convertible Debentures aggregating upto Rs. 8,000,00,00,000/- on private placement basis and through public issuance (Rupees Eight Thousand Crore only)
4. Resolution passed by the Board of Directors at its meeting held on October 20, 2021 and by the Members at their Annual General Meeting held July 25, 2022, appointing BSR & Co. LLP as Auditors of the Company
5. Resolution passed by the shareholders of the Company at the Extra-ordinary General Meeting held on October 25, 2018 authorising the Board of Directors to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to Rs. 125,00,00,00,000/- (Rupees Twelve Thousand Five Hundred Crore only)
6. Resolution passed by the shareholders of the Company at the Annual General Meeting held on July 25, 2022, authorising the Board of Directors to offer, issue and allot secured/unsecured, listed/unlisted, rated Redeemable Non-Convertible Debentures (NCDs), in one or more series/Tranches, aggregating up to Rs. 8,000 Crore (Rupees Eight Thousand Crore only), on private placement basis and/or through public issuance basis, and on such terms and conditions as the Board of Directors of the Company may, from time to time, determine in the best interests of the Company.
7. Annual Reports of the Company for the five years ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022.
8. Letters dated May 4, 2023, from ICRA Limited and May 3, 2023, from India Ratings and Research Private Limited, assigning credit rating to the NCDs.
9. Tripartite agreement between the Company, Registrar and CDSL.
10. Tripartite agreement between the Company, Registrar and NSDL.
11. Consent letter issued by KFin Technologies Limited dated May 23, 2023, to act as the Registrar to the Issue and inclusion of its name in the form and context in which it appears in this Disclosure Document.
12. Consent letter issued by IDBI Trusteeship Services Limited dated May 24, 2023, to act as the Debenture Trustee to this Issue.
13. Letter dated May 24, 2023, from BSE Limited giving its in-principle approval to the Issue.

Certified true copy of the above documents are available for inspection at the Registered Office of the Company situated at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 until the date of closure of the respective tranche of the Issue.

DECLARATION BY THE DIRECTORS THAT -

a. the Company is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the Companies Act and the rules and regulations made thereunder;
b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible debentures, if applicable, is guaranteed by the Central Government;
c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;
d. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

I am authorized by the Board of Directors of the Company vide resolution dated May 17, 2022 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this DD.

For **JM Financial Credit Solutions Limited**

Date: May 25, 2023
Place: Mumbai

Hemant Pandya
Company Secretary

SECTION IV

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

(Pursuant to Section 42 and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014)

The table below sets out the disclosure requirements as provided in Form PAS-4 and the relevant pages in this DD where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Page No.
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	1 www.jmfinancialcreditsolutions.com
b.	Date of incorporation of the company.	May 15, 1980
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	21
d.	Brief particulars of the management of the company.	30-31
e.	Names, addresses, DIN and occupations of the directors.	30
f.	Management's perception of risk factors.	10-19
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of: (i)Statutory dues; (ii)Debentures and interest thereon; (iii)Deposits and interest thereon; and (iv)Loan from any bank or financial institution and interest thereon.	None
h.	Name, designation, address, phone number, email ID of the compliance officer of the company, if any, for the private placement offer process.	1
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	May 17, 2022
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	July 25, 2022
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Non-Convertible Debentures
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	50
e.	Name and address of the valuer who performed valuation of the security offered.	Not Applicable

Sr. No.	Disclosure Requirements	Page No.
f.	Amount which the company intends to raise by way of securities.	50
g.	Terms of raising of securities: (i)Duration, if applicable; (ii)Rate of dividend; (iii)Rate of interest; (iv)Mode of payment; and (v)Repayment.	 51 Not Applicable 51 48 48
h.	Proposed time schedule for which the offer letter is valid.	48
i.	Purposes and objects of the offer.	47
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not Applicable
k.	Principle terms of assets charged as security, if applicable.	
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	None
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	None
c.	Remuneration of directors (during the current year and last three financial years).	Apart from the sitting fees and commission to Director(s), no other remuneration is paid to them.
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	Refer to the Annexures provided in DD.
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	None

Sr. No.	Disclosure Requirements	Page No.
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	None
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	None
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of the company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	27
(b)	Size of the present offer; and	Not Applicable
(c)	Paid up capital: (A)After the offer; and (B)After conversion of convertible instruments (if applicable);	 Not Applicable Not Applicable
(d)	Securities premium account (before and after the offer).	Not Applicable
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	27-28
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	27-28
b.	Profits of the company, before and after making provision for tax, for the three financial years (audited) immediately preceding the date of circulation of offer letter.	24
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (audited) (Cash profit after tax plus interest paid/interest paid).	Rs. 1.50/- per share, for the financial year 2019-20. Rs. 2/- per share, for the financial year 2020-21. Rs. 2.50/- per share, for the financial year 2021-22.
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	23
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	25

Sr. No.	Disclosure Requirements	Page No.
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	None
Part – B (To be filed by the Applicant)		
5.	A DECLARATION BY THE DIRECTORS THAT	63

SECTION - V

ANNEXURES

A – CREDIT RATING LETTERS AND RATIONALE FROM ICRA LIMITED & INDIA RATINGS AND RESEARCH PRIVATE LIMITED

B – CONSENT LETTER OF THE DEBENTURE TRUSTEE

C – DUE DILIGENCE CERTIFICATE

D – AUDITED FINANCIAL STATEMENTS FOR THE FY 2021-22, 2020-21 AND 2019-20 ALONG WITH THE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

E – APPLICATION FORM

ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/JM Financial Credit Solutions Limited/04052023/01
Date: May 04, 2023

Mr. Gagan Kothari
JM Financial Credit Solutions Limited - Chief Financial Officer
5B, 5th Floor, Cnergy,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400 025

Dear Sir,

Re: ICRA Credit Rating for Rs 5,500.0 crore NCD Programme of JM Financial Credit Solutions Limited

Please refer to our letter/email dated May 2, 2023 communicating the reaffirmation of rating for the Rs 5,500 crore NCD programme of your company at [ICRA]AA (pronounced ICRA double A). The outlook on the long term rating was Stable.

Please note that due to an inadvertent error in the abovementioned letter, the rated amount was captured as Rs. 5,550 crore instead of Rs. 5,500 crore. The revised rating communication email is shared with you for your reference, which supersedes our earlier rating communication email/ letter dated May 2, 2023.

We thank you for your kind cooperation extended during the rating exercise. Please let us know if you need any clarification.

With kind regards,
Yours sincerely,
For ICRA Limited

ANIL GUPTA
Digitally signed by ANIL GUPTA
Date: 2023.05.04 09:22:59 +05'30'

Authorised Signatory
ANIL GUPTA
Senior Vice President
anilg@icraindia.com

May 05, 2023

JM Financial Credit Solutions Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debentures (NCD) programme	5,500.0	5,500.0	[ICRA]AA (Stable); reaffirmed
Market linked debenture principal protected (PP-MLD) programme	300.00	300.00	PP-MLD[ICRA]AA (Stable); reaffirmed
Long-term fund-based bank lines – Others^	2,800.0	2,800.0	[ICRA]AA (Stable); reaffirmed
Commercial paper programme	1,000.0	1,000.0	[ICRA]A1+; reaffirmed
Total	**9,600.00**	**9,600.00**	

**Instrument details are provided in Annexure I; ^Loans from financial institutions*

Rationale

While arriving at the ratings, ICRA has considered the consolidated financials of JM Financial Limited (JMFL). It has taken a consolidated view of the credit profiles of JMFL and its subsidiaries, which are engaged in merchant banking, mortgage lending (retail and wholesale), bespoke finance, institutional and retail broking, asset management and wealth management, due to the common promoters and senior management team, shared brand name, and financial and operational linkages. ICRA expects financial, managerial and operational support from the JM Financial Group to continue to be available to all key Group companies.

The ratings continue to be supported by the established track record and franchise of the Group in the domestic financial services industry, its diversified revenue stream, comfortable capitalisation and adequate profitability. The ratings also factor in the healthy fee income arising from the agency-based business, which supports the earnings profile. The strengths are, however, partially offset by the exposure to the volatility in capital markets, portfolio concentration given the focus on wholesale lending, and the inherent risk profile of the key business segments (real estate and bespoke funding[1] accounted for ~77% of the total book as on December 31, 2022).

The slowdown in the real estate segment in the preceding years resulted in a moderation in the Group's asset quality. As of December 31, 2022, the gross non-performing assets (GNPAs) stood at 3.6% (net NPAs (NNPAs): 2.2%) of the loan book. Further, ICRA notes that these headline asset quality numbers are supported by the regulatory forbearance given by way of the extension of the date of commencement of commercial operations (DCCO) to ~10% of the total loan book as on December 31, 2022 and the sale of stressed assets in FY2022. The repayment schedule for a considerable portion of the loans, for which the DCCO extension was given, started in FY2023, and the performance of these accounts will be a key monitorable. Nonetheless, the presence of adequate collateral and the overall capitalisation profile provide cushion to absorb losses, if any.

The ratings also factor in the risks arising from the nature of the asset reconstruction business, with high portfolio concentration driven by the focus on large-ticket exposures. The protracted resolution process and associated uncertainties in this business can lead to variability in earnings and cashflows. In this regard, the Group's ability to ensure steady collections (including recoveries) and maintain healthy asset quality will remain a driver of its profitability and capital position.

[1] *Bespoke funding represents the corporate and promoter funding portfolio of the Group*

While reaffirming the ratings, ICRA takes note of the challenges in resource mobilisation stemming from the operating environment and the risk-averse sentiment of investors towards non-banks, particularly wholesale-oriented entities. Given the tightening liquidity environment, resource mobilisation and asset quality will remain monitorable. ICRA has taken note of the uptick in fund-raising by JMFL in the recent past, with an attempt to diversify its resource profile in terms of investors and instruments. However, the quantum remains below the pre-September 2018 level.

Key rating drivers and their description

Credit strengths

JM Financial Group's established track record and franchise with diversified presence in financial services industry – The JM Financial Group is a diversified financial services player with an established track record and franchise and a presence in investment banking, broking, wealth management, investment advisory services, asset management, private equity, lending and asset reconstruction. It is one of the leading players in capital markets and related businesses with a key focus on investment banking and merchant banking operations.

The Group was traditionally involved in capital markets and related activities and gradually forayed into the lending business in 2008 to diversify its portfolio. JMFL commenced the lending business with wholesale financing (bespoke and mortgage-backed wholesale lending), leveraging its experience in investment banking, and subsequently added retail lending (mortgage-backed retail lending) to its portfolio. The cautious growth approach adopted amid the challenging operating environment between FY2019 and FY2021 resulted in a degrowth in the consolidated loan book during this period. Nevertheless, the consolidated loan book grew 20% year-on-year (YoY) in FY2022 and 36% YoY as of December 31, 2022. It stood at Rs. 15,234 crore as on December 31, 2022, comprising wholesale mortgage-backed lending (52%), bespoke lending (25%), capital market lending (6%), retail mortgage (10%) and financial institution financing (7%).

JMFL also has a presence in the asset reconstruction business with assets under management (AUM) of Rs. 11,039 crore as of December 31, 2022. On a consolidated basis, the Group's revenue stream remains adequately diversified with the investment banking, mortgage lending, alternative and distressed credit, and asset management, wealth management and securities businesses (Platform AWS) contributing 36%, 36%, 10% and 17%, respectively, in 9M FY2023. Fees and advisory income from businesses like securities broking, investment banking, wealth management and asset management help support the earnings profile.

Comfortable capitalisation – The Group's capitalisation remains comfortable with a consolidated net worth (including non-controlling interest of the Group and net of goodwill on consolidation) of Rs. 10,938 crore and a capital to risk weighted assets ratio (CRAR)[2] of 38.0% as on December 31, 2022. The capitalisation profile has been supported by regular capital raising and healthy accruals. The last round of capital raising (Rs. 770 crore) was in FY2021. The consolidated gearing[3] has remained low with the Group reporting peak year-end gearing of 2.5 times in March 2018. As on December 31, 2022, the Group's consolidated gearing was 1.3 times.

The current capitalisation level and the pace of internal capital generation remain comfortable for scaling up the operations, provided the Group controls fresh slippages, especially in the wholesale lending segment. ICRA also notes that the Group's leverage has remained low compared to peers and the management intends to maintain the gearing under 4 times for the mortgage lending business and 2 times for the distressed credit business.

[2] *Consolidated CRAR for NBFCs and HFC in the Group*
[3] *Excluding funds borrowed for IPO finance loan book*

Track record of adequate profitability – The Group has a track record of adequate profitability as reflected by the 6-year average return on assets[4] (RoA) of 3.9% and return on equity[5] (RoE) of 12.2% {between FY2017 and FY2022, i.e. after the Group acquired a controlling stake in JM Financial Asset Reconstruction Company Limited (JMFARCL)}. Supported by the healthy performance of the bespoke lending business, capital market related activities and the asset reconstruction business, the Group reported its highest-ever total income and net profit (in absolute terms) of Rs. 3,763 crore and Rs. 992[6] crore, respectively, in FY2022. The RoA and RoE were 3.9%[7] and 9.9%, respectively, in FY2022 before moderating marginally to 3.4%[8] and 8.4%, respectively, in 9M FY2023.

Credit challenges

High concentration and inherent credit risk in wholesale lending segment – The Group's loan portfolio largely comprises the wholesale real estate segment and bespoke finance (~77% of the total book as on December 31, 2022). The concentration in the wholesale segment (top 10 exposures comprise ~37% of the loan book) could result in a sharp deterioration in the asset quality in case of slippages. The slowdown in the real estate segment, post FY2019, coupled with the Covid-19 pandemic-induced stress, resulted in a moderation in the Group's asset quality in recent years. In the FY2021 and FY2022, the Group also faced delays in the resolution of some wholesale mortgage-backed stressed assets, thus keeping the asset quality indicators under pressure during this period. As on December 31, 2022, the GNPA stood at 3.6% (NNPA: 2.2%) and special mention accounts-2 (SMA-2) aggregated 1.1% of the gross advances. The headline asset quality was also supported by the regulatory forbearance of the extension of the DCCO to ~10% of the total loan book. Further, the Group's non-banking financial companies (NBFCs) held security receipts of Rs. 405.8 crore against the assets sold to the asset reconstruction company (ARC) as on September 30, 2022.

The repayment schedule for a considerable portion of the loans, for which the DCCO extension was given, started in FY2023 and the performance of these accounts will be a key monitorable. However, the presence of adequate collateral and the overall capitalisation profile provide cushion to absorb losses, if any.

Risks arising from the nature of the distressed assets business – The Group, through JMFARCL, is one of the prominent players in the asset reconstruction business, with distressed credit AUM of Rs. 11,039 crore as on December 31, 2022. JMFARCL primarily focusses on the large single borrower corporate segment, which is riskier than the retail segment on account of the larger ticket size, higher complexity involved in the transactions and the resolution process, and the high degree of engagement required with promoters. This, along with the inherent risks in the industry, given the nature of the underlying asset class, can result in a protracted process and uncertain cashflows. However, the company's presence in the corporate and small and medium-sized enterprise (SME) portfolios, consisting of multiple borrowers, provides some diversification to the AUM (~23% of the AUM as on December 31, 2022). The impact of the commencement of National Asset Reconstruction Company Limited on the distressed asset management sector and private players in the industry remains to be seen. ICRA also notes that the industry's prospects remain susceptible to regulatory changes.

Fund-raising challenges for wholesale-oriented non-bank financiers – The operating environment for NBFCs and housing finance companies (HFCs), especially entities with sizeable wholesale/real estate exposure, has remained challenging since September 2018. Nevertheless, ICRA notes the uptick in fund mobilisation by the JM Financial Group in recent years (Rs. 7,245 crore in FY2021, Rs. 8,029 crore in FY2022 and Rs. 7,163 crore in 9M FY2023). ICRA also notes the Group's attempt to diversify its investor base to banks, mutual fund companies, insurance companies, corporates and trusts. However, resource mobilisation and asset quality will remain monitorable, given the tightening liquidity environment. As on December 31, 2022,

[4] *As per ICRA's calculations, RoA based on gross assets*
[5] *As per ICRA's calculation*
[6] *Before adjusting non-controlling interest*
[7] *As per ICRA's calculation*
[8] *As per ICRA's calculation, based on net assets*

the company's borrowing profile comprised non-convertible debentures (50%), term loans (30%), commercial papers (CP; 14%), short-term loans (1%) and others (4%). Further, despite the improvement in the borrowing cost in recent years, the same remains higher than peers due to the predominantly wholesale-oriented nature of the Group.

ICRA notes that there has been a change in JMFL's debt maturity profile, following the onset of the liquidity crisis for NBFCs. As on December 31, 2022, the share of short-term debt in the total borrowings was ~20% compared to ~34% as on March 31, 2018. Further, the short-term liabilities, in the form of CP and short-term loans, are largely matched by assets with similar maturity such as capital market and trading assets.

Environmental and social risks

Given the service-oriented business of JMFL, its direct exposure to environmental risks/physical climate risks is not material. Further, the Group's operations remain diversified. While lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, JMFL's exposure to environmentally sensitive segments remains low. Hence, indirect transition risks arising from changes in regulations or policies concerning the underlying assets are not material.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending and investment banking institutions as material lapses could be detrimental to their reputation and could invite regulatory censure. JMFL has not faced such lapses over the years and its disclosures outline the key policies, processes, and investments made by it to mitigate the occurrence of such instances. JMFL also promotes financial inclusion by lending to the affordable housing segments.

Liquidity position: Adequate

As on December 31, 2022, the Group had unencumbered on-balance sheet liquidity of Rs. 2,109 crore, equivalent to ~14% of its total borrowings. The available liquidity adequately covers the debt repayment obligation (including interest) of ~Rs. 1,463 crore due over the next three months. The liquidity position is further supported by the availability of unutilised bank lines of Rs. 336 crore as on December 31, 2022, thereby providing a buffer to meet contingencies, if any. The latest asset-liability maturity (ALM) statement of the key lending entities of the Group showed positive cumulative mismatches in the up to 1-year buckets.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the Group posts a substantial and sustained improvement in its business performance, characterised by well-diversified growth in the lending portfolio with an increase in the granularity of the asset base and robust growth in fee-based income, while maintaining strong profitability.

Negative factors – The ratings or the outlook could be revised if the Group's consolidated asset quality deteriorates significantly with the reported GNPAs increasing above 5% (for the Group's NBFCs and HFC combined) on a sustained basis or if there is an increase in the vulnerability of the wholesale loan book/asset reconstruction business. Pressure on the ratings could also emerge in case of sustained challenges in fund-raising (from diverse sources and at competitive rates) for a prolonged period, thereby impacting the Group's ability to maintain its current scale of operations. A significant deterioration in the profitability, a reduction in fee-based income and/or significant weakening of the capitalisation would also be credit negatives.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies Rating Approach – Consolidation
Parent/Group support	Not applicable; while arriving at the ratings, ICRA has considered the consolidated financials of JMFL and has taken a consolidated view of the credit profiles of JMFL and its subsidiaries engaged in merchant banking, mortgage lending (retail and wholesale), bespoke finance, institutional and retail broking, asset management, wealth management and securities business, due to the close linkages between the entities, common promoters and senior management team, shared brand name, and strong financial and operational synergies.
Consolidation/Standalone	ICRA has considered the consolidated financials of JMFL. As on March 31, 2022, JMFL had nine subsidiaries, six stepdown subsidiaries, one partnership firm (with two of JMFL's subsidiaries as partners) and an associate company. Details of these companies are provided in Annexure II.

About the company

JMFCSL is a non-deposit accepting systemically important non-banking financial company (NBFC ND-SI) registered with the Reserve Bank of India (RBI). It is jointly promoted by the JM Financial Group and INH Mauritius 1 Fund (INH Global), a global fund led by Mr. Vikram Pandit, a former Chief Executive Officer (CEO) of Citigroup. JMFL, the holding company of the Group, holds a 46.7% equity stake in the company (as on December 31, 2022) while the balance is held by investors including INH Global, managed by Mr. Vikram Pandit and his associate, and Moraine Master Fund.

The company provides secured wholesale lending to the real estate sector and extends loans to corporates and promoters funding (bespoke lending). Recently, the company has started increasing the share of corporate loans in the overall lending portfolio. It had a gross loan book of Rs. 9,299 crore as on December 31, 2022, comprising of corporate loans (21%) and real estate lending (79%) compared to (nil corporate loans as of March 31, 2021). In the real estate segment, the company focuses on financing residential real estate projects with product offerings that include construction finance, loan against property, loan against land, loan against shares and loans for early-stage projects. JMFCSL is present in key real estate markets like Mumbai, Pune, Thane, Bengaluru, Chennai, Hyderabad, the National Capital Region (NCR) and Kolkata.

In 9M FY2023, the company reported a net profit of Rs. 235 crore on total income of Rs. 851 crore. It reported a net profit of Rs. 289 crore on total income of Rs. 1,136 crore in FY2022 compared to a net profit of Rs. 359 crore on total income of Rs. 1,167 crore in FY2021. As on December 31, 2022, JMFCSL's capitalisation was characterised by a net worth of Rs. 4,168 crore and a gearing of 1.4 times.

With the gradual seasoning of the loan book and the challenging operating environment, JMFCSL reported a deterioration in its asset quality indicators in recent years. The GNPAs increased to 5.3% as on March 31, 2022 from 4.0% as on March 31, 2021. As on December 31, 2022, JMFCSL reported GNPAs of 5.0%. ICRA, however, notes that these headline asset quality numbers are supported by the regulatory forbearance given by way of the extension of the date of commencement of commercial operations (DCCO) to ~17% of the total loan book as on December 31, 2022 and the sale of stressed assets in FY2022 and 9M FY2023.

JMFCSL's resource profile mainly comprises long-term sources of borrowings. The long-term borrowings have tenures ranging from 1 year to 10 years, including non-convertible debentures (NCDs) issued through public issuances and private placements. The company has a diverse NCD investor base comprising banks, retail investors, high-net-worth individuals (HNIs), corporates, insurance companies, pension funds and trusts.

Key financial indicators (audited)

JMFCSL	FY2021	FY2022	9M FY2023^
Total income	1,167	1,136	851
Profit after tax	359	289	235
Net worth	3,650	3,942	4,168
Gross loan book	7,219	7,787	9,299
Total assets (based on net loan book)	9,220	9,113	10,013
Return on assets	4.0%	3.0%	3.3%
Return on net worth	10.3%	7.6%	7.7%
Gross gearing (times)	1.5	1.3	1.4
Gross NPA	4.0%	5.3%	5.0%
Net NPA	2.3%	3.7%	3.3%
CRAR	40.2%	45.3%	42.4%

Source: Company, ICRA Research; ^Limited review; All ratios as per ICRA's calculations; Amount in Rs. crore

About JM Financial Group

JM Financial is an integrated and diversified financial services group, which is engaged in various capital market related lending activities. The Group's primary businesses are (a) investment bank, which includes bespoke finance (comprising corporate and promoter funding), institutional broking and other investment banking services, (b) mortgage lending, which includes wholesale and retail mortgage-backed lending, (c) alternative and distressed credit, and (d) asset management, wealth management and securities business (Platform AWS)[9].

JMFL is the holding company of the operating companies in the Group and is also engaged in investment banking and the management of private equity funds. As on December 31, 2022, the consolidated loan book stood at Rs. 15,234 crore (Rs. 13,017 crore as on March 31, 2022), distressed credit business AUM at Rs. 11,039 crore (Rs. 10,936 crore as on March 31, 2022), private wealth management AUM at Rs. 57,681 crore (Rs. 61,211 crore as on March 31, 2022) and mutual fund quarterly average AUM (QAAUM) at Rs. 3,256 crore (Rs. 2,318 crore as on March 31, 2022). The Group is headquartered in Mumbai and has a presence in 710 locations spread across 199 cities in India. JMFL's equity shares are listed in India on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

In 9M FY2023, the Group's consolidated net profit (net of non-controlling interest) was Rs. 540 crore on total income of Rs. 2,629 crore. In FY2022, it reported a net profit (net of non-controlling interest) of Rs. 773 crore (Rs. 590 crore in FY2021) on total income of Rs. 3,763 crore (Rs. 3,227 crore in FY2021).

[9] *Till FY2021, the Group's operations comprised the following segments: (a) investment banking, wealth management and securities business, (b) mortgage lending, (c) distressed credit, and (d) asset management*

Key financial indicators (audited)

JMFL – Consolidated	FY2021	FY2022	9M FY2023^
Total income	3,227	3,763	2,629
Profit after tax	808	992	676
Profit after tax (adjusted for minority interest)	590	773	540
Net worth	9,552	10,453	10,938
Gross loan book*	10,854	13,017	15,234
Total assets	23,462	25,762	28,009
Return on assets[&]	3.7%	3.9%	3.4%
Return on net worth	9.2%	9.9%	8.4%
Gross gearing (times)[!]	1.3	1.2	1.3
Gross NPA	3.50%	4.27%	3.6%
Net NPA	1.95%	2.67%	2.2%
CRAR[@]	40.2%	39.4%	38.0%

*Source: JMFL, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; ^Limited review; *Loan book of JM Financial Credit Solutions Limited (JMFCSL), JM Financial Capital Limited (JMFCL), JM Financial Products Limited (JMFPL) and JM Financial Home Loans Limited (JMFHL), excluding episodic loans; [&]Based on net total assets; [!]Excludes borrowing for initial public offering (IPO) financing segment and includes accrued interest; [@]For JMFCSL, JMFCL, JMFPL and JMFHL*

Status of non-cooperation with previous CRA: Not applicable

Any other information

Certain entities in the Group also face prepayment risk, given the possibility of debt acceleration upon the breach of covenants, including financial covenants, operating covenants and rating linked covenants. Upon failure to meet the covenants, if the company is unable to get waivers from the lenders/investors or the lenders/investors do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans, the ratings would face pressure.

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding as on Apr 17, 2023 (Rs. crore)	Date & Rating	Date & Rating in FY2023		Date & Rating in FY2022		Date & Rating in FY2021
					May 05, 2023	Oct 20, 2022	Apr 21, 2022	Jan 31, 2022	Jul 9, 2021	Feb 26, 2021 Aug 19, 2020 Apr 13, 2020
1	NCD programme	Long term	5,209.55	3,757.24	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
2	NCD programme	Long term	290.45	0.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	-	-	-
3	NCD programme	Long term	-	-	-	[ICRA]AA (Stable); withdrawn	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
4	NCD programme	Long term	-	-	-	-	-	[ICRA]AA (Stable); withdrawn	[ICRA]AA (Stable)	[ICRA]AA (Stable)
5	NCD programme	Long term	-	-	-	-	-	-	[ICRA]AA (Stable); withdrawn	[ICRA]AA (Stable)
6	Long-term bank lines (cash credit)	Long term	-	-	-	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-
7	Long-term bank lines (term loan)	Long term	-	-	-	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
8	Long-term bank lines (unallocated)	Long term	-	-	-	-	-	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
9	Long-term bank lines (unallocated)	Long term	-	-	-	-	-	[ICRA]AA (Stable)	-	[ICRA]AA (Stable)
10	Long-term fund-based bank lines	Long term	2,800.00	2,510.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	-	-
11	MLD (PP) programme	Long term	300.00	102.70	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	PP-MLD[ICRA]AA (Stable)	-
12	CP programme	Short term	1,000.00	0.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	PP-MLD[ICRA]AA (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
NCD programme	Simple*
MLD-PP programme	Complex*
Fund-based bank lines	Simple
Commercial paper	Very Simple*

**Subject to change based on terms of issuance of the proposed amount*

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE651J07606	**NCD^**	Jun-07-2018	9.50%	Jun-07-2023	365.31	[ICRA]AA (Stable)
INE651J07614	**NCD^**	Jun-07-2018	9.11%	Jun-07-2023	17.03	[ICRA]AA (Stable)
INE651J07622	**NCD^**	Jun-07-2018	9.75%	Jun-07-2028	214.81	[ICRA]AA (Stable)
INE651J07630	**NCD**	Jun-07-2018	9.34%	Jun-07-2028	11.94	[ICRA]AA (Stable)
INE651J07663	**NCD^**	Dec-13-2018	10.10%	Dec-13-2023	49.09	[ICRA]AA (Stable)
INE651J07671	**NCD^**	Dec-13-2018	9.67%	Dec-13-2023	42.87	[ICRA]AA (Stable)
INE651J07689	**NCD^**	Dec-13-2018	10.25%	Dec-13-2028	25.04	[ICRA]AA (Stable)
INE651J07697	**NCD^**	Dec-13-2018	9.81%	Dec-13-2028	16.15	[ICRA]AA (Stable)
INE651J07721	**NCD**	Jul-18-2019	9.75%	Jul-18-2029	400.00	[ICRA]AA (Stable)
INE651J07739	**NCD**	Jul-24-2019	(SBI MCLR + 1.60%) to (SBI MCLR + 4.60%)	Jul-23-2024	600.00	[ICRA]AA (Stable)
INE651J07762	**NCD**	May-18-2020	9.40%	May-18-2023	125.00	[ICRA]AA (Stable)
INE651J07762	**NCD**	May-29-2020	9.40%	May-18-2023	75.00	[ICRA]AA (Stable)
INE651J07770	**NCD**	Jun-16-2020	9.10%	Jun-16-2023	100.00	[ICRA]AA (Stable)
INE651J07804	**NCD**	Nov-02-2020	9.20%	Nov-01-2030	55.00	[ICRA]AA (Stable)
INE651J07804	**NCD**	Nov-12-2020	9.20%	Nov-01-2030	50.00	[ICRA]AA (Stable)
INE651J07804	**NCD**	Dec-11-2020	9.20%	Nov-01-2030	45.00	[ICRA]AA (Stable)
INE651J07804	**NCD**	Dec-22-2020	9.20%	Nov-01-2030	50.00	[ICRA]AA (Stable)
INE651J07804	**NCD**	Jan-12-2021	9.20%	Nov-01-2030	50.00	[ICRA]AA (Stable)
INE651J07812	**NCD**	Feb-05-2021	8.25%	Feb-05-2024	50.00	[ICRA]AA (Stable)
INE651J07820	**NCD**	Mar-25-2021	8.60%	Mar-25-2033	30.00	[ICRA]AA (Stable)
INE651J07838	**NCD**	Jul-19-2022	8.50%	Jul-18-2031	50.00	[ICRA]AA (Stable)
INE651J07838	**NCD**	Nov-26-2021	8.50%	Jul-18-2031	35.00	[ICRA]AA (Stable)
INE651J07838	**NCD**	Dec-07-2021	8.50%	Jul-18-2031	75.00	[ICRA]AA (Stable)
INE651J07838	**NCD**	Mar-15-2022	8.50%	Jul-18-2031	100.00	[ICRA]AA (Stable)
INE651J07846	**NCD**	Jul-29-2021	8.35%	Apr-26-2024	300.00	[ICRA]AA (Stable)
INE651J07853	**NCD**	Jan-24-2022	8.99%	Jan-23-2032	300.00	[ICRA]AA (Stable)
INE651J07861	**NCD**	May-30-2022	8.65%	May-28-2032	25.00	[ICRA]AA (Stable)
INE651J07861	**NCD**	Jun-23-2022	8.65%	May-28-2032	50.00	[ICRA]AA (Stable)
INE651J07861	**NCD**	Jul-27-2022	8.65%	May-28-2032	50.00	[ICRA]AA (Stable)
INE651J07861	**NCD**	Oct-18-2022	8.65%	May-28-2032	75.00	[ICRA]AA (Stable)
INE651J07879	**NCD**	Oct-10-2022	8.50%	Apr-09-2025	200.00	[ICRA]AA (Stable)
INE651J07895	**NCD**	Mar-09-2023	9.38%	Jun-09-2026	125.00	[ICRA]AA (Stable)
NA	**NCD programme***	NA	NA	NA	1,742.76	[ICRA]AA (Stable)
INE651J07887	**MLD (PP) programme**	Jan-30-2023	G-Sec Linked	Mar-02-2026	102.70	PP-MLD[ICRA]AA (Stable)
NA	**MLD (PP) programme***	-	-	-	197.30	PP-MLD[ICRA]AA (Stable)
NA	**Long-term fund-based bank lines**	NA	NA	NA	2,800.0	[ICRA]AA (Stable)
NA	**CP programme***	NA	NA	7-365 days	1,000.00	[ICRA]A1+

*Source: Company; ^ Public issuance; *Proposed*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership as on March 31, 2022	Consolidation Approach
JM Financial Limited	Holding Company	ICRA has taken a consolidated view of the
JM Financial Asset Management Limited	59.54%	

Company Name	Ownership as on March 31, 2022	Consolidation Approach
JM Financial Products Limited	99.65%	parent and its subsidiaries and an associate
JM Financial Capital Limited	100%	
JM Financial Services Limited	100%	
JM Financial Credit Solutions Limited	46.68%	
JM Financial Asset Reconstruction Company Limited	59.25%	
JM Financial Home Loans Limited	93.98%	
JM Financial Institutional Securities Limited	100%	
JM Financial Trustee Company Private Limited	25%	
JM Financial Overseas Holding Private Limited	100%	
JM Financial Securities Inc.	100%	
JM Financial Singapore Pte Ltd	100%	
JM Financial Commtrade Limited	100%	
JM Financial Properties and Holdings Limited	100%	
Astute Investments	100%	
CR Retail Malls (India) Limited	100%	
Infinite India Investment Management Limited	100%	

Source: JMFL

Note: ICRA has taken a consolidated view of the parent (JMFL), its subsidiaries and associate while assigning the ratings

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About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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India Ratings & Research
A Fitch Group Company

Fitch Group

Mr. Gagan Kothari
Chief Financial Officer
JM Financial Credit Solutions Limited,
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025

May 03, 2023

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of JM Financial Credit Solutions Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of

INR 45 billion Non-convertible debentures (NCDs) : IND AA/Stable

Out of the above rated amount, INR31.78 bn of NCD is outstanding

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

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In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Prakash Agarwal
Prakash Agarwal
Senior Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCDs	INE651J07606	07/06/2018	Public Issue - TR 1 - 5 year - Annual - Opt III	07/06/2023	IND AA/Stable	3653
NCDs	INE651J07614	07/06/2018	Public Issue - TR 1 - 5 year - Monthly - Opt IV	07/06/2023	IND AA/Stable	170.3
NCDs	INE651J07622	07/06/2018	Public Issue - TR 1 - 10 year - Annual - Opt V	07/06/2028	IND AA/Stable	2148
NCDs	INE651J07630	07/06/2018	Public Issue - TR 1 - 10 year - Monthly - Opt VI	07/06/2028	IND AA/Stable	119
NCDs	INE651J07663	13/12/2018	Public Issue - TR 2 - 5 year - Annual - Opt III	13/12/2023	IND AA/Stable	491
NCDs	INE651J07671	13/12/2018	Public Issue - TR 2 - 5 year - Monthly - Opt IV	13/12/2023	IND AA/Stable	428
NCDs	INE651J07689	13/12/2018	Public Issue - TR 2 - 10 year - Annual - Opt V	13/12/2028	IND AA/Stable	250
NCDs	INE651J07697	13/12/2018	Public Issue - TR 2 - 10 year - Monthly - Opt VI	13/12/2028	IND AA/Stable	161.5

NCDs	INE651J07721	18/07/2019	9.75	17/07/2026	IND AA/Stable	1000
NCDs	INE651J07721	18/07/2019	9.75	19/07/2027	IND AA/Stable	1000
NCDs	INE651J07721	18/07/2019	9.75	18/07/2028	IND AA/Stable	1000
NCDs	INE651J07721	18/07/2019	9.75	18/07/2029	IND AA/Stable	1000
NCDs	INE651J07739	24/07/2019	10.85	23/07/2024	IND AA/Stable	5970
NCDs	INE651J07762	18/05/2020	9.4	18/05/2023	IND AA/Stable	1250
NCDs	INE651J07762	29/05/2020	9.4	18/05/2023	IND AA/Stable	750
NCDs	INE651J07770	16/06/2020	9.1 Annual	16/06/2023	IND AA/Stable	340
NCDs	INE651J07804	02/11/2020	9.2	01/11/2030	IND AA/Stable	550
NCDs	INE651J07804	12/11/2020	9.2	01/11/2030	IND AA/Stable	500
NCDs	INE651J07804	11/12/2020	9.2	01/11/2030	IND AA/Stable	450
NCDs	INE651J07804	22/12/2020	9.2	01/11/2030	IND AA/Stable	500
NCDs	INE651J07804	12/01/2021	9.2	01/11/2030	IND AA/Stable	500
NCDs	INE651J07812	05/02/2021	8.25	05/02/2024	IND AA/Stable	400
NCDs	INE651J07820	25/03/2021	8.6	25/03/2033	IND AA/Stable	300
NCDs	INE651J07838	19/07/2021	8.5	18/07/2031	IND AA/Stable	500
NCDs	INE651J07838	26/11/2021	8.5	18/07/2031	IND AA/Stable	200
NCDs	INE651J07838	26/11/2021	8.5	18/07/2031	IND AA/Stable	150
NCDs	INE651J07838	07/12/2021	8.5	18/07/2031	IND AA/Stable	750
NCDs	INE651J07853	24/01/2022	8.99	24/01/2029	IND AA/Stable	3000
NCDs	INE651J07838	15/03/2022	8.5	18/07/2031	IND AA/Stable	1000
NCDs	INE651J07861	30/05/2022	8.65	28/05/2032	IND AA/Stable	250
NCDs	INE651J07861	23/06/2022	8.65	28/05/2032	IND AA/Stable	500
NCDs	INE651J07861	27/07/2022	8.65	28/05/2032	IND AA/Stable	500
NCDs	INE651J07861	18/10/2022	8.65	28/05/2032	IND	750

					AA/Stable	
NCDs	INE651J07895	09/03/2023	9.38	09/06/2026	IND AA/Stable	1250

India Ratings Affirms JM Financial Credit Solutions' NCDs & Bank Loan at 'IND AA'/Stable and CP at 'IND A1+'

Jun 06, 2022

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Financial Services

India Ratings and Research (Ind-Ra) has affirmed JM Financial Credit Solutions Limited's (JMFCS) debt instruments as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Non-convertible debentures (NCDs)*	-	-	-	INR45	IND AA/Stable	Affirmed
Bank loan	-	-	-	INR35	IND AA/Stable	Affirmed
Commercial paper (CP)	-	-	7 to 365 days	INR10	IND A1+	Affirmed

* Details in annexure

Analytical Approach: Ind-Ra continues to take a consolidated view of the financial and credit profiles of JM Financial Limited (JMFL) and its key subsidiaries JM Financial Products Limited (JMFPL; 99.65% stake), JMFCS (46.68% stake) and JM Financial ARC Ltd (59.25% stake excluding compulsorily convertible debentures) to arrive at the ratings. The agency has factored into the ratings, the importance of the lending business to the overall group franchise and the expectations of timely support from the JM Financial group. JMFCS shall maintain JM the financial brand name and JMFL shall continue to have managerial control & oversight over JMFCS.

Key Rating Drivers

Lending Subsidiaries Remain Important to Overall Group Franchise: The lending subsidiaries hold high importance for the JM Financial group, based on their share in equity capital allocation in the overall group asset under management (AUM), and their contribution to the group-level profitability. The lending entities and the asset reconstruction business have a large portion of the group's capital allocated; the other lines of business are asset-light and fee-paying in nature, requiring minimal capital requirements. The JM Financial group, a diversified financial services firm, maintains a conservative leverage policy and adequate liquidity in the form of unencumbered liquid assets on its balance sheet, in addition to unutilised cash credit lines. At the group level, JMFL had cash and cash equivalents to tune of INR36.37 billion in FY22 (FY21: INR53.51 billion) and unutilised bank lines of INR7.78 billion, adequately covering all short-term repayments and moderating the net debt to equity at the group level to 0.87x (0.73x). JMFL also has a short-term asset book that could be liquidated to a significant extent over a short period of time, thereby supporting liquidity requirements, if any. While JMFCS maintains reasonable liquidity on its balance sheet, it also has access to the broader group liquidity, if required. The parent had raised around INR7.7 billion capital in June 2020, which could flow to subsidiaries based on requirements; this capital remains unutilised at the group level.

Apart from the wholesale lending business, which is the largest segment of the group in terms of equity and profits, the group has a large, established franchise in the non-lending business especially its investment banking, capital markets and distribution business, enabling a steady source of fee income. JMFCS will incrementally continue to drive the lending business of the group and thus, remains core to the group's strategy. The lending business (largely JMFCS and JMFPL) accounted for about 48% in FY22 (FY21: 56.7%) of the group revenue and 42% (61.5%) of the consolidated profit after tax in FY22 before minority interest and thus, is an important growth driver. The group also plans to grow its retail lending through affordable housing, education loans and small and medium-sized enterprises lending segments over the medium term. JMFCS has invested in JM Home loans Ltd and holds a stake of around 8.99% whereas the rest is held by JMFPL. The group plans to scale-up the home loan business with a further capital infusion as and when required.

Portfolio Dominated by Wholesale Developer Lending, Collateral Covers Moderating due to Pandemic: JMFCS's portfolio, which consists of large-ticket, wholesale developer lending, remains moderately concentrated compared to peers, with respect to the average ticket size of loans as well as top exposures as a percentage of equity. As per the management strategy to improve the quality of the lending book and ascertain cashflow stability, JMFCS plans to increase the share of non-real estate lending to 20%-25% of the overall loan book, wherein the concentration could be higher than the real estate book; however, the exposures would be towards high-quality sponsors. Also, JMFCS strategically plans to cater to CAT A developers for the real estate business, which could lead to pricing pressure,

thereby aiding better utilisation of liquidity on the balance sheet and moderating asset quality pressures. The growth in JMFCS's loan book (FY22: 7.9%; FY21: negative 1.7%) has been better compared to the previous two years, when it had been cautious in expanding the book during the challenging operating environment. The company plans to double its book on real estate lending in the coming two years depending on the operating environment.

The company's average ticket size per borrower group was INR1.22 billion in FY22 (FY21: INR1.11 billion). The highest single-borrower group exposure of JMFCS (including episodic funding) stood at 6.2% (FY21: 5.6%) in FY22. However, the top 10 groups constituted 43% of the loan book in FY22 (FY21: 44.8%), reflecting high borrower concentration due to the wholesale nature of business. The highest single-group exposure to the net worth stood at 12.2% in FY22 (FY21: 11.1%), excluding episodical financing. JMFCS's loan book exposure to Mumbai, Bangalore and Chennai rose to 68% in FY22 (FY21: 58.9%). JMFCS continues to disburse to its under-construction book with exposure largely to projects with single charge on assets, where the focus remains on deriving repayments through the actual sales of project. JMFCS increased the proportion of loan against securities to 28.1% in FY22 (FY21: 14.6%), whereas construction finance & early stage loans still constituted the majority share at 48.8% (51%). JMFCS plans to reduce land financing and drive this business through the alternative investment fund route.

Liability Indicator - Adequate: JMFCS had cash and liquid investments to the tune of INR14.7 billion along with unutilised bank lines of INR5.1 billion as on 30 April 2022. The on-balance sheet liquidity covers the repayment obligations for over six months without factoring any inflows. JMFCS has maintained liquidity buffer covering 17.5% (40%) of borrowing in FY22. JMFCS can also incrementally, if required, tap into the liquidity residing at the group level, as and when required. Moreover, the group-level access to liquidity could mitigate some refinancing risk that may arise from some delays in cash inflows in the current stressed environment due to the wholesale nature of business.

On a steady state basis, management plans to cap the CP utilisation at 10% of the overall borrowings deployed for long-term assets in JMFCS; the CP tenor would largely be six months to one year. As a policy, the company will maintain 5% of its total borrowings for covering the immediate liabilities in the form of cash and liquid investments.

Ind-Ra believes the wholesale real estate lending segment remains vulnerable to volatile market liquidity conditions, considering the concentrated high-ticket exposure and the stretched borrower profile, due to the slowdown in real estate impacting sales, pricing pressure, cost escalation and slowdown in refinancing environment. Factoring in these structural challenges, Ind-Ra, in its rating exercise for any entity in the segment, lays a strong emphasis on a diversified liability profile with a conservative leverage and prudent unencumbered liquidity reserve policy.

Adequate Funding Access: JMFCS's funding mix is spread across instruments, with the share of banks, NCDs and CPs being 25.8%, 67.6% and 6.6% respectively, in FY22. It plans to maintain a mix of long-term to short-term funding in the ratio of 80:20 for overall liabilities and for the real estate book in the ratio of 90:10. Incremental funding, however, has remained tight for all wholesale non-banking finance companies. Nevertheless, JMFCS raised long-term funds to the tune of INR16.5 billion over the 12 months ended March 2022, of which, INR4.5 billion remained unutilised at end-March 2022. The funding cost normalisation has been delayed for JMFCS due to the lack of major fund raising, in lieu of the moderating loan book and the high balance sheet liquidity maintained in FY22. Also, 20% of its borrowings remain long term in nature of around 10 years at a fixed rate, leading to a lower benefit on pricing till date. However, this could help in the ongoing rising interest rate scenario and provide a longer duration benefit to the liability book.

Profitability Buffers Maintained: JMFCS has maintained its margins due to its loan book mix where the average ticket size has been moderate and competition intensity has reduced, aiding pricing, along with a marginal moderation in the funding cost, leading to strong internal accruals even after higher provisions than previous year's. Its net interest margin moderated to 7.8% in FY22 (FY21: 8.6%) due to the growth largely driven in 4QFY22 and focus on better project sponsor, leading to a lower lending yield. The return on average assets moderated to 3.4% in FY22 (FY21: 4.4%), largely due to higher credit cost and the expansion in the asset base in 4Q. While credit costs remain elevated for the past two years in lieu of the COVID-19 pandemic, establishing through-the-cycle credit cost will be more evident once the large part of its book moves out of the principal moratorium or DCCO. Ind-Ra believes the asset quality challenges faced by the company due to the pandemic have been provided for; however, any delay in the sales and construction activity due to the current inflationary & rising interest rate scenario could impact projects with lower sales velocity. Also, the book under SMA2 could face a further provision impact in FY23, keeping the credit cost higher than historical levels. JMFCS's collections have been stable historically, but the collections behaviour needs to be monitored as a large part of the book under principal moratorium would eventually move out and DCCO benefitted book would start paying the principal.

Asset Quality Likely to Remain Under Pressure Until Medium Term: JMFCS's collateral cover on certain projects moderated in FY21-FY22, due to a rise in the interest capitalisation, increase in construction cost and an extension of loan tenor due to the extension in the date of commencement of commercial operation (DCCO) benefit provided to the existing projects. A large portion of the under-construction early stage financing and loan against property book availed the DCCO extension (i.e. 31.1% of overall loan book at FY22). According to the management, DCCO extensions are given to those developers where sustainability could be established. JMFCS carries an expected credit loss provision of 6% in FY22 of the loan book (FYE21: 5.4%), whereas the coverage on delinquent book stood at 31.6% (40.2%). The gross non-performing assets stood at 5.3% in FY22 (FY21: 4%), with the SMA2 book also rising to 3.9% (3.5%). The slippage from the book benefitted from DCCO and existing SMA2 book could keep the credit cost elevated. As per Ind-Ra's stress tests, there could be additional slippages from the standard book where the covers have moderated; however, adequate profitability and capital buffers would provide the required support. Ind-Ra believes the real estate sector will remain under pressure, as the existing flow in escrow due to home sales could slowdown with the rising interest rates, and development costs due to inflationary pressures leading to a rise in the property prices. This along with pending approval led delays could pose completion risk, thereby impacting the collateral covers; which remains a key monitorable.

Business Model Necessitates Higher Capital Buffers: So far, JMFCS has maintained adequate equity buffers (FY22: gross leverage: 1.3x, net leverage: 1.1x) and on-balance sheet liquidity to absorb potential haircut and delayed realisations. The company has also been maintaining high on-balance sheet liquidity, which covers over six months of obligations and operating expenses in lieu of the current uncertain environment; it would maintain reasonable liquidity if the economic environment remains challenging over the short-to-medium term. In either case, Ind-Ra expects wholesale financiers to have substantially lower leverage than their retail peers. JMFCS' tier 1 buffer stood at 44% in FY22 (FY21: 39%).

Rating Sensitivities

Positive: The developments that could lead to positive rating action include:
- the strengthening of JMFL's credit profile, while maintaining the importance of the lending business, a diversified loan portfolio among borrowers and sectors along with scaling to a larger franchise
- improved business competitiveness
- maintaining through-the-cycle performance.

Negative: Developments that could individually lead to a negative rating action include:
- a weakness in JMFL's credit profile, which, among other factors, could result from a material dilution of the capital buffers or diluted liquidity buffers
- any weakening of managerial control in JMFCS from JMFL
- deterioration in JMFCS's business profile, as reflected in a weak operating performance or continued challenges in asset quality impacting its capital and funding profile
- any further dilution of the liquidity buffers to less than three months on a sustained basis

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on JMFCS, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

Company Profile

JMFCS is a systemically important non-banking finance company, offering mostly long-term wholesale funding in the real estate financing space. During FY15, JMFL and INH Mauritius 1 jointly infused INR9.0 billion equity capital in JMFCS to start the joint venture. INH Mauritius 1 is a fund, led by Vikram Pandit and associates. JMFCS is a joint venture among JMFL, INH Mauritius 1 (48.96%) and others (4.36%). JMFCS had a loan book of INR77.87 billion as on 31 March 2022 (31 March 2021: INR72 billion), comprising construction finance (40.2%), loan against property (13.3%), loan against land (10.5%), loans to early stage projects (7.8%), and loan against securities (28.1%). The company has presence across the premium geographies in India book such as Mumbai, Thane, Pune, Bangalore, Chennai, Hyderabad, Nation Capital Region and Kolkata.

JMFCS's resource profile comprises largely long-term sources of borrowing (around 92.8% of the total borrowing as on 31 March 2022). The company has an NCD investor base comprising banks, retail investors, high net worth individuals, corporates, insurance companies, pension funds and trusts.

FINANCIAL SUMMARY

Particulars (INR billion)	**FY22**	**FY21**
Total assets	91.1	92.2
Total equity	39.4	36.5
Net profit	2.89	3.59
Return on average assets (%)	3.4	4.4
Equity/assets (%)	43.3	39.6
Tier 1 capital (%)	44.0	39.0
Gross non-performing assets (%)	5.3	4.0
SMA2 (%)	3.9	3.5

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook				
	Rating Type	Rated Limits (billion)	Rating	7 June 2021	8 June 2020	10 June 2019	15 May 2019	27 April 2018
Bank loans	Long-term	INR35	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable
NCDs	Long-term	INR45	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable
CP	Short-term	INR10	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+

Annexure

ANNEXURE

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR billion)	Rating/Outlook
NCDs	INE651J07101	9 February 2016	9.7	9 August 2021	0.20000	WD (Paid in Full)
NCDs	INE651J07119	26 February 2016	9.7	26 August 2021	0.10000	WD (Paid in Full)
NCDs	INE651J07416	23 March 2017	9	23 March 2022	0.10000	WD (Paid in Full)
NCDs	INE651J07515	12 March 2018	Zero coupon	10 September 2021	0.50000	WD (Paid in Full)
NCDs	INE651J07523	12 March 2018	Zero coupon	10 December 2021	0.20000	WD (Paid in Full)
NCDs	INE651J07556	22 March 2018	Zero coupon	15 June 2021	1.00000	WD (Paid in Full)
NCDs	INE651J07556	23 March 2018	Zero coupon	15 June 2021	0.14900	WD (Paid in Full)
NCDs	INE651J07556	26 March 2018	Zero coupon	15 June 2021	0.05100	WD (Paid in Full)
NCDs	INE651J07580	7 June 2018	Public Issue - TR 1 - 38 Mnth - Annual - Opt I	7 August 2021	1.16500	WD (Paid in Full)
NCDs	INE651J07598	7 June 2018	Public Issue - TR 1 - 38 Mnth - Cumm - Opt II	7 August 2021	0.24390	WD (Paid in Full)
NCDs	INE651J07606	7 Jun 2018	9.5 Public Issue - TR 1 - 5 year - Annual - Opt III	7 June 2023	3.6531	IND AA/Stable
NCDs	INE651J07614	7 June 2018	9.11 Public Issue - TR 1 - 5 year - Monthly - Opt IV	7 June 2023	0.1703	IND AA/Stable
NCDs	INE651J07622	7 June 2018	9.75 Public Issue - TR 1 - 10 year - Annual - Opt V	7 June 2028	2.1481	IND AA/Stable
NCDs	INE651J07630	7 June 2018	9.34 Public Issue - TR 1 - 10 year - Monthly - Opt VI	7 June 2028	0.1194	IND AA/Stable
NCDs	INE651J07648	13 December 2018	10 Public Issue - TR 2 - 42 Mnth - Annual - Opt I	13 June 2022	0.9872	IND AA/Stable
NCDs	INE651J07655	13 December 2018	Public Issue - TR 2 - 42 Mnth - Cumm - Opt II	13 June 2022	0.3173	IND AA/Stable
NCDs	INE651J07663	13 December 2018	10.1 Public Issue - TR 2 - 5 year - Annual - Opt III	13 December 2023	0.4909	IND AA/Stable
NCDs	INE651J07671	13 December 2018	9.67 Public Issue - TR 2 - 5 year - Monthly - Opt IV	13 December 2023	0.4287	IND AA/Stable

NCDs	INE651J07689	13 December 2018	10.25 Public Issue - TR 2 - 10 year - Annual - Opt V	13 December 2028	0.2504	IND AA/Stable
NCDs	INE651J07697	13 December 2018	9.81 Public Issue - TR 2 - 10 year - Monthly - Opt VI	13 December 2028	0.1615	IND AA/Stable
NCDs	INE651J07713	10 June 2019	Zero coupon	10 June 2021	0.25000	WD (Paid in Full)
NCDs	INE651J07713	10 June 2019	Zero coupon	10 June 2021	0.25000	WD (Paid in Full)
NCDs	INE651J07721	18 July 2019	9.75	17 July 2026	1	IND AA/Stable
NCDs	INE651J07721	18 July 2019	9.75	19 July 2027	1	IND AA/Stable
NCDs	INE651J07721	18 July 2019	9.75	18 July 2028	1	IND AA/Stable
NCDs	INE651J07721	18 July 2019	9.75	18 July 2029	1	IND AA/Stable
NCDs	INE651J07739	24 July 2019	11.6	23 July 2024	5.97	IND AA/Stable
NCDs	INE651J07754	23 August 2019	10.5	23 August 2021	0.20000	WD (Paid in Full)
NCDs	INE651J07747	23 August 2019	10.5	23 August 2021	0.30000	WD (Paid in Full)
NCDs	INE651J07762	18 May 2020	9.4	18 May 2023	1.25	IND AA/Stable
NCDs	INE651J07762	29 May 2020	9.4	18 May 2023	0.75	IND AA/Stable
NCDs	INE651J07770	16 June 2020	9.1 Annual	16 June 2021	0.33000	WD (Paid in Full)
NCDs	INE651J07770	16 June 2020	9.1 Annual	16 June 2022	0.33	IND AA/Stable
NCDs	INE651J07770	16 June 2020	9.1 Annual	16 June 2023	0.337	IND AA/Stable
NCDs	INE651J07788	19 August 2020	8.75	18 February 2022	1.00000	WD (Paid in Full)
NCDs	INE651J07796	17 September 2020	9	16 September 2022	0.5	IND AA/Stable
NCDs	INE651J07804	2 November 2020	9.2	1 November 2030	0.55	IND AA/Stable
NCDs	INE651J07804	12 November 2020	9.2	1 November 2030	0.5	IND AA/Stable
NCDs	INE651J07804	11 December 2020	9.2	1 November 2030	0.45	IND AA/Stable
NCDs	INE651J07804	22 December 2020	9.2	1 November 2030	0.5	IND AA/Stable
NCDs	INE651J07804	12 January 2021	9.2	1 November 2030	0.5	IND AA/Stable
NCDs	INE651J07812	5 February 2021	8.25	5 February 2024	0.5	IND AA/Stable
NCDs	INE651J07820	25 March 2021	8.6	25 March 2033	0.3	IND AA/Stable
NCDs	INE651J07770	16 June 2020	9.1	16 June 2021	0.33000	WD (Paid in Full)
NCDs	INE651J07838	19 July 2021	8.5	18 July 2031	0.50	IND AA/Stable
NCDs	INE651J07739	24 July 2019	11.6	1 November 2021	0.03000	WD (Paid in full)
NCDs	INE651J07838	26 November 2021	8.5	18 July 2031	0.20	IND AA/Stable
NCDs	INE651J07838	26 November 2021	8.5	18 July 2031	0.15	IND AA/Stable
NCDs	INE651J07838	7 December 2021	8.5	18 July 2031	0.75	IND AA/Stable
NCDs	INE651J07853	24 January 2022	8.99	24 January 2029	3.00	IND AA/Stable
NCDs	INE651J07838	15 March 2022	8.5	18 July 2031	1.00	IND AA/Stable
NCDs	INE651J07861	30 May 2022	8.65	28 May 2032	0.25	IND AA/Stable
	Total used limit				**31.0139**	
	Unutilised limit				**13.9861**	
	Total limit				**45.00**	

Bank wise Facilities Details

Click here to see the details

Complexity Level of Instruments

Instrument Type	Complexity
NCDs	Low
Bank Loan	Low
CP	Low

For details on complexity levels of the instruments please visit https://www.indiaratings.co.in/complexity-indicators.

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IDBI Trusteeship Services Ltd.
CIN : U65991MH2001GOI131154

1881/ITSL/OPR/CL/22-23/DEB/651-7
Date: May 24, 2023

JM Financial Credit Solutions Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

Kind Attn: Mr. Hemant Pandya - Company Secretary

Dear Sir,

SUBJECT: CONSENT TO ACT AS DEBENTURE TRUSTEE FOR PRIVATE PLACEMENT OF UPTO 10,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BU NCDs") OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH) EACH FOR CASH AGGREGATING UPTO RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORE ONLY) DIVIDED BETWEEN TWO SERIES OF 2,500 NCDS (SERIES I) AND 5,000 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 2,500 NCDS AGGREGATING TO 7,500 NCDS (SERIES II). BY JM FINANCIAL CREDIT SOLUTIONS LIMITED

This is with reference to the discussion we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for PRIVATE PLACEMENT OF**UPTO 10,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BU NCDs") OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH) EACH FOR CASH AGGREGATING UPTO RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORE ONLY) DIVIDED BETWEEN TWO SERIES OF 2,500 NCDS (SERIES I) AND 5,000 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 2,500 NCDS AGGREGATING TO 7,500 NCDS (SERIES II). BY JM FINANCIAL CREDIT SOLUTIONS LIMITED**

In this connection we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as trustee in the offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required subject to the following conditions:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of issue for issue of debentures.

2. The Company agrees and undertakes it has already created securities / to create the securities over such of its immovable and / or moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed in the Information Memorandum or Disclosure Document.

3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses

IDBI Trusteeship Services Ltd. ITSL

which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.

4. The Company agrees & undertakes to comply with the provisions of SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, SEBI (Debenture Trustees) Regulations, 1993, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, abide by applicable provisions of SEBI operational Circular dated March 31, 2023 bearing reference no. SEBI/HO/DDHS/P/CIR/2023/50, the Companies Act, 2013 and the Rules thereunder as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms of the same on regular basis.

5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorised Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture Holder (who is a FII).

6. The Issuer Company confirms that all necessary disclosures have been made in the Information Memorandum/Disclosure document including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum/Disclosure document. Each prospective investor should make its own independent assessment of the merit of the investment in NCDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

7. The Trustees, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the debentures/Bonds.

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Thanking you,

Yours faithfully,
For IDBI Trusteeship Services Limited

(Authorized Signatory)

We accept the above terms
For JM Financial Credit Solutions Limited

(Authorized Signatory)

IDBI Trusteeship Services Ltd.
CIN : U65991MH2001GOI131154

ANNEXURE A

To,
Stock Exchange,
Dear Sir / Madam,
SUB.: ISSUE OF Secured, Rated, Listed, Redeemable, Non-Convertible Debentures – Tranche BU (NCDs) AGGREGATING RS 25 CRORE (series I) BY JM FINANCIAL CREDIT SOLUTIONS LIMITED LTD.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:
We confirm that:

a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.

d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.

g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.
We have satisfied ourselves about the ability of the Issuer to service the debt securities.

PLACE: Mumbai

DATE: 2023-05-24

Digitally signed by
Signer: RITOBRATA MITRA
Date: Wednesday, May 2[illegible]023 5:26 PM

IDBI Trusteeship Services Ltd.
CIN : U65991MH2001GOI131154

ANNEXURE A

To,
Stock Exchange,
Dear Sir / Madam,
SUB.: ISSUE OF Secured, Rated, Listed, Redeemable, Non-Convertible Debentures – Tranche BU (NCDs) aggregating RS. 75 CRORE(SERIES II) BY JM FINANCIAL CREDIT SOLUTIONS LTD.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:
We confirm that:

a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.

d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.

g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.
We have satisfied ourselves about the ability of the Issuer to service the debt securities.

PLACE: MUMBAI

DATE: 2023-05-24

Digitally signed by
Signer: RITOBRATA MITRA
Date: Wednesday, May 2[illegible]023 5:25 PM

Independent Auditors' Report

To the Members of
JM FINANCIAL CREDIT SOLUTIONS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **JM Financial Credit Solutions Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 49 to the financial statements, which describes that the potential impact of the COVID-19 Pandemic on the Company's results are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Impairment of loans (refer note 41.B to the financial statements)

Nature of Key Audit Matter

As at the year end, the Company has reported financial assets carried at amortised cost in form of loans granted aggregating to Rs. 7,175.97 crore net of provision for expected credit loans of Rs. 204.91 crore. Management estimates impairment provision using individual model based approach for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. Accordingly the significant judgements that are Key Audit Matter are:

- Timely identification and classification of the impaired loans which also include considering the impact of recent RBI's Covid-19 regulatory circulars.
- Determination of probability of defaults based on comparative external ratings and estimation of loss given defaults based on the value of collaterals and relevant factors.
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 Pandemic.
- The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 49 to the financial statements.

How our Audit addressed the Key Audit Matter

- Tested the design and effectiveness of internal controls implemented by the management for following:
  a. Identification and classification of loans which have impaired in correct buckets
  b. Validation of the Model used for the impairment provision
  c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
  d. Completeness and accuracy of the data inputs used
- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands.

Independent Auditors' Report (Contd.)

The auditors critically assessed and tested the key underlying assumptions and significant judgements used by management.

- For loans identified by management as potentially impaired, we examined these on a sample basis, we checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and tested their judgement by reviewing information such as the counterparty's payment history and other documentary evidence and representations.
- We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
- We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the

Independent Auditors' Report (Contd.)

best of our information and according to the explanations given to us:

i. the Company does not have any pending litigations, as at the year-end which would impact its financial position

ii. the Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAFH3098

Place : Mumbai
Date : May 4, 2020

Report on Internal Financial Controls Over Financial Reporting ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JM Financial Credit Solutions Limited (the "Company") as at March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,

Independent Auditors' Report (Contd.)

2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For Deloitte HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAFH3098

Place : Mumbai
Date : May 4, 2020

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, The Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause (iv) of paragraph 3 of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of paragraph 3 of the Order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) There are no dues of Goods and Service Tax as at March 31, 2020 on account of disputes. Details of dues of Income Tax which have not been deposited as on March 31, 2020 on account of disputes is given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ In crore)
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	AY 2017-18	0.44

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company does not have loans or borrowings from Government and financial institutions.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. During the year, the Company has not raised monies by way of initial public offer of debt instruments.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related

Independent Auditors' Report (Contd.)

parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion and according to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For Deloitte HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAFH3098

Place : Mumbai
Date : May 4, 2020

Balance Sheet

as at 31st March, 2020

₹ in Crore

Sr. No.	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS				
1	**Financial Assets**			
A	Cash and cash equivalents	4	28.39	178.33
B	Bank balance other than (A) above	5	-	4.50
C	Trade receivables	6	0.30	-
D	Loans	7	7,175.97	8,016.04
E	Investments	8	907.14	295.29
F	Other financial assets	9	1.09	4.06
			8,112.89	**8,498.22**
2	**Non-financial Assets**			
A	Current tax assets (net)	10	13.33	1.29
B	Deferred tax assets (net)	11	54.00	59.01
C	Property, plant and equipment	12	17.22	0.76
D	Other intangible assets	12	0.15	0.22
E	Other non-financial assets	13	2.09	3.02
			86.79	**64.30**
	Total Assets		**8,199.68**	**8,562.52**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
A	**Payables**			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	14.a	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	9.88	11.23
B	Debt securities	15	3,045.40	3,248.56
C	Borrowings (Other than Debt securities)	16	1,807.59	2,356.43
D	Other financial liabilities	17	41.91	31.49
	Total Financial Liabilities		**4,904.78**	**5,647.71**
2	**Non-Financial Liabilities**			
A	Current tax liabilities (net)	18	-	3.17
B	Provisions	19	1.92	1.61
C	Other non-financial liabilities	20	1.71	0.73
	Total Non-Financial Liabilities		**3.63**	**5.51**
3	**EQUITY**			
A	Equity Share capital	21	2.83	2.83
B	Other Equity	22	3,288.44	2,906.47
	Total Equity		**3,291.27**	**2,909.30**
	Total Liabilities and Equity		**8,199.68**	**8,562.52**
The accompanying notes form an integral part of the financial statements		1 to 50		

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

G. K. Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Statement of Profit and Loss

for the year ended 31st March, 2020

₹ in Crore

Sr. No.	Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
I.	**Income:**			
	Revenue from operations			
	Interest income	23	1,264.11	1,258.01
	Fees and commission income	24	1.37	5.11
	Net gain on fair value changes	25	41.76	13.90
	Net gain on derecognition of financial instruments under amortised cost category	26	2.22	1.79
	Other operating income	27	0.33	0.28
	Total Revenue from Operations		**1,309.79**	**1,279.09**
	Total Income		**1,309.79**	**1,279.09**
II.	**Expenses:**			
	Finance costs	28	548.53	578.74
	Impairment on financial instruments	29	144.99	15.99
	Employee benefits expense	30	27.42	31.52
	Depreciation, amortization and impairment	31	2.19	0.23
	Operating and other expenses	32	51.69	26.26
	Total expenses		**774.82**	**652.74**
III.	**Profit before Tax**		**534.97**	**626.35**
IV.	**Less: Tax expense**			
	Current tax		147.60	223.54
	Deferred tax		5.02	(4.20)
	Tax adjustment of earlier years(net)		-	0.62
			152.62	**219.96**
V.	**Net Profit for the year**		**382.35**	**406.39**
VI.	**Other Comprehensive Income**			
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Items that will not be reclassified to profit or loss			
	- Actuarial gain/(losses) on post-retirement benefit plans		(0.05)	(0.04)
	- Income tax on the above		0.01	0.01
	Total Other Comprehensive Income		**(0.04)**	**(0.03)**
VII.	**Total Comprehensive Income**		**382.31**	**406.36**
VIII.	**Earnings Per Equity Share**	36		
	(Face value of ₹ 10/- each)			
	Basic (₹)		1,352.58	1,524.01
	Diluted (₹)		1,352.58	1,519.43
The accompanying notes form an integral part of the financial statements		1 to 50		

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Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Statement of Cash Flow

for the Year Ended 31st March 2020

₹ in Crore

Sr. No.	Particulars	For the year ended As at 31.03.2020	For the year ended As at 31.03.2019
A	**Cash flow from operating activities**		
	Profit before tax	534.97	626.35
	Adjustment for:		
	Depreciation and amortisation expenses	2.19	0.23
	Profit on sale of investments (net realized and unrealized)	(41.76)	(13.90)
	Provision for gratuity	0.21	0.16
	Provision for compensated absences	0.09	0.17
	Write off	25.47	-
	Provision for impairment	144.99	15.99
	Interest on fixed deposits	(0.27)	(0.27)
	Interest expenses - others	1.72	0.56
	Operating profit before working capital changes	**667.61**	**629.29**
	Adjustment for:		
	(Increase) in Trade receivables	(0.30)	-
	Decrease / (Increase) in loans	694.58	(824.48)
	Decrease / (Increase) in other financial and non-financial assets	3.01	(22.55)
	(Decrease) / Increase in trade payables and other liabilities	(6.68)	9.82
	(Decrease) / Increase in Provisions	(0.04)	0.11
	Cash generated from / (used in) operations	**1,358.18**	**(207.81)**
	Direct taxes paid	(162.89)	(223.79)
	Net cash generated from / (used in) operating activities	**1,195.29**	**(431.60)**
B	**Cash flow from investing activities**		
	Purchase of investments	(98,884.66)	(39,836.35)
	Sale of investments	98,289.58	39,554.96
	Fixed deposits matured / (placed) with bank	4.50	(4.50)
	Interest received on bank deposits	0.22	0.28
	Purchase of Property, plant and equipment	(0.19)	(0.53)
	Net cash (used in) investment activities	**(590.55)**	**(286.14)**
C	**Cash flow from financing activities**		
	Proceeds from issue of equity share	-	835.00
	Share issue expenses	-	(0.83)
	Dividend paid	(0.34)	-
	Repayment of lease obligations	(2.33)	-
	Interest paid	(0.02)	(0.01)
	Proceeds from debt securities	1,987.35	4,313.85
	Repayment of debt securities	(2,190.51)	(4,102.23)
	Proceeds from borrowings other than debt securities	1,088.64	511.06
	Repayment of borrowings other than debt securities	(1,637.47)	(779.11)
	Net cash (used in) / generated from financing activities	**(754.68)**	**777.73**
	Net (decrease) / increase in Cash and cash equivalents	(149.94)	59.99
	Cash and cash equivalents at the beginning of the year	178.33	118.34
	Cash and cash equivalents at the end of the year (refer note 4)	**28.39**	**178.33**

The accompanying notes form an integral part of the financial statements – Note No.1 to 50

Note

1 The cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - "Statement of Cash Flow".

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
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Registration No. 117366W/W-100018

G. K. Subramaniam
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Membership No. 109839

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

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Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Statement of Changes in Equity

as at March 31, 2020

A. Equity share capital

₹ in Crore

	Balance as at 31.03.2019	Changes in equity share capital during the year	Balance as at March 31, 2020
Equity Share Capital	2.83	#	2.83

B. Other Equity

₹ in Crore

Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium	General Reserve	Debenture Redemption reserve	Capital Reserve	Statutory Reserve	Retained earnings	
Balance at March 31, 2018	**881.16**	**0.17**	**-**	**-**	**171.09**	**613.57**	**1,665.99**
Addition/Reduction during the year							
On issue of shares	834.67	-	-	-	-	-	834.67
Share issue expenses	(0.55)	-	-	-	-	-	(0.55)
Profit for the year	-	-	-	-	-	406.39	406.39
Other comprehensive income for the year	-	-	-	-	-	(0.03)	(0.03)
Transfer to statutory reserves	-	-	-	-	81.28	(81.28)	-
Transfer to debenture redemption reserve	-	-	33.76	-	-	(33.76)	-
Balance at March 31, 2019	**1,715.28**	**0.17**	**33.76**	**-**	**252.37**	**904.89**	**2,906.47**
Addition/Reduction during the year							
Profit for the year	-	-	-	-	-	382.35	382.35
Other comprehensive income for the year	-	-	-	-	-	(0.04)	(0.04)
Forfeiture of shares	-	-	-	#	-	-	#
Final Dividend	-	-	-	-	-	(0.28)	(0.28)
Dividend Distribution Tax	-	-	-	-	-	(0.06)	(0.06)
Transfer to statutory reserves	-	-	-	-	76.47	(76.47)	-
Transfer to retained earnings	-	-	(33.76)	-	-	33.76	-
Balance at March 31, 2020	**1,715.28**	**0.17**	**-**	**#**	**328.84**	**1,244.15**	**3,288.44**

The accompanying notes form an integral part of the financial statements – Note No.1 to 50

# Denotes amount less than ₹50,000/-

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G. K. Subramaniam
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Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
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Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Significant Accounting Policies

and notes to the Financial Statements

1 Corporate Information

JM Financial Credit Solutions Limited (the "Company") was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". The Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, the Company's name was changed to "JM Financial Credit Solutions Limited". The Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Historical cost convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees in crores rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

2.2 Property, plant and equipment and Intangible Assets

a. Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs and impairment of assets below).

Significant Accounting Policies

and notes to the Financial Statements

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Property, plant and equipment	No. of years
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Leasehold improvements	10 years or lease period whichever is lower
Intangible Assets	Useful Life
Computer Software	5 years

Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Assets taken on finance lease are depreciated over a period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Impairment losses on non-financial assets

As at the end of each year, the Company reviews the carrying amount of its non-financial assets that is PPE and intangible to determine whether there is any indication that these assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets’ net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a. Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective

Significant Accounting Policies

and notes to the Financial Statements

interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

b. Fees and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in this part of the statement of profit and loss include among other things fees charged for servicing a loan.

c. Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

2.4 Leasing

Operating lease:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,

b) the right to obtain substantially all the economic benefits from use of the identified asset, and

c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 17 "Other Financial Liabilities" and ROU asset has been presented in Note 12 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

Significant Accounting Policies

and notes to the Financial Statements

Finance Lease

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

2.5 Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.6 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.7 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

Payments to defined contribution plans are recognised as expense in the Statement of Profit & Loss of the year when employees have rendered service entitling them to the contributions. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payment is available.

Defined Benefit Obligation:

The Company's Gratuity liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be

Significant Accounting Policies

and notes to the Financial Statements

estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Share-based payment arrangements

Equity-settled share-based payments to employees of the Company are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 42.

The fair value determined at the grant date of the equity-settled share-based payments to employees of the Company is expensed on a straight-line basis over the vesting period with a corresponding increase in equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in the Statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year

2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The tax currently payable is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets

Significant Accounting Policies

and notes to the Financial Statements

against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

i. an entity has a present obligation (legal or constructive) as a result of a past event; and

ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii. a reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

i. estimated amount of contracts remaining to be executed on capital account and not provided for;

ii. uncalled liability on shares and other investments partly paid;

iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.13 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.14 Segments

Based on “Management Approach” as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the “Operating Segments”. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.15 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Significant Accounting Policies

and notes to the Financial Statements

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets:

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the individual asset basis and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

Significant Accounting Policies

and notes to the Financial Statements

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of financial assets

Overview of the Expected Credit Loss principles

The company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Significant Accounting Policies

and notes to the Financial Statements

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: Defined as performing assets with upto 30 days past due (DPD). Stage 1 loans will also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.
- Stage 2: Defined as under-performing assets having 31 to 90 DPD. Stage 2 loans will also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2. Accounts with overdue more than 30 DPD will be assessed for significant increase in credit risks.
- Stage 3: Defined as assets with overdue more than 90 DPD. The Company will record an allowance for the life time expected credit losses. These accounts will be assessed for credit impairment.

  For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

  Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

  The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

  The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Significant Accounting Policies

and notes to the Financial Statements

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Significant Accounting Policies

and notes to the Financial Statements

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note 41 B(i)

Fair Valuation

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Corporation has applied appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 41 A.

Notes

to the Financial Statements

4 Cash and cash equivalents

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Cash in hand	0#	-
Balances with banks		
- in current accounts	24.41	177.81
- Cheques, drafts on hand	1.73	-
- in earmarked accounts (Refer Note a below)	-	0.52
- in deposit accounts	2.25	-
	28.39	**178.33**

# Denotes amount less than ₹50,000/-

Notes:

(a) Balance in earmarked account pertains to NCD application money refundable and thus having restrictions.

(b) Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period ranging from one day to 90 days.

5 Other bank balances

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
- in deposit accounts (Refer Note b below)	-	4.50
	-	**4.50**

Notes:

a) Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates.

b) Balances with banks in deposit accounts are held as margin money or security against the borrowings, guarantees and other commitments.

6 Trade receivables

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Unsecured considered good	0.30	-
	0.30	**-**

Notes

to the Financial Statements

7 Loans

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Term Loans (refer note a)	7,291.37	8,028.70
Interest accrued	89.51	62.40
Gross loan	**7,380.88**	**8,091.10**
Less: Impairment loss allowance (refer note b)	(204.91)	(75.06)
Net loan	**7,175.97**	**8,016.04**
Break up of loans into secured and unsecured		
Secured by tangible assets	7,380.88	8,091.10
Unsecured	-	-
Gross loan	**7,380.88**	**8,091.10**
Less: Impairment loss allowance (refer note b)	(204.91)	(75.06)
Net loan	**7,175.97**	**8,016.04**

Note:

a) Includes impact of Effective interest rates amounting to ₹50.88 crore as at March 31, 2020 (₹94.36 crore as at March 31, 2019).

b) Impairment loss allowance includes provision on undisbursed loan commitment amounting to ₹3.55 crore as at March 31, 2020 (₹1.50 crore as at March 31, 2019).

c) The loans are given in India to other than Public sectors.

8 Investments

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
At Fair Value Through profit and loss		
Mutual fund units	907.14	270.29
Debt instruments	-	25.00
Equity instruments	0#	0#
Total	**907.14**	**295.29**

# Denotes amount below ₹50,000/-

Note:

All the above investments are within India.

9 Other Financial assets

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Unsecured and considered good unless otherwise stated		
Security deposits	0.80	3.74
Accrued interest but not due on deposits with banks	0.29	0.24
Others	-	0.08
Total	**1.09**	**4.06**

Notes

to the Financial Statements

10 Current tax assets (net)

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Advance tax (net of provisions)	13.33	1.29
Total	**13.33**	**1.29**

11 Deferred tax Assets (net)

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Impairment of Financial instruments	43.31	20.48
Change in fair value	(0.90)	-
Measurement of Financial instruments at amortised cost	10.83	33.07
Disallowances under section 43B of the Income Tax Act, 1961	4.57	6.97
Preliminary expense under section 35(d) of the Income Tax Act, 1961	(2.33)	(1.47)
Donation	(1.76)	-
Difference between books and tax written down value of Property, plant and equipment	0.28	(0.04)
Total	**54.00**	**59.01**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2020

₹ in Crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2019	Recognised in profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31 2020
Fiscal allowance on Property, plant and equipment	(0.04)	0.32	-	0.28
Fiscal allowance on expenditure, etc.	5.50	(3.26)	-	2.24
Measurement of Financial instruments at amortised cost	33.07	(22.24)	-	10.83
Impairment allowance for financial assets	20.48	22.83	-	43.31
Donation	-	(1.76)		(1.76)
Fair value of financial instruments	-	(0.90)	-	(0.90)
Total	**59.01**	**(5.01)**	**-**	**54.00**

For the year ended March 31, 2019

₹ in Crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2018	Recognised in profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31 2019
Fiscal allowance on Property, plant and equipment	(0.07)	0.03	-	(0.04)
Fiscal allowance on expenditure, etc.	5.84	(0.63)	0.29	5.50
Measurement of Financial instruments at amortised cost	30.92	2.15	-	33.07
Impairment allowance for financial assets	17.82	2.66	-	20.48
Total	**54.51**	**4.21**	**0.29**	**59.01**

Notes

to the Financial Statements

12 Property, Plant and Equipment:

₹ in Crore

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK
	As at 31.03.2019	Additions for the year	As at 31.03.2020	Up to 31.03.2019	Additions for the year	Up to 31.03.2020	As at 31.03.2020
PROPERTY, PLANT AND EQUIPMENT - CURRENT YEAR							
Owned Assets:							
Freehold land	0.05	-	0.05	-	-	-	0.05
Computers	0.25	0.06	0.31	0.16	0.06	0.22	0.09
Furniture and fixtures	0.08	-	0.08	0.01	0.01	0.02	0.06
Office Equipment	0.02	#	0.02	0.01	0.01	0.02	0.01
Leasehold improvements	0.60	-	0.60	0.07	0.07	0.14	0.46
Leased Assets:							
Vehicles	0.08	0.12	0.20	0.07	0.03	0.10	0.10
Right to use of office premises	-	18.40	18.40	-	1.94	1.94	16.46
Total	**1.08**	**18.58**	**19.66**	**0.32**	**2.12**	**2.44**	**17.22**
Intangible Assets - Acquired							
Software	0.36		0.36	0.14	0.07	0.21	0.15

# Denotes amount less than ₹50,000/-

₹ in Crore

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK
	As at 31.03.2018	Additions for the year	As at 31.03.2019	Up to 31.03.2018	Additions for the year	Up to 31.03.2019	As at 31.03.2019
PROPERTY, PLANT AND EQUIPMENT – PREVIOUS YEAR							
Owned Assets:							
Freehold land	0.05	-	0.05	-	-	-	0.05
Computers	0.23	0.02	0.25	0.09	0.07	0.16	0.09
Furniture and fixtures	0.05	0.03	0.08	-	0.01	0.01	0.07
Office Equipment	0.01	0.01	0.02	-	0.01	0.01	0.01
Leasehold improvements	0.13	0.47	0.60	0.03	0.04	0.07	0.53
Leased Assets:							-
Vehicles	0.08	-	0.08	0.04	0.03	0.07	0.01
Total	**0.55**	**0.53**	**1.08**	**0.16**	**0.16**	**0.32**	**0.76**
Intangible Assets - Acquired							
Software	0.36	-	0.36	0.07	0.07	0.14	0.22

13 Other non-financial assets

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Unsecured and considered good unless otherwise stated		
Prepaid Expenses	0.26	1.16
Balances with government authorities	1.82	1.83
Others	0.01	0.03
Total	**2.09**	**3.02**

Notes

to the Financial Statements

14 Trade Payables

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
total outstanding dues of creditors other than micro enterprises and small enterprises	9.88	11.23
Total outstanding dues to micro enterprises and small enterprises	#	-
	9.88	**11.23**

# Denotes amount less than ₹50,000/-

Due to related parties as at March 31, 2020 is ₹ 6.22 crore (as at March 31, 2019 is Rs 6.16 crore)

14. a There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

₹ in Crore

		As at 31.03.2020	As at 31.03.2019
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	#	-
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the year	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total		**#**	**-**

# Denotes amount less than ₹50,000/-

15 Debt Securities

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Secured		
Non-convertible debentures (refer note 15.1 and 15.2)	2,838.35	2,543.12
Interest Payable	207.05	180.53
Total	**3,045.40**	**2,723.65**
Unsecured		
Commercial paper (refer note 15.3 and 15.4)	-	555.00
Less: Unamortised interest on commercial paper	-	(30.09)
Total	**-**	**524.91**
Grand Total	**3,045.40**	**3,248.56**

Debt securities are issued in India.

Notes

to the Financial Statements

15.1 Non-Convertible Debentures:

Non-convertible debentures aggregating ₹2,838.35 crore (As at March 31, 2019: ₹ 2,543.12) are secured by way of first charge on freehold land (proportionately) and hypothecation on pool of certain loan fund balances of the Company.

15.2 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Private Placement - Face value of ₹10,00,000 each		
9.3133 % NCD redeemable in year 2019-20	-	50.00
0% NCD redeemable in year 2019-20*	-	143.10
8.75 % NCD redeemable in year 2019-20	-	125.00
9.3037 % NCD redeemable in year 2019-20	-	125.00
10.5 % NCD redeemable in year 2019-20	-	50.00
9.7 % NCD redeemable in year 2019-20	-	100.00
9.25 % NCD redeemable in year 2019-20	-	50.00
9.69 % NCD redeemable in year 2019-20	-	100.00
9.7665 % NCD redeemable in year 2019-20	-	10.00
9.78 % NCD redeemable in year 2019-20	-	7.50
9.20 % NCD redeemable in year 2019-20	-	70.00
9.05 % NCD redeemable in year 2020-21	205.00	205.00
0 % NCD redeemable in year 2020-21*	91.00	91.00
9.15 % NCD redeemable in year 2020-21	67.90	67.90
10.29 % NCD redeemable in year 2020-21	50.00	-
9.3606 % NCD redeemable in year 2020-21	42.80	42.80
0 % NCD redeemable in year 2021-22*	298.90	248.90
9.70 % NCD redeemable in year 2021-22	30.00	30.00
0 % NCD redeemable in year 2021-22*	30.00	-
9.50 % NCD redeemable in year 2021-22	25.00	25.00
10.50 % NCD redeemable in year 2021-22	20.00	-
9.00 % NCD redeemable in year 2021-22	10.00	10.00
10.85 % NCD redeemable in year 2024-25#	600.00	-
9.75 % NCD redeemable in year 2026-27	100.00	-
9.75 % NCD redeemable in year 2027-28	100.00	-
9.75 % NCD redeemable in year 2028-29	100.00	-
9.75 % NCD redeemable in year 2029-30	100.00	-
Public issue - Face value of ₹1000 each		
9.25 % Tranche I -Option I redeemable in year 2021-22	116.52	116.52
0 % Tranche I -Option II redeemable in year 2021-22*	24.39	24.39
10.00% Tranche II -Option I redeemable in year 2022-23	98.72	98.72
0 % Tranche II -Option II redeemable in year 2022-23*	31.73	31.73
9.50% Tranche I -Option III redeemable in year 2023-24	365.31	365.31
10.10% Tranche II -Option III redeemable in year 2023-24	49.09	49.09
9.67% Tranche II -Option IV redeemable in year 2023-24	42.87	42.87
9.11% Tranche I -Option IV redeemable in year 2023-24	17.03	17.03
9.75% Tranche I -Option V redeemable in year 2028-29	214.81	214.81
9.34% Tranche I -Option VI redeemable in year 2028-29	11.94	11.94
10.25% Tranche II -Option V redeemable in year 2028-29	25.04	25.04
9.81% Tranche II -Option VI redeemable in year 2028-29	16.15	16.15
Total	**2,884.20**	**2,564.80**

* Redeemable at premium

\# NCD with floating rate and quarterly reset.

Maturity profile above is disclosed at face value which excludes premium amounting to ₹0.25 crore (2018-19 : ₹0.25 crore), discount of ₹20.50 crore (2018-19 : Nil) and impact of effective interest rate adjustment amounting to ₹25.60 crore (As at March 31, 2019 : 21.93 crore).

Notes

to the Financial Statements

15.3 The maximum amount of commercial paper outstanding at any time during the year was ₹1,065.00 crore (2018-19 : ₹1,540.00 crore).

15.4 Commercial paper are repayable within a period upto 365 days from the date of disbursement and has interest ranging nil for 2019-20 (2018-19: 7.59% to 10.50% p.a).

16 Borrowings (Other than Debt securities)

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
At amortized cost		
Term loans		
(i) from banks		
-Secured (refer note 16.1)	1,580.19	2,089.70
(ii) from other parties		
-Secured (refer note 16.1)	100.00	125.00
Interest payables	2.84	5.48
Cash Credit Facility from Banks (refer note 16.2)	49.46	136.23
Working Capital Demand Loan (refer note 16.2)	75.00	-
Finance lease obligations (secured by way of hypothecation of vehicles)	0.10	0.02
Total	**1,807.59**	**2,356.43**

Borrowings are made within India.

16.1 Term loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company. Also includes impact of effective interest rate of ₹6.92 crore (As at March 31, 2019: Rs 2.22 crore).

Maturity profile and rate of interest of term loans:

₹ in Crore

Residual Maturities	As at 31.03.2020		
	Up to one year (April 2020 to March 2021)	1-3 years (April 2021 to March 2023)	3 years & above (April 2023 onwards)
8.00 % to 9.00%	35.42	-	-
9.01 % to 10.00%	699.05	498.98	168.67
10.01% to 11.00%	204.99	80.00	-
Total	**939.46**	**578.98**	**168.67**

Maturity profile shown excluding effective interest rate impact amounting to ₹6.92 crore

Notes

to the Financial Statements

Maturity profile and rate of interest of term loans:

₹ in Crore

Residual Maturities	As at 31.03.2019		
	Up to one year (April 2019 to March 2020)	1-3 years (April 2020 to March 2022)	3 years & above (April 2022 onwards)
8.00 % to 9.00%	245.00	229.73	-
9.01 % to 10.00%	708.85	755.52	77.82
10.01% to 11.00%	40.00	160.00	-
Total	**993.85**	**1,145.25**	**77.82**

Maturity profile shown excluding effective interest rate impact amounting to ₹2.22 crore

*The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

16.2 Cash credit facility and working capital demand loan from banks are secured by way of hypothecation on certain identified loan fund balances of the Company.

17 Other financial liabilities

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Employee benefits payable	25.18	30.97
Lease liability	16.73	-
NCD Application Money	-	0.52
	41.91	**31.49**

18 Current tax liabilities (net)

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Provision for tax (net)	-	3.17
	-	**3.17**

19 Provisions

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
For employee benefits:		
Gratuity (refer note 38)	1.22	1.00
Compensated absences	0.70	0.61
	1.92	**1.61**

Notes

to the Financial Statements

20 Other non-financial liabilities

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Statutory dues	1.71	0.73
	1.71	**0.73**

21 Equity Share capital

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Authorised		
30,00,000 Equity shares of ₹ 10/- each	3.00	3.00
20,00,000 Preference shares of ₹ 10/- each	2.00	2.00
	5.00	**5.00**
Issued, Subscribed and Paid-up		
2,826,816 (F.Y 2019- 2,826,816) Equity shares of face value of ₹10/- each fully paid-up	2.83	2.83
Nil (F.Y 2019- 19,837) Equity shares of face value of ₹10/- each, (paid-up ₹ 2/- each) partly paid-up	-	0#
	2.83	**2.83**

₹39,674/-

Reconciliation of the number of equity shares outstanding

₹ in Crore

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,846,653	2.83	2,499,500	2.50
Shares issued during the year pursuant to private placement - fully paid up	-	-	327,316	0.33
Shares issued during the year pursuant to private placement - partly paid up	-	-	19,837	0#
Shares forfeited during the year*	19,837	0#	-	-
Shares outstanding at the end of the year	**2,826,816**	**2.83**	**2,846,653**	**2.83**

₹39,674/-

* The partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. Further the Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020.

Details of shareholding in excess of 5%

	As at 31.03.2020		As at 31.03.2019	
	Number	%	Number	%
JM Financial Limited along with its nominees	1,319,431	46.68%	1,339,268*	47.05%
INH Mauritius 1	1,384,087	48.96%	1,384,087	48.62%

Notes

to the Financial Statements

Terms and rights attached to each class of shares:

Equity Shares:

The Company has only one class of shares referred to as equity shares having a face value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

22 Other Equity

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Securities premium account	1,715.28	1,715.28
General reserve	0.17	0.17
Capital reserve	#	-
Statutory reserve	328.84	252.37
Debenture Redemption Reserve	-	33.76
Retained Earnings	1,244.15	904.89
Grand Total	**3,288.44**	**2,906.47**

# Denotes amount less than ₹ 50,000/-

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Securities premium account		
Opening balance	1,715.28	881.16
(+) on issue of share	-	834.67
(-) utilised for share issue expenses	-	(0.55)
Closing balance	**1,715.28**	**1,715.28**
General reserve		
Opening balance	0.17	0.17
Addition	-	-
Closing balance	**0.17**	**0.17**
Capital reserve		
Opening balance	-	-
Addition*	#	-
Closing balance	**#**	**-**
Statutory reserve *(Section 45-IC of the RBI Act, 1934)*		
Opening balance	252.37	171.09
Addition	76.47	81.28
Closing balance	**328.84**	**252.37**
Debenture Redemption Reserve		
Opening balance	33.76	-
(-) transferred to Retained earnings	(33.76)	33.76
Closing balance	**-**	**33.76**

Notes

to the Financial Statements

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Retained earnings:		
Opening balance	904.89	613.57
(+) Profit for the year	382.35	406.39
(+/-) Other Comprehensive Income	(0.04)	(0.03)
(+)Transferred from Debenture redemption reserve	33.76	-
	1,320.96	**1,019.93**
(-) Appropriations		
Transferred to statutory reserve	76.47	81.28
Transferred to Debenture redemption reserve	-	33.76
Final Dividend	0.28	-
Dividend Distribution Tax	0.06	-
	76.81	**115.04**
Closing balance	**1,244.15**	**904.89**
Grand Total	**3,288.44**	**2,906.47**

₹39,674/-

Note:

The Board of Directors of the Company has recommended a final dividend of ₹1.50 per equity share of the face value of ₹10/- each for the financial year 2019-2020 subject to the approval of the members at their ensuing Annual General Meeting.

* The partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. Further the Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve:

Capital reserve is created pursuant to the forfeiture and extinguishment of the partly paid up shares.

Statutory Reserve:

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit after tax every year in terms of Section 45-IC of the RBI Act, 1934.

Notes

to the Financial Statements

Debenture Redemption Reserve:

As per amendment in Companies Act, 2013, Debenture Redemption Reserve is not required for debentures issued by Non-Banking Finance Companies regulated by Reserve Bank of India for both public as well as privately placed debentures.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

23 Interest Income

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
At Amortised Cost		
Interest on Loans	1,264.11	1,258.01
	1,264.11	**1,258.01**

24 Fees and Commission Income

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Other Fees	1.37	5.11
	1.37	**5.11**

25 Net gain on fair value changes

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio	-	-
Investments	41.76	13.90
Fair value changes		
Realised	38.19	13.61
Unrealised	3.57	0.29
	41.76	**13.90**

* Fair value changes in this schedule are other than those arising on account of accrued interest income/expense

26 Net gain on derecognition of financial instruments

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Net gain on derecognition of financial instruments under amortised cost category	2.22	1.79
	2.22	**1.79**

Notes

to the Financial Statements

27 Other Operating Income

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest income - Bank deposits	0.27	0.28
Interest income – Others	0.06	-
	0.33	**0.28**

28 Finance costs

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
At Amortised Cost		
Debt Securities	346.61	327.39
Borrowings(Other than Debt securities)	187.55	239.87
Interest on Lease Liabilities	1.63	0.01
Other Interest expense	12.74	11.47
	548.53	**578.74**

29 Impairment on financial instruments

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
At amortised cost		
Provision for Expected Credit Loss (Stage 1 & 2)	98.46	7.13
Provision for Expected Credit Loss (Stage 3)	46.53	8.86
	144.99	**15.99**

30 Employee benefits expense

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, bonus, other allowances and benefits	26.47	30.73
Contribution to provident and other funds	0.68	0.56
Gratuity (refer note 38)	0.21	0.16
Staff welfare expenses	0.06	0.07
	27.42	**31.52**

31 Depreciation, Amortization

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation	2.12	0.16
Amortisation	0.07	0.07
	2.19	**0.23**

Notes

to the Financial Statements

32 Other expenses

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Rates & taxes	0.96	1.14
Legal & professional fees	2.30	2.18
Support service charges	8.44	8.37
Space and related charges	0.06	2.29
Information technology expenses	0.40	0.33
Travelling & conveyance	0.46	0.83
Auditors remuneration (Refer note 35)	0.16	0.12
Repairs and maintenance	0.26	0.18
Electricity expenses	0.17	0.16
Donation	11.50	9.14
Write off	25.47	-
Insurance Expense	0.15	0.11
Bank charges	0.03	0.06
Printing & Stationery	0.05	0.06
Membership and Subscription	0.28	0.25
Communication expenses	0.10	0.07
Director Sitting Fees	0.12	0.09
Director commission	0.33	0.65
Miscellaneous expenses	0.45	0.23
	51.69	**26.26**

33 Income Tax

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax	147.60	223.54
Deferred tax	5.02	(4.20)
Tax adjustment in respect of earlier years	-	**0.62**
Total income tax expenses recognised in the current year	**152.62**	**219.96**
Income tax expense recognised in other comprehensive income	0.01	0.01

Notes

to the Financial Statements

Reconciliation of total tax charge

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	534.97	626.35
Income tax rate	25.17%	34.94%
Income tax expense	134.64	218.87
Tax Effect of:		
Items that are allowable or disallowable in determining taxable profits (net)	1.47	1.80
Tax rate adjustment in respect of earlier years (net)	16.51	(0.71)
Total	**17.98**	**1.09**
Income tax expense recognised in the statement of profit and loss	**152.62**	**219.96**

The tax rate used for reconciliation above is the corporate tax rate applicable to companies in India on taxable profit under the tax laws in Indian Jurisdiction i.e. Income tax Act, 1961.

The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 1, 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening deferred tax assets as on April 1, 2019, amounting to ₹16.51 crore has been reversed during the year ended March 31, 2020.

34 Contingent Liabilities and Commitments

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Contingent liability	-	-
Commitments		
Undisbursed Commitment *	151.08	226.29

* This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.

35 Payment to Auditors: (Excluding Goods and Services Tax)

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Audit Fees	0.09	0.09
In any other manner (Certifications, limited reviews, etc.)*	0.07	0.02
Out of pocket	0#	0.01
Total	**0.16**	**0.12**
Fees paid in connection with Public issue of NCD included for measurement of financial liabilities at amortized cost	0.11	0.08

# Denotes amount below ₹50,000/-

Notes

to the Financial Statements

36 Earnings per share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit for the year (In Rs Crore)	382.35	406.39
Profit attributable to equity shareholders (In Rs Crore)	382.35	406.39
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	2,826,816	2,666,591
Basic earnings per share (Rupees)	1,352.58	1,524.01
Dilutive potential equity shares (Nos.)	-	8,043
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	2,826,816	2,674,634
Diluted earnings per share (Rupees)	1,352.58	1,519.43
Nominal value per share (Rupees)	10	10

37 Lease Transactions

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year ended March 31, 2019.

On the date of initial application, the adoption of the new standard resulted in recognition of "Right to Use' asset (premises) of ₹18.40 crore and a lease liability of ₹17.45 crore. The weighted average of discount rate applied to lease liabilities as at April 1, 2019 is 9.40%. Company has recognised depreciation expenses from ROU of ₹1.97 crore (premises and vehicle) and interest expenses on lease liabilities of ₹1.63 crore (premises and vehicle). Lease payments during the year have been disclosed under financial activities in the cash flow statements.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as March 31, 2019 under Ind AS 17 disclosed under note 35 of annual standalone financial statements forming part of 2019 annual report and the value of lease liability as of April 1, 2019 is as mentioned below :

Amount in crore

	Amount
Operating non-cancellable lease commitments as at March 31, 2019- considered for disclosure in the financial statements	24.83
Operating cancellable lease commitments as at March 31, 2019- not considered for disclosure in the financial statements	2.80
Total operating lease commitment (on an undiscounted basis)	**27.63**
Less: future finance cost	-10.18
Total operating lease commitment recognised under Ind AS 116 as at April 1, 2019	**17.45**

Notes

to the Financial Statements

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2020:

(Amount in crore)

Category of ROU asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				Net block
	As at 01.04.2019	Additions	Deletion	As at 31.03. 2020	As at 01.04.2019	Depreciation	Deductions	As at 31.03. 2020	As at 31.03. 2020
Premises	-	18.40	-	18.40	-	1.94	-	1.94	16.46
Vehicle	0.08	0.12	-	0.20	0.07	0.03	-	0.10	0.10
Total	**0.08**	**18.52**	**-**	**18.60**	**0.07**	**1.97**	**-**	**2.04**	**16.56**

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

Table showing contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

	Minimum lease Payments As at 31.03.2020	Present Values of Minimum lease Payments As at 31.03.2020
Not later than one year	2.46	0.91
Later than one year and not later than five years	10.88	5.85
Later than five years	12.11	10.07
Total	**25.45**	**16.83**
Less: future finance charges	8.62	
Present value of minimum lease payments	16.83	

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has option to purchase the vehicle for a nominal amount at the end of lease terms.

38 Employee Benefits

Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating ₹ 0.68 crore (2019: ₹0.57 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Notes

to the Financial Statements

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at 31.03.2020	As at 31.03.2019
Discount rate	6.80%	7.55%
Expected rate of salary increase	7.00%	7.00%
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2012-14) Ult table

b) Amount recognised in statement of profit and loss in respect of these defined benefit obligation

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Current service cost	0.13	0.11
Net interest cost	0.08	0.05
Past service cost	-	-
Total amount recognised in statement of profit and loss	**0.21**	**0.16**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	0#	0#
- Actuarial (gain)/loss from change in financial assumptions	0.09	0.02
- Actuarial (gain)/loss from change in experience adjustments	(0.04)	0.02
Total amount recognised in other comprehensive income	**0.05**	**0.04**
Total	**0.26**	**0.20**

# Denotes below ₹ 50,000/-

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

c) The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan is as follows:

₹ in Crore

Particulars	As at 31.03.2020	As at 31.03.2019
Present value of defined benefit obligation	1.22	1.00
Fair value of plan assets	-	-
Net liabilities arising from defined benefit obligation	**1.22**	**1.00**

Notes

to the Financial Statements

d) Movement in the present value of the defined benefit obligation are as follows:

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	1.00	0.68
Current service cost	0.13	0.11
Past service cost	-	-
Interest cost	0.08	0.05
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	0#	0#
Actuarial (gain)/loss from change in financial assumptions	0.09	0.03
Actuarial (gain)/loss from change in experience adjustments	(0.04)	0.01
Benefits paid	-	-
Liabilities assumed/(settled)	(0.04)	0.12
Closing defined benefit obligation	**1.22**	**1.00**

# Denotes amount less than ₹ 50,000/-

e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

₹ in Crore

Particulars	31st March 2020	31st March 2019
Defined benefit obligation (base)	1.22	1.00

Particulars	As at 31.03.2020		As at 31.03.2019	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	1.16	1.28	0.95	1.03
Impact of increase in 50 bps on DBO	-4.90%	5.29%	-4.80%	2.45%
Defined benefit obligation on decrease in 50 bps	1.28	1.16	1.05	0.98
Impact of decrease in 50 bps on DBO	5.33%	-4.92%	5.20%	-2.31%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

Notes

to the Financial Statements

f) Projected benefits payable:

₹ in crore

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Expected benefits for year 1	0.06	0.05
Expected benefits for year 2	0.06	0.05
Expected benefits for year 3	0.24	0.05
Expected benefits for year 4	0.06	0.23
Expected benefits for year 5	0.05	0.05
Expected benefits for year 6	0.22	0.05
Expected benefits for year 7	0.05	0.21
Expected benefits for year 8	0.21	0.04
Expected benefits for year 9	0.04	0.20
Expected benefits for year 10 and above	1.93	1.70

The weighted average duration of the defined benefit obligation is 10.36 years (previous year 9.98 years)

39 Related Party Disclosure

Names of related parties and description of Relationship

(i) Names of related parties and description of relationship where control exists

Holding Company

JM Financial Limited

(ii) Names of related parties and description of relationship where transactions have taken place

(A) Holding Company

JM Financial Limited

(B) Fellow Subsidiaries

JM Financial Institutional Securities Limited
JM Financial Services Limited
JM Financial Products Limited
JM Financial Properties and Holdings Limited
Infinite India Investment Management Limited
JM Financial Asset Reconstruction Limited

(C) Key management personnel of the reporting entity or of a parent of the reporting entity:

Mr. Vishal Kampani (VNK) (KMP of the parent of the reporting entity)
Ms. Amishi Gambhir (close relative of VNK)
Mr. Shashwat Belapurkar (SB) (CEO) (KMP of the reporting entity)
Ms. Sadhana Belapurkar (close relative of SB)

Non-Executive Directors

Mr. Vikram Pandit

Notes

to the Financial Statements

Mr. Hariharan Aiyar

Mr. V P Shetty

Ms. Dipti Neelakantan

Mr. Vishal Kampani (w.e.f. August 1, 2019)

Independent Directors

Dr. Anup Shah

Mr. Darius E Udwadia

Mr. Satish Chand Mathur (w.e.f. August 1, 2019)

(D) Enterprise over which close members of family (relatives) of key management personnel are able to exercise significant influence

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)

(iii) Details of transactions with related parties;

Name of the related party	Nature of relationship	As at 31.03.2020 (In ₹ Crore)	As at 31.03.2019 (In ₹ Crore)
JM Financial Limited	(A)		
Infusion of equity (Fully Paid up)		-	175.00
Infusion of equity (Partly Paid up)		-	10.00
Gratuity Received		-	0.15
Inter corporate deposit taken		-	100.00
Inter corporate deposit repaid		-	100.00
Interest expenses on inter corporate deposits taken		-	0.55
Rating support fees		5.93	9.30
Support service charges		1.98	1.98
Lead Manager Fees		-	0.16
Dividend paid		0.13	-
Reimbursement of employee expenses		0.67	0.68
Reimbursement of expenses		0.03	0.04
JM Financial Properties and Holdings Limited	(B)		
Space and related charges		1.91	1.82
Reimbursement of expenses (paid)		0.39	0.33
Rent deposit taken		-	1.43
Security deposit outstanding		1.43	1.43
JM Financial Services Limited	(B)		
Brokerage on Debenture issue		0.05	5.51
Space and related charges		0.05	-
JM Financial Institutional Securities Limited	(B)		
Brokerage expenses		0.03	-

Notes

to the Financial Statements

Name of the related party	Nature of relationship	As at 31.03.2020 (In ₹ Crore)	As at 31.03.2019 (In ₹ Crore)
JM Financial Products Limited	(B)		
Inter corporate deposits taken		12.00	-
Inter corporate deposits repaid		12.00	-
Interest expenses on inter corporate deposits taken		0#	-
Interest paid on NCDs		0.20	-
Sale/Assignment of loan		60.64	-
Gratuity paid		0.04	-
Support service charges		5.76	5.70
Interest payable on NCDs		#	-
Closing balance of Non-convertible debentures		4.18	-
Payables		6.22	6.16
JM Financial Asset Reconstruction Company Limited	(B)		
Inter corporate deposits given		-	100.00
Inter corporate deposits received back		-	100.00
Interest income on inter corporate deposits given		-	0.11
Infinite India Investment Management Limited	(B)		
Inter corporate deposits given		-	100.00
Inter corporate deposits received back		-	100.00
Interest income on inter corporate deposits given		-	0.63
Ms. Amishi Gambhir	(C)		
Payables		0.05	0.16
Key management personnel, (Refer Note (a) below)	(C)		
Interest paid on NCDs		0.33	0.04
Issue of Non-convertible Debentures(NCD) under primary market		-	4.08
Remuneration		5.07	7.43
Interest payable on NCDs		#	#
Closing balance of Non-convertible debentures		5.89	3.79
Payables		5.94	11.19
J.M. Financial & Investment Consultancy Services Private Limited (JMFICS	(D)		
Employee related liability transferred to		-	0.03

#Denotes amount less than ₹50,000/-

a. The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

39.1 There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.

39.2 The transactions disclosed above are exclusive of GST.

Notes

to the Financial Statements

40 Maturity Analysis of Assets and Liabilities

₹ in Crore

		As at 31.03.2020			As at 31.03.2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS							
1	**Financial Assets**						
A	Cash and cash equivalents	28.39	-	28.39	178.33	-	178.33
B	Bank Balance other than (A) above	-	-	-	4.50	-	4.50
C	Trade receivables	0.30	-	0.30	-	-	-
D	Loans	2,750.96	4,425.01	7,175.97	2,126.09	5,889.95	8,016.04
E	Investments	907.14		907.14	270.29	25.00	295.29
F	Other Financial assets	0.29	0.80	1.09	3.32	0.74	4.06
		3,687.08	**4,425.81**	**8,112.89**	**2,582.53**	**5,915.69**	**8,498.22**
2	**Non-financial Assets**						
A	Current tax assets (net)	-	13.33	13.33	-	1.29	1.29
B	Deferred tax Assets (Net)	-	54.00	54.00	-	59.01	59.01
C	Property, Plant and Equipment	-	17.22	17.22	-	0.76	0.76
D	Other Intangible assets	-	0.15	0.15	-	0.22	0.22
E	Other non-financial assets	2.09	-	2.09	2.07	0.95	3.02
		2.09	**84.70**	**86.79**	**2.07**	**62.23**	**64.30**
	Total Assets	**3,689.17**	**4,510.51**	**8,199.68**	**2,584.60**	**5,977.92**	**8,562.52**

₹ in Crore

		As at 31.03.2020			As at 31.03.2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
A	**Payables**						
	(I) Trade Payables						
	(i) total outstanding dues of micro enterprises and small enterprises						
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.88	-	9.88	11.23	-	11.23
B	Debt Securities	588.60	2,456.80	3,045.40	1,461.56	1,787.00	3,248.56
C	Borrowings (Other than Debt Securities)	1,063.85	743.74	1,807.59	1,098.18	1,258.25	2,356.43
D	Other financial liabilities	15.91	26.00	41.91	18.90	12.59	31.49
	Total Financial Liabilities	**1,678.24**	**3,226.54**	**4,904.78**	**2,589.87**	**3,057.84**	**5,647.71**
2	**Non-Financial Liabilities**						
A	Current tax liabilities (Net)	-		-	3.17	-	3.17
B	Provisions	0.70	1.22	1.92	-	1.61	1.61
C	Other non-financial liabilities	1.71	-	1.71	0.73	-	0.73
	Total Non-Financial Liabilities	**2.41**	**1.22**	**3.63**	**3.90**	**1.61**	**5.51**
	Total	**1,680.65**	**3,227.76**	**4,908.41**	**2,593.77**	**3,059.45**	**5,653.22**
	Net	**2,008.52**	**1,282.75**	**3,291.27**	**(9.17)**	**2,918.47**	**2,909.30**

Notes

to the Financial Statements

41 Financial Instruments

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value and minimize cost of capital. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in crore

Borrowings	As at March 31, 2020	As at March 31, 2019
Debt	**4,852.99**	**5,604.99**
Less - Cash and cash equivalents*	28.39	177.81
Less - Investment in liquid mutual funds	907.14	270.29
Less - Other bank deposits	-	-
Adjusted net debt	**3,917.46**	**5,156.89**
Total equity	3,291.27	2,909.29
Adjusted net debt to equity ratio	**1.19**	**1.77**

*excludes balances in earmarked account.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2020, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, is disclosed in Note 50.2. We believe that our high capital adequacy gives us significant headroom to grow our business.

Financial instruments

A. Fair Value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Notes

to the Financial Statements

Set out below, is the accounting classification of financial instruments by category:

₹ in crore

As at March 31, 2020	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	28.39	28.39
Bank Balance other than (a) above	-	-	-
Trade receivables		0.30	0.30
Loans	-	7,175.97	7,175.97
Investments	907.14	-	907.14
Other Financial assets	-	1.09	1.09
Total	**907.14**	**7,205.75**	**8,112.89**
Financial liabilities			
Debt securities	-	3,045.40	3,045.40
Borrowings	-	1,807.59	1,807.59
Trade payables	-	9.88	9.88
Other Financial Liabilities	-	41.91	41.91
Total	**-**	**4,904.78**	**4,904.78**

₹ in crore

As at March 31, 2019	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	178.33	178.33
Bank Balance other than (a) above	-	4.50	4.50
Loans	-	8,016.04	8,016.04
Investments	295.29	-	295.29
Other Financial assets	-	4.06	4.06
Total	**295.29**	**8,202.93**	**8,498.22**
Financial liabilities			
Debt securities	-	3,248.56	3,248.56
Borrowings	-	2,356.43	2,356.43
Trade payables	-	11.23	11.23
Other Financial Liabilities	-	31.49	31.49
Total	**-**	**5,647.71**	**5,647.71**

a. Debt securities issued at fixed rate of interest for which carrying value and fair value are as under :

As at	Carrying value	Fair Value
March 31, 2020	2,489.44	2,337.75
March 31, 2019	2,749.82	2,612.18

b. The Company considers that the carrying amounts recognised in the financial statements for Loans, Debt Securities and Borrowings approximate their fair values.

c. For financial assets / liabilities ("financial instruments") that are measured at fair value, except those included in point (b) above, the carrying amounts are equal to the fair values, as these financial instruments are maturing within 12 months or repayable on demand.

Notes

to the Financial Statements

Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation processes and Technique

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO and the team at least once every three months, in line with the Company's quarterly reporting periods."

Type of Financial Instrument	Valuation Technique
Investment in Mutual Funds	NAV as on the reporting date.

₹ in crore

As at March 31, 2020	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	907.14	907.14	-	-	907.14
Investments in Debentures or Bonds	-	-	-	-	-
Investments in Equity instrument	0#	-	-	0#	0#
Total	**907.14**	**907.14**	**-**	**-**	**907.14**

# Denotes amount less than ₹ 50,000/-

As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	270.29	270.29	-	-	270.29
Investments in Debentures or Bonds	25.00	-	-	25.00	25.00
Investments in Equity instrument	0#	-	-	0#	0#
Total	**295.29**	**270.29**	**-**	**25.00**	**295.29**

# Denotes amount less than ₹ 50,000/-

Notes

to the Financial Statements

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Company.

i. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. Company has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Credit Risk Assessment Methodology

The Company has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters subject to review and approval of BOD

Finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

The Company has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

The Company believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

Notes

to the Financial Statements

We also require the borrower to submit periodic reports. The Credit Committee of the Company, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board for its information. The Company continue to monitor the credit exposure until our loans are fully repaid.

The Company's is currently using the external rating given to the customers which they review on a timely basis.

The credit impaired assets as at the reporting dates were secured by collateral and the asset cover is upto 2.1 times of the outstanding balance.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	performing assets	12-month ECL
Stage 2	under-performing assets	Lifetime ECL
Stage 3	Credit Impaired	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a reporting date. It shall include outstanding loan amount, accrued interest and expected drawdowns on non-discretionary loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

Provision as per Expected Credit Loss (ECL):

The Company has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic. The impact on collateral values is also assessed for determination of adjustment to the loss given default and reasonable haircuts are applied wherever necessary. The number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy

As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD (by downgrading the ratings to one level lower) and LGD as computed by ECL Model by 15-25% depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Refer note 49 to the financial statements.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

As on March 31, 2020	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	6,828.12	97.82	6,730.30	1.27 to 11.70
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	399.13	59.27	339.86	3.54 to 10.43
Stage 3 - Assets for which there is significant increase in credit risk	Loan	153.63	47.82	105.81	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for significantly impaired assets.

Notes

to the Financial Statements

As on March 31, 2019	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	7,582.46	52.32	7,530.14	2.07 to 3.49
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	423.57	6.30	417.27	5.95 to 11.13
Stage 3 - Assets for which there is significant increase in credit risk	Loan	85.07	16.44	68.63	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for significantly impaired assets.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**7,582.46**	**423.57**	**85.07**	**8,091.10**
New assets originated or purchased	1,492.59	57.86	-	1,550.45
Assets derecognised or repaid (excluding write offs)	(1,949.77)	(194.02)	(101.72)	(2,245.51)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(271.75)	271.75	-	-
Transfers to Stage 3	(25.41)	(160.03)	185.44	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(15.16)	(15.16)
Gross carrying amount closing balance*	**6,828.12**	**399.13**	**153.63**	**7,380.88**

* Including interest accrued and net of EIR

₹ in crore

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**7,046.50**	**128.33**	**75.80**	**7,250.63**
New assets originated or purchased	3,601.54	2.28	-	3,603.82
Assets derecognised or repaid (excluding write offs)	(2,675.53)	(87.82)	-	(2,763.35)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(390.05)	390.05	-	-
Transfers to Stage 3	-	(9.27)	9.27	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**7,582.46**	**423.57**	**85.07**	**8,091.10**

* Including interest accrued and net of EIR

Notes

to the Financial Statements

Reconciliation of ECL balance is given below

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**52.32**	**6.30**	**16.44**	**75.06**
New assets originated or purchased	59.59	29.80	-	89.39
Assets derecognised or repaid (excluding write offs)	(11.24)	(0.79)	(2.00)	(14.03)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(2.74)	26.78	-	24.04
Transfers to Stage 3	(0.11)	(2.82)	48.54	45.61
"Impact on year end ECL of exposures transferred between stages during the year"	**(2.85)**	**23.97**	**48.54**	**69.66**
Amounts written off	-	-	(15.16)	(15.16)
ECL allowance - closing balance	**97.82**	**59.27**	**47.82**	**204.91**

₹ in crore

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**49.57**	**1.92**	**7.58**	**59.07**
New assets originated or purchased	21.40	0.03	-	21.43
Assets derecognised or repaid (excluding write offs)	(15.85)	(1.08)	-	(16.93)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(2.80)	5.82	-	3.02
Transfers to Stage 3	-	(0.39)	8.86	8.47
"Impact on year end ECL of exposures transferred between stages during the year"	**(2.80)**	**5.43**	**8.86**	**11.49**
Amounts written off	-	-	-	-
ECL allowance - closing balance	**52.32**	**6.30**	**16.44**	**75.06**

ii) Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is

Notes

to the Financial Statements

reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

"The Company has undrawn lines of credit of ₹61 Crore, ₹148 Crore as of March 31, 2020, March 31, 2019 respectively, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to liquidity risk

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross.

₹ in crore

March 31, 2020	Carrying amount |(Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	9.88	9.88	-	-	-
Debt Securities	3,045.40	588.60	729.09	1,061.11	666.60
Borrowings	1,807.59	1,063.85	575.90	167.84	-
Other financial liabilities	41.91	15.91	11.27	4.65	10.08
Total	**4,904.78**	**1,678.24**	**1,316.26**	**1,233.60**	**676.68**
Financial Assets					
Cash and cash equivalents	28.39	28.39	-	-	-
Bank Balance	-	-	-	-	-
Trade receivable	0.30	0.30	-	-	-
Loans	7,175.97	2,750.96	4,018.92	255.12	150.97
Investments	907.14	907.14	-	-	-
Other Financial assets	1.09	0.29		0.80	-
Total	**8,112.89**	**3,687.08**	**4,018.92**	**255.92**	**150.97**

₹ in crore

March 31, 2019	Carrying amount |(Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	11.23	11.23	-	-	-
Debt Securities	3,248.56	1,417.18	966.51	596.96	267.91
Borrowings	2,356.43	1,142.59	1,181.02	32.82	-
Other financial liabilities	31.49	18.72	6.42	4.21	2.14
Total	**5,647.71**	**2,589.72**	**2,153.95**	**633.99**	**270.05**
Financial Assets					
Cash and cash equivalents	178.33	178.33	-	-	-
Bank Balance	4.50	4.50	-	-	-
Loans	8,016.04	2,126.09	4,678.59	818.49	392.87
Investments	295.29	270.29	-	-	25.00
Other Financial assets	4.06	4.06	-	-	-
Total	**8,498.22**	**2,583.27**	**4,678.59**	**818.49**	**417.87**

Notes

to the Financial Statements

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii) Market risk - Interest rate risk

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Company's exposures to interest rates on loans and borrowings are detailed in the liquidity risk management section of this note

₹ in crore

	March 31, 2020	March 31, 2019
Loans		
Fixed-rate instruments	4,023.04	5,337.82
Floating-rate instruments	3,268.33	2,690.88
Total	**7,291.37**	**8,028.70**
Borrowings		
Fixed-rate instruments	2,449.71	3,193.05
Floating-rate instruments	2,193.39	2,225.93
Total	**4,643.10**	**5,418.98**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

₹ in crore

	March 31, 2020		March 31, 2019	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	32.68	(32.68)	26.91	(26.91)
Floating rate borrowings	(21.93)	21.93	(22.26)	22.26
	10.75	**(10.75)**	**4.65**	**(4.65)**

42 Employee Stock Option Scheme:

JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

May 06, 2013	339,099 Stock Options
April 01, 2014	518,394 Stock Options
April 12, 2019	88,233 Stock Options
April 18, 2020	67,680 Stock Options

Notes

to the Financial Statements

The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (In Rupees)
12th April 2019	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
12th April 2020	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
12th April 2021	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
18th April 2020	Series - XI	22,560	Unvested	Seven years from the date of Grant	1
18th April 2021	Series - XI	22,560	Unvested	Seven years from the date of Grant	1
18th April 2022	Series - XI	22,560	Unvested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	88,233	-
Granted during the year	67,680	88,233
Exercised during the year	-	-
Outstanding at the end of the year	1,55,913	88,233
Exercisable at the end of the year	29,411	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹0.67 crore (Previous year 0.68).Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

43 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in crore

Name of the company	Relationship	Maximum Balance	Closing Balance
Infinite India Investment Management Limited	Fellow Subsidiary	-	-
		(100.00)	**(-)**
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	-	-
		(100.00)	**(-)**

Loans and advances shown above are interest bearing and are repayable on demand.

(Figures in brackets indicates previous year figures)

44 Expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

(a) Gross amount required to be spent by the company during the year – Rs 10.64 crore (Previous year ₹ 8.42 crore)

(b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 10.64 crore (Previous year ₹8.42 crore) for purposes other than Construction/acquisition of any assets.

Notes

to the Financial Statements

45 The Company operates only in one Operating Segment i.e Mortgage Loans - Financial Services and all other activities are incidental to the main business activity, hence has only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

The Company has its operations within India and all revenue is generated within India

46 Unhedged Foreign Currency Exposure

₹ in crore

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 year
FCY Receivables							
Loans to JV/WOS	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
FCY Payables							
Imports	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note: Covered Option(s) is/are not included

47 Disclosure in liquidity risk

a. Funding Concentration based on significant counterparty* (both deposits and borrowings):

₹ in crore

Number of Significant Counterparties*	Amount	% of Total Deposits	% of Total Liabilities
21	3,749.87	Not Applicable	76.4%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

b. Top 20 large deposits (amount in ₹ Crore and % of total deposits):

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

c. Total of top 10 borrowings (amount in ₹ Crore and % of total borrowings):

Amount (₹ In Crore)	% of Total Borrowings
2,923.12	59.6%

d. Funding Concentration based on significant instrument/product*:

₹ in crore

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Term Loans	1,683.03	34.3%
2	Non-Convertible Debentures	3,045.40	62.0%
3	Commercial Papers	-	-
4	Cash Credit and Working Capital lines	124.46	2.5%

*Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies .

Notes

to the Financial Statements

e. Stock Ratios:

Sr. No.	Particulars	Ratios
1.	Commercial papers as a % of total public funds	None
	Commercial papers as a % of total liabilities	None
	Commercial papers as a % of total assets	None
2.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	None
	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	None
	Non-convertible debentures (original maturity of less than one year) as a % of total assets	None
3.	Other short-term liabilities, if any as a % of total public funds	34.6%
	Other short-term liabilities, if any as a % of total liabilities	34.2%
	Other short-term liabilities, if any as a % of total assets	20.5%

f. Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia, reviews liquidity risk management, funding and capital planning, forecasting and analyzing different scenarios and preparation of contingency plans. Further, the Risk Management Committee, inter alia, monitors and measures the risk profile of the Company and oversees the integrated risk management system of the Company.

The Company has also constituted the Asset Liability Management Support Group, inter alia, to analyse, monitor and report the liquidity risk profile to the Asset Liability Management Committee.

The Company manages liquidity risk by maintaining sufficient cash/treasury surplus and by having access to funding through an adequate amount of committed credit lines to meet obligations, in case required.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

The Company manages liquidity risk in accordance with the Company's Asset Liability Management Policy. The Asset Liability Management Policy is reviewed periodically to realign the same pursuant to any regulatory changes/changes in the economic landscape or business needs.

48 Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170 , DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL

₹ in Crore

Asset Classification as per RBI Norms	Asset Classification as per RBI Norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	6,828.12	94.60	6,733.52	27.31	67.29
	Stage 2	399.13	58.84	340.19	1.60	57.34
Subtotal		**7,227.25**	**153.54**	**7,073.71**	**28.91**	**124.63**
Non-Performing Assets (NPA)						
Substandard	Stage 3	150.91	47.11	103.80	15.09	32.02
Doubtful						
Up to 1 year	Stage 3	2.72	0.71	2.01	0.54	0.17
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**2.72**	**0.71**	**2.01**	**0.54**	**0.17**
Loss	Stage 3	-	-	-	-	-

Notes

to the Financial Statements

₹ in Crore

Asset Classification as per RBI Norms	Asset Classification as per RBI Norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Subtotal for NPA		**153.63**	**47.82**	**105.81**	**15.63**	**32.19**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	148.00	3.22	144.78	0.59	2.63
	Stage 2	3.08	0.33	2.75	0.01	0.32
	Stage 3	-	-	-	-	-
Subtotal		**151.08**	**3.55**	**147.53**	**0.60**	**2.95**
Total	Stage 1	6,976.12	97.82	6,878.30	27.90	69.92
	Stage 2	402.21	59.27	342.94	1.61	57.66
	Stage 3	153.63	47.82	105.81	15.63	32.19
	Total	**7,531.96**	**204.91**	**7,327.05**	**45.14**	**159.77**

ECL policy formulated by the Company has been duly approved by the Board of Directors of the Company at its meeting held on May 4, 2020

Disclosure in respect of RBI circular on "COVID19 Regulatory Package - Asset Classification and Provisioning" dated April 17,2020 having reference number RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 as per para 10

₹ in Crore

Particulars	Amount
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the RBI Circular;	690.92
Respective amount where asset classification benefits is extended as at March 31,2020	49.95
Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5 of the RBI Circular*	NA
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	Nil

*₹48.16 crore provisions has been made.

49 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections made already made in the month of March 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy).

Further, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the board for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at March 31, 2020 aggregates ₹ 204.91 crore (as at March 31, 2019, ₹ 75.06 crore) which includes potential impact on account of the pandemic of ₹ 86.79 crore. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

Notes

to the Financial Statements

The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

50 Disclosures as per RBI master directions and other notifications.

50.1 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006

Sr No	Particulars	As at 31.03.20120	As at 31.03.2019
(i)	Total Number of transactions wherein Loan assets securitized	-	-
(ii)	Total book value of loan assets securitised – Rupees	-	-
(iii)	Total sales consideration received for the securitised assets – Rupees	-	-
(iv)	Gain on sale on account of securitisation – Rupees	-	-
(v)	Gain recognized in the Statement of Profit and Loss – Rupees	-	-
(vi)	Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc.	-	-

Details of non-performing financial assets sold

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
No. of accounts sold	1	-
Aggregate outstanding	75.80	-
Aggregate consideration received	60.64	-

50.2 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008 :-

(i) Capital risk adequacy ratio (CRAR):

Particulars	As at 31.03.2020	As at 31.03.2019
CRAR	40.25%	34.26%
CRAR - Tier I capital	39.06%	33.57%
CRAR - Tier II capital	1.18%	0.69%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Notes

to the Financial Statements

50.3 Exposures:

A. Exposure to Real Estate Sector

₹ in Crore

Sr No	Category	As at 31.03.20120	As at 31.03.2019
a)	**Direct Exposure**		
(i)	**Residential Mortgages-**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lacs may be shown separately)		
(ii)	**Commercial Real Estate-**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	6,746.93	8,091.10
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
	a) Residential,		
	b) Commercial Real Estate.		

B. Exposures to Capital Market

₹ in Crore

Sr No	Category	As at 31.03.20120	As at 31.03.2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	633.95	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-

Notes

to the Financial Statements

₹ in Crore

Sr No	Category	As at 31.03.20120	As at 31.03.2019
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to Capital Market	**633.95**	**-**

iii. Asset Liability Management:

Maturity pattern of certain items of assets and liabilities:

₹ in Crore

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Assets									
Deposits	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances	-	323.89	554.83	468.82	1,405.80	3,913.11	255.92	256.78	7,179.15
	(218.82)	(55.64)	(206.00)	(463.33)	(1,187.71)	(4,678.59)	(820.17)	(392.86)	(8,023.12)
Investments	907.14	-	-	-	-	-	-	#	907.14
	(270.29)	(-)	(-)	(-)	(-)	(-)	(-)	(25.00)	(295.29)
Liabilities									
Borrowing	110.37	47.66	516.48	310.98	666.94	1,304.94	1,229.03	666.60	4,852.99
	(87.88)	(43.86)	(267.52)	(998.58)	(1,161.93)	(2,147.53)	(629.77)	(267.92)	(5,604.99)
Foreign currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

# Denotes amount below ₹ 50,000/-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) Above maturity pattern is after the considering the impact of Moratorium benefit extended by the Company to the customers

c) Figures in brackets are for previous year.

Notes

to the Financial Statements

50.4 Schedule to the Balance Sheet (as required in terms of Paragraph 18 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

	Particulars		
	Liabilities side	**Amount outstanding ₹ in Crore**	**Amount overdue ₹ in Crore**
(a)	Debentures		
	(i) Secured	3,045.40	-
		(2,723.65)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
		(-)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	Term Loans	1,683.03	-
		(2,220.20)	(-)
(d)	Inter-corporate loans and borrowing	-	-
		(-)	-
(e)	Commercial Paper	-	-
		(524.91)	(-)
(f)	Other Loans (Please Specify)		
	Working Capital Loan	75.00	-
		(-)	(-)
	Cash Credits	49.46	-
		(136.23)	(-)
	Due under finance lease	0.10	-
		(0.02)	(-)

(2) Break up of Loans and Advances including bills receivables (other than those included in (3) below):

	Particulars	
	Assets side	**Amount outstanding ₹ in Crore**
(a)	Secured	7,380.88
		(8,091.10)
(b)	Unsecured	-
		(-)

Notes

to the Financial Statements

(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:	
	Particulars	
	Assets side	**Amount outstanding** ₹ in Crore
(i)	Lease assets including lease rentals under sundry debtors:	
	(a) Financial Lease	-
		(-)
	(b) Operating Lease	-
		(-)
(ii)	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
		(-)
(iii)	Other loans counting towards AFC activities:	
	(a) Loans where assets have been repossessed	-
		(-)
	(b) Loans other than (a) above	-
		(-)

(4)	Break – up of Investments:	
	Particulars	
		Amount outstanding ₹ **in Crore**
	Current Investment	
	1. Quoted:	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
		(-)
	(iii) Units of Mutual Funds	907.14
		(270.29)
	(iv) Government Securities	-
		(-)
	(v) Others (Please Specify)	-
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	0#
	(b) Preference	-
		(0#)
	(ii) Debentures and Bonds	-
		(25.00)
	(iii) Units of Mutual Funds	-
		(-)
	(iv) Government Securities	-
		(-)
	(v) Others (Please Specify)	-
		(-)

# Denotes amount less than ₹ 50,000/-

Notes

to the Financial Statements

(5) Borrower group – wise classification of assets financed as in (2) and (3) above:

	Category	Amount (net of provisions) Secured ₹ in Crore	Unsecured ₹ in Crore	Total ₹ in Crore
1)	Related Parties			
	(a) Subsidiaries	-	-	-
		(-)	(-)	(-)
	(b) Companies in the same group	-	-	-
		(-)	(-)	(-)
	(c) Other related parties	-	-	-
		(-)	(-)	(-)
2)	Other than related parties	7,380.88	-	7,380.88
		(8,091.10)	(-)	(8,091.10)
		7,380.88	-	7,380.88
		(8,091.10)	(-)	(8,091.10)
	Less: Provision for non-performing assets	47.82	-	47.82
		(16.44)	(-)	(16.44)
		7,333.06	-	7,333.06
		(8,074.66)	(-)	(8,074.66)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	Category	Market Value/ Breakup or fair value or NAV ₹ in Crore	Book Value (Net of Provisions) ₹ in Crore
1)	Related Parties		
	(a) Subsidiaries	-	-
		(-)	(-)
	(b) Companies in the same group	-	-
		(-)	(-)
	(c) Other related parties	-	-
		(-)	(-)
2)	Other than related parties	907.14	903.57
		(295.29)	(295.00)
		907.14	903.57
		(295.29)	(295.00)

Notes

to the Financial Statements

(7)	Other Information:	
	Particulars	**Amount ₹ in Crore**
(i)	Gross Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	153.63
		(85.07)
(ii)	Net Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	105.81
		(68.63)
(iii)	Assets acquired in satisfaction of debt	-
		(-)

(Figures in brackets indicates previous year figures)

50.5 There are no restructured advances as on March 31, 2020, Hence disclosure of information as required in terms of Paragraph 24 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 (as amended vide Notification No. DNBS(PD). No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

50.6 Investments

Sr No	Particulars	As at 31.03.2020 ₹ in Crore	As at 31.03.2019 ₹ in Crore
(a)	**Value of Investments**		
(i)	Gross Value of Investments		
	(a) in India	907.14	295.29
	(b) Outside India	-	-
(ii)	Provision for depreciation		
	(a) in India*	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments		
	(a) in India	907.14	295.29
	(b) Outside India	-	-
(b)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

50.7 Additional & Miscellaneous Disclosures:

(I) Registration obtained from other financial sector regulators

Company has not registered with other financial sector regulators except with Reserve Bank of India

Notes

to the Financial Statements

(II) Disclosure of Penalties imposed by RBI and other regulators

₹ in Crore

Sr No	Particulars	As at 31.03.2020	As at 31.03.2019
	Penalties imposed	Nil	Nil

(III) Net Profit or Loss for the period, prior period items and changes in accounting policies:

There are no prior period items and changes in accounting policies impacting net profit for the year

(IV) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

(V) Premium utilised for share issue expenses

₹ in Crore

Sr No	Particulars	As at 31.03.2020	As at 31.03.2019
	Premium utilised for share issue expenses	-	0.55

50.8 Ratings assigned by credit rating agencies and migration of ratings during the year:

Sr No		As at 31.03.2020	As at 31.03.2019
	ICRA Limited		
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA/Stable
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA/Stable
		PP-MLD ICRA AA / Stable	PP-MLD ICRA AA / Stable
	CRISIL Limited (Refer Note below)		
(i)	Commercial Paper programme	-	CRISIL A1+
(ii)	Bank loan facility	CRISIL AA/stable	CRISIL AA/stable
(iii)	Non-Convertible Debentures	-	CRISIL AA/stable
	India Rating		
(i)	Commercial Paper programme	IND A1+	IND A1+
(ii)	Bank loan facility	IND AA/Stable	IND AA/Stable
(iii)	Non-Convertible Debentures	IND AA/Stable	IND AA/Stable

During the year under review

- the unutilised ratings of CRISIL assigned to NCDs and CPs of the Company were voluntarily withdrawn by CRISIL with effect from February 4, 2020, pursuant to the request of the Company,
- CRISIL has reaffirmed the ratings assigned by it for the bank borrowings of ₹ 125 Crore, with effect from February 4, 2020.

50.9 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

Notes

to the Financial Statements

₹ in Crore

Sr No	Particulars	For the year 31.03.2020	For the year 31.03.2019
	Provisions for depreciation on Investment*	-	-
	Provision towards NPA / ECL stage 3	46.53	8.86
	Provision made towards Income tax	147.60	224.16
	Other Provision and Contingencies (with details)	-	-
	Provision for Standard Assets / ECL stage 1 and 2	98.46	7.13

Netted off from "Net gain on fair value changes" in schedule III as per Ind AS requirement

50.10 Concentration of Deposits, Advances and Exposures and NPAs:

Concentration of Deposits (for deposit taking NBFCs)

	As at 31.03.2020	As at 31.03.2019
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

Concentration of Advances

	As at 31.03.2020	As at 31.03.2019
Total Advances to twenty largest borrowers – (In Rs Crore)	3,321.68	3,422.91
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	45.56%	42.49%

Concentration of Exposures

	As at 31.03.2020	As at 31.03.2019
Total Exposure to twenty largest borrowers / customers – (In Rs Crore)	3,377.57	3,442.46
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	45.76%	42.55%

Concentration of NPAs

	As at 31.03.2020	As at 31.03.2019
Total exposure to top four NPA accounts	144.79	85.07

Notes

to the Financial Statements

Sector-wise NPAs

	As at 31.03.2020	As at 31.03.2019
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers Real Estate sector	153.63	85.07
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil

50.11 Movement of NPAs:

	As at 31.03.2020	As at 31.03.2019
Net NPAs to Net Advances (%)		
Movement of NPAs (Gross)		
(a) Opening balance	85.07	75.80
(b) Additions during the year	185.44	9.27
(c) Reductions during the year	116.88	-
(d) Closing balance	**153.63**	**85.07**
Movement of Net NPAs		
(a) Opening balance	68.63	68.22
(b) Additions during the year	136.89	0.41
(c) Reductions during the year	99.71	-
(d) Closing balance	**105.81**	**68.63**
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	16.44	7.58
(b) Provisions made during the year	46.54	8.86
(c) Write-off / write-back of excess provisions	15.16	-
(d) Closing balance	**47.82**	**16.44**

50.12 Disclosures of customer complaints

Complaints

Particulars	As at 31.03.2020	As at 31.03.2019
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	56
No. of complaints redressed during the year	-	56
No. of complaints pending at the end of the year	-	-

Notes

to the Financial Statements

50.13 Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company since there is no exposure.

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Independent Auditors' Report

To the Members of

JM Financial Credit Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of JM Financial Credit Solutions Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 48 to the financial statements, which describes that the potential impact of the COVID-19 pandemic on the Company's financial statements and particularly the impairment provisions are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Impairment of loans (refer note 40.B to the financial statements)

Key Audit Matter Description

As at the year end, the Company has reported financial assets carried at amortised cost in form of loans granted aggregating to Rs. 6,830.71 crore net of provision for expected credit loss (ECL) of Rs. 389.36 crore. Management estimates impairment provision using individual model-based approach for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. Accordingly, the significant judgements that are Key Audit Matter are:

- Timely identification and classification of the impaired loans.
- Determination of probability of defaults based on comparative external ratings and estimation of loss given defaults based on the value of collaterals and relevant factors.
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 pandemic.
- The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL.

How the Key Audit Matter was addressed in the audit

The audit procedures performed included the following:

- Tested the design and effectiveness of internal controls implemented by the management for following:
  a. Identification and classification of loans which have been impaired, in correct buckets
  b. Validation of the Model used for the impairment provision
  c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
  d. Completeness and accuracy of the data inputs used

- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands, critically assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by the management as potentially impaired, we examined these on a sample basis, we checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and tested their judgement by reviewing information such as the counterparty's payment history and other documentary evidence and representations.
- We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
- We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 33 to the financial statements)

ii. the Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN: 21105035AAAADD7522

Place: Mumbai
Date: April 29, 2021

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JM Financial Credit Solutions Limited (the "Company") as at March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN: 21105035AAAADD7522

Place: Mumbai
Date: April 29, 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company is a registered non-banking finance company to which the provisions of Sections 185 and 186 of the Companies Act, 2013, are not applicable, and hence reporting under clause (iv) of paragraph 3 of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of paragraph 3 of the Order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the provisions of Sales Tax, Customs Duty and Excise Duty are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2021 on account of disputes is given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In crore)*
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	AY 2017-18	0.44
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	AY 2018-19	0.78

* Net of amount paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company does not have loans or borrowings from Government and financial institutions.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. During the year, the Company has not raised monies by way of initial public offer of debt instruments.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have

been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or directors of its Holding Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion and according to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN: 21105035AAAADD7522

Place: Mumbai
Date: April 29, 2021

Independent Auditors' Report

1. The Report is issued in accordance with the terms of our engagement letter dated 21 July 2020 having reference NMD/HA/01.

2. We, Deloitte Haskins & Sells LLP, Mumbai, Chartered Accountants (Firm's Registration No. 117366W/W-100018), have examined the audited financial statements as at and for the year ended 31 March 2021 and other relevant records and documents maintained by JM Financial Credit Solutions Limited (the "Company") to verify and report on the matters specified in paragraphs 3 and 4 of the Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide notification no DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (the "RBI Directions") as at and for the year ended 31 March 2021 for submission to the Reserve Bank of India (the "RBI").

Management's Responsibility

3. The Management of the Company is responsible for ensuring compliance with the RBI Notifications, RBI Directions and other applicable regulations. This includes collecting, collating and validating data and the design, implementation and maintenance of internal controls suitable for such compliance.

4. The Management of the Company is also responsible for the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

5. We have examined the audited books of account as at and for the year ended March 31, 2021 and other relevant records and documents maintained by the Company for the purpose of certifying the assertions made in the RBI Directions.

6. The financial statements as at and for the year ended 31 March 2021 have been audited by us, on which we have issued an unmodified audit opinion vide our report dated 29 April 2021 (which includes an emphasis of matter paragraph in respect of potential impact of the COVID-19 pandemic as detailed in note 48 of the financial statements). Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. This certificate has been prepared in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. On the basis of our examination of the aforementioned audited financial statements as at and for the year ended 31 March 2021 and other relevant records and documents maintained by the Company and according to the information, explanations and representations given to us by the management of the Company, we are of the opinion that the following assertions as per RBI Directions made by the Company below, are in agreement with the aforesaid audited financial statements and other relevant records and documents maintained by the Company:

A.i the Company is engaged in the business of Non - Banking Financial Institution as defined in Section 45 I(a) of the RBI Act, 1934 and has obtained Certificate of Registration (COR) bearing No. B-13.01681 dated 27 August 2003 from the RBI.

A.ii the Company is entitled to continue to hold such CoR in terms of its Principal Business Criteria (Financial asset/income pattern) as on 31 March 2021, which has been computed in the manner laid down in the RBI Directions.

A.iii the Company has met the required Net Owned Fund (NOF) requirement as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

B.i. the Board of Directors of the Company has passed a resolution dated 23 April 2020 for non- acceptance / holding of public deposits.

B.ii. the Company has not accepted any public deposits during the financial year ended 31 March 2021.

B.iii. the Company's financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") referred to in section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The Company has complied with the extant provisions of respective applicable Ind AS for the purpose of income recognition, asset classification based on credit risks and provisioning as per expected credit loss model during the financial year ended 31

March 2021. In respect of asset classification and provisioning, the Company has complied with RBI Circular dated 13 March 2020 on implementation of Indian Accounting Standards.

B.iv. In respect of Systemically Important Non-deposit taking NBFCs as defined in Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 -

- The Capital Adequacy Ratio ("CRAR") of the Company as on 31 March 2021 as disclosed in the unaudited Return submitted to the RBI in form DNBS03 is 40.28%. The CRAR was revised to 40.19% in the audited financial statements. The said ratio is in compliance with the minimum CRAR of 15% as prescribed by the RBI.
- the Company has furnished to RBI the annual statement of capital funds, risk assets/ exposures and risk asset ratio (DNBS03) within the stipulated period.

Restriction on Use

10. This Auditors' Report is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to the RBI and should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN: 21105035AAAAFJ4284

Place: Mumbai
Date: May 28, 2021

JM FINANCIAL

Balance Sheet

as at March 31, 2021

₹ in Crore

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
1	**Financial Assets**			
A	Cash and cash equivalents	4	232.60	28.39
B	Bank balance other than (A) above	5	0.25	-
C	Trade receivables	6	-	0.30
D	Loans	7	6,830.71	7,175.97
E	Investments	8	2,027.70	907.14
F	Other financial assets	9	5.93	1.09
			9,097.19	**8,112.89**
2	**Non-financial Assets**			
A	Current tax assets (net)	10	16.72	13.33
B	Deferred tax assets (net)	11	88.71	54.00
C	Property, plant and equipment	12	15.19	17.22
D	Other intangible assets	12	0.09	0.15
E	Other non-financial assets	13	2.28	2.09
			122.99	**86.79**
	TOTAL ASSETS		**9,220.18**	**8,199.68**
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial Liabilities**			
A	**Payables**			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	14.a	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	7.86	9.88
B	Debt securities	15	3,507.66	3,045.40
C	Borrowings (Other than Debt securities)	16	1,999.45	1,807.59
D	Other financial liabilities	17	49.18	41.91
	Total Financial Liabilities		**5,564.15**	**4,904.78**
2	**Non-Financial Liabilities**			
A	Provisions	18	2.19	1.92
B	Other non-financial liabilities	19	3.98	1.71
	Total Non-Financial Liabilities		**6.17**	**3.63**
3	**EQUITY**			
A	Equity Share capital	20	2.83	2.83
B	Other Equity	21	3,647.03	3,288.44
	Total Equity		**3,649.86**	**3,291.27**
	Total liabilities and equity		**9,220.18**	**8,199.68**
	The accompanying notes form an integral part of the financial statements	1 to 52		

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

Pallavi A. Gorakshakar
Partner
Membership No. 105035
Place: Mumbai
Date: April 29, 2021

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: April 29, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

₹ in Crore

Particulars	Note No.	For the year ended March 31,2021	For the year ended March 31, 2020
I INCOME			
Revenue from operations			
Interest income	22	1,131.18	1,264.11
Fees and commission income	23	0.99	1.37
Net gain on fair value changes	24	35.11	41.76
Net gain on derecognition of financial instruments under amortised cost category	25	-	2.22
Other operating income	26	0.21	0.33
Total Revenue from Operations		**1,167.49**	**1,309.79**
Total Income		**1,167.49**	**1,309.79**
II. EXPENSES			
Finance costs	27	449.13	548.53
Impairment on financial instruments	28	185.02	144.99
Employee benefits expense	29	27.79	27.42
Depreciation, amortization and impairment	30	2.19	2.19
Operating and other expenses	31	24.63	51.69
Total Expenses		**688.76**	**774.82**
III. Profit before tax		**478.73**	**534.97**
IV. Less: Tax expense			
Current tax		154.46	147.60
Deferred tax		(34.71)	5.02
Tax adjustment of earlier years(net)		**-**	**-**
V. Net Profit for the year		**358.98**	**382.35**
VI. Other Comprehensive Income			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Items that will not be reclassified to profit or loss			
- Actuarial gain/(losses) on post-retirement benefit plans		0.04	(0.05)
- Income tax on the above		(0.01)	0.01
Total Other Comprehensive Income		**0.03**	**(0.04)**
VII. Total Comprehensive Income		**359.01**	**382.31**
VIII.Earnings Per Equity Share	36		
(face value of ₹10/- each)			
Basic		1,269.89	1,352.58
Diluted		1,269.89	1,352.58
The accompanying notes form an integral part of the financial statements	1 to 52		

In terms of our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

Pallavi A. Gorakshakar
Partner
Membership No. 105035
Place: Mumbai
Date: April 29, 2021

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: April 29, 2021

JM FINANCIAL

Statement of cash flow

for the year ended march 31, 2021

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	478.73	534.97
Adjustment for:		
Depreciation and amortisation expenses	2.19	2.19
Profit on sale of investments (net realized and unrealized)	(35.11)	(41.76)
Provision for gratuity	0.22	0.21
Provision for compensated absences	0.10	0.09
Write off	-	25.47
Provision for impairment	185.02	144.99
Interest on fixed deposits	(0.13)	(0.27)
Interest expenses – others	1.54	1.72
Operating profit before working capital changes	**632.56**	**667.61**
Adjustment for:		
Decrease / (Increase) in Trade receivables	0.30	(0.30)
Decrease in loans	163.30	694.58
(Increase) / Decrease in other financial and non-financial assets	(4.77)	3.01
Increase / (Decrease) in trade payables and other liabilities	8.42	(6.68)
(Decrease) in Provisions	-	(0.04)
Cash generated from operations	**799.81**	**1,358.18**
Direct taxes paid	(161.47)	(162.89)
Net cash generated from operating activities	**638.34**	**1,195.29**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(7,612.56)	(98,884.66)
Sale of investments	6,527.11	98,289.58
Fixed deposits (placed) / matured with bank	(0.25)	4.50
Interest received on bank deposits	0.41	0.22
Purchase of Property, plant and equipment	(0.10)	(0.19)
Net cash (used in) investing activities	**(1,085.39)**	**(590.55)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(0.42)	(0.34)
Repayment of lease obligations	(2.43)	(2.33)
Interest paid others	(0.01)	(0.02)
Proceeds from issuance of debt securities	918.96	1,987.35
Repayment of debt securities	(456.70)	(2,190.51)
Proceeds from borrowings other than debt securities	2,061.24	1,088.64
Repayment of borrowings other than debt securities	(1,869.38)	(1,637.47)
Net cash generated from / (used in) financing activities	**651.26**	**(754.68)**
Net increase / (decrease) in Cash and cash equivalents	204.21	(149.94)
Cash and cash equivalents at the beginning of the year	28.39	178.33
Cash and cash equivalents at the end of the year (refer note 4)	**232.60**	**28.39**

The accompanying notes form an integral part of the financial statements – Note No.1 to 52

Notes

1 The cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - "Statement of Cash Flow ".

In terms of our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

Pallavi A. Gorakshakar
Partner
Membership No. 105035
Place: Mumbai
Date: April 29, 2021

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: April 29, 2021

Statement Of Changes In Equity

As At March 31, 2021

A. EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Balance as at March 31, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
Equity Share Capital	2.83	#	2.83	-	2.83

B. OTHER EQUITY

₹ in Crore

Particulars	Reserves and surplus						
	Securities Premium	General Reserve	Debenture Redemption reserve	Capital Reserve	Statutory Reserve	Retained earnings	Total Other Equity
Balance at March 31, 2019	**1,715.28**	**0.17**	**33.76**	**-**	**252.37**	**904.89**	**2,906.47**
Profit for the year	-	-	-	-	-	382.35	382.35
Other comprehensive income for the year	-	-	-	-	-	(0.04)	(0.04)
Forfeiture of shares	-	-	-	#	-	-	#
Final Dividend	-	-	-	-	-	(0.28)	(0.28)
Dividend Distribution Tax	-	-	-	-	-	(0.06)	(0.06)
Transfer to statutory reserves	-	-	-	-	76.47	(76.47)	-
Transfer to retained earnings	-	-	(33.76)	-	-	33.76	-
Balance at March 31, 2020	**1,715.28**	**0.17**	**-**	**#**	**328.84**	**1,244.15**	**3,288.44**
Addition/Reduction during the year							
Profit for the year	-	-	-	-	-	358.98	358.98
Other comprehensive income for the year	-	-	-	-	-	0.03	0.03
Final Dividend	-	-	-	-	-	(0.42)	(0.42)
Transfer to statutory reserves	-	-	-	-	71.80	(71.80)	-
Balance at March 31, 2021	**1,715.28**	**0.17**	**-**	**#**	**400.64**	**1,530.94**	**3,647.03**

# Denotes amount less than Rs.50,000/-

The accompanying notes form an integral part of the financial statements – Note No.1 to 52

In terms of our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

Pallavi A. Gorakshakar
Partner
Membership No. 105035
Place: Mumbai
Date: April 29, 2021

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: April 29, 2021

1 Corporate Information

JM Financial Credit Solutions Limited (the "Company") was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". The Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, the Company's name was changed to "JM Financial Credit Solutions Limited". The Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Historical cost convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees in crores rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

2.2 Property, plant and equipment and Intangible Assets

a. Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs and impairment of assets below).

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful Life
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Leasehold improvements	10 years or lease period whichever is lower
Intangible Assets	**Useful Life**
Computer Software	5 years

Assets costing less than Rs. 5,000/- are fully depreciated in the year of purchase.

Assets taken on finance lease are depreciated over a period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Impairment losses on non-financial assets

As at the end of each year, the Company reviews the carrying amount of its non-financial assets that is PPE and intangible to determine whether there is any indication that these assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a. Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are

estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

b. Fees and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in this part of the statement of profit and loss include among other things fees charged for servicing a loan.

c. Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

2.4 Leasing

Operating lease:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,

b) the right to obtain substantially all the economic benefits from use of the identified asset, and

c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 17 "Other Financial Liabilities" and ROU asset has been presented in Note 12 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

Finance Lease

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

2.5 Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.6 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.7 Employee benefits

Retirement benefit costs and termination benefits: Defined Contribution Plan

Payments to defined contribution plans are recognised as expense in the Statement of Profit & Loss of the year when employees have rendered service entitling them to the contributions. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payment is available.

Defined Benefit Obligation:

The Company's Gratuity liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Share-based payment arrangements

Equity-settled share-based payments to employees of the Company are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 41.

The fair value determined at the grant date of the equity-settled share-based payments to employees of the Company is expensed on a straight-line basis over the vesting period with a corresponding increase in equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in the Statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year

2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The tax currently payable is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

i. an entity has a present obligation (legal or constructive) as a result of a past event; and

ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii. a reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

i. estimated amount of contracts remaining to be executed on capital account and not provided for;

ii. uncalled liability on shares and other investments partly paid;

iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.13 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.14 Segments

Based on “Management Approach” as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the “Operating Segments”. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.15 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets:

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the individual asset basis and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money,

for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of financial assets

Overview of the Expected Credit Loss principles

The company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: Defined as performing assets with upto 30 days past due (DPD). Stage 1 loans will also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

- Stage 2: Defined as under-performing assets having 31 to 90 DPD. Stage 2 loans will also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2. Accounts with overdue more than 30 DPD will be assessed for significant increase in credit risks.

- Stage 3: Defined as assets with overdue more than 90 DPD. The Company will record an allowance for the life time expected credit losses. These accounts will be assessed for credit impairment.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross

carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Financial liabilities and equity instruments Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note 40 B(i)

Fair Valuation

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Corporation has applied appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 40 A.

4 Cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in hand	0#	0#
Balances with banks		
- in current accounts	232.52	24.41
- Cheques, drafts on hand	0.08	1.73
- in deposit accounts	-	2.25
TOTAL	**232.60**	**28.39**

 # Denotes amount less than Rs.50,000/-

Note:

Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period ranging from one day to 90 days.

5 Other bank balances

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
- in deposit accounts (Refer Note b below)	0.25	-
Total	**0.25**	**-**

Notes:

a) Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates.

b) Balances with banks in deposit accounts are held as margin money against creation of Recovery Expense Fund in respect of listed debt securities.

6 Trade receivables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured considered good	-	0.30
Total	**-**	**0.30**

7 Loans

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Term Loans (refer note a)	7,178.99	7,291.37
Interest accrued	41.08	89.51
Gross loan	**7,220.07**	**7,380.88**
Less: Impairment loss allowance (refer note b)	(389.36)	(204.91)
Net loan	**6,830.71**	**7,175.97**
Break up of loans into secured and unsecured		
Secured by tangible assets	7,220.07	7,380.88
Unsecured	-	-
Gross loan	**7,220.07**	**7,380.88**
Less: Impairment loss allowance (refer note b)	(389.36)	(204.91)
Net loan	**6,830.71**	**7,175.97**

Note:

a) Includes impact of Effective interest rates amounting to Rs.40.20 crore as at March 31, 2021 (Rs.50.88 crore as at March 31, 2020).

b) Impairment loss allowance includes provision on undisbursed loan commitment amounting to Rs.10.25 crore as at March 31, 2021 (Rs.3.55 crore as at March 31, 2020).

c) The loans are given in India to other than Public sectors.

8 Investments

₹ in crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
At FVTPL				
Mutual fund units				
Franklin India Liquid Fund - Super Institutional Plan	6,24,819.38	193.18	1,70,527.50	50.87
Aditya Birla Sun Life Liquid fund – Growth	58,22,581.41	193.04	-	-
HDFC Liquid Fund - Direct Plan – Growth	4,76,963.14	192.96	1,29,809.37	50.71
Mirae Asset Cash Management Fund – Growth	8,88,476.51	192.93	-	-
Axis Liquid Fund – Growth (CF-DG)	8,42,759.85	192.54	-	-
UTI Liquid Cash Plan - Growth Plan	5,71,189.40	192.52	-	-
Nippon India Liquid Fund- Growth Plan	3,82,021.74	192.26	1,04,578.63	50.73
ICICI Prudential Liquid Fund - Growth	63,06,139.65	192.17	17,27,303.64	50.75
Sundaram Money Fund – Growth	441,36,307.03	191.54	-	-
JM Liquid Fund - Growth Option	203,22,302.42	114.31	1206,13,249.06	655.38
Baroda Liquid Fund - Plan B Growth	4,23,639.42	100.37	-	-
JM Overnight Fund - Growth	-	-	4,79,901.92	48.70
		1,947.82		**907.14**
Debt instruments				
Vrutant Real Estate Developers Private Limited	490	4.90	-	-
(Unrated, Unlisted, Unsecured, Redeemable, Optionally Fully Convertible Debentures)				
Government Securities				
91 days Treasury Bills (08/04/2021)	1	24.98	-	-
Equity instruments				
Meghhvarnam Realty Private Limited	100	0#	100	0#
At FVTOCI				
Equity instruments				
JM Financial Home Loans Limited	1,48,19,206	50.00	-	-
Total		**2,027.70**		**907.14**

 # Denotes amount below Rs.50,000/-

Note:

All the above investments are within India.

9 Other Financial assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured and considered good unless otherwise stated Advances	5.62	-
Less : Impairment loss allowance	(0.57)	-
Net	5.05	-

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	0.88	0.80
Accrued interest but not due on deposits with banks	0#	0.29
Total	**5.93**	**1.09**

 # Denotes amount below Rs.50,000/-

10 Current tax assets (net)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax (net of provisions)	16.72	13.33
Total	**16.72**	**13.33**

11 Deferred tax Assets (net)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Impairment of Financial instruments	81.83	43.31
Change in fair value	(2.12)	(0.90)
Measurement of Financial instruments at amortised cost	6.58	10.83
Disallowances under section 43B of the Income Tax Act, 1961	5.48	4.57
Preliminary expense under section 35(d) of the Income Tax Act, 1961	(3.60)	(2.33)
Donation	-	(1.76)
Difference between books and tax written down value of Property, plant and equipment	0.54	0.28
Total	**88.71**	**54.00**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2021

₹ in crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2020	Recognised in profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31, 2021
Fiscal allowance on Property, plant and equipment	0.28	0.26	-	0.54
Fiscal allowance on expenditure, etc.	2.24	(0.36)	-	1.88
Measurement of Financial instruments at amortised cost	10.83	(4.25)	-	6.58
Impairment allowance for financial assets	43.31	38.52	-	81.83
Donation	(1.76)	1.76	-	-
Fair value of financial instruments	(0.90)	(1.22)	-	(2.12)
Total	**54.00**	**34.71**	**-**	**88.71**

For the year ended March 31, 2020

₹ in crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2019	Recognised in profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31, 2020
Fiscal allowance on Property, plant and equipment	(0.04)	0.32	-	0.28
Fiscal allowance on expenditure, etc.	5.50	(3.26)	-	2.24
Measurement of Financial instruments at amortised cost	33.07	(22.24)	-	10.83
Impairment allowance for financial assets	20.48	22.83	-	43.31
Donation	-	(1.76)	-	(1.76)
Fair value of financial instruments	-	(0.90)	-	(0.90)
Total	**59.01**	**(5.01)**	**-**	**54.00**

12 Property, Plant and Equipment:

₹ in crore

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at March 31, 2020	Additions for the year	Deduction for the year	As at March 31, 2021	Up to March 31, 2020	Additions for the year	Deduction for the year	Up to March 31, 2021	As at March 31, 2021
PROPERTY, PLANT AND EQUIPMENT - CURRENT YEAR									
Owned Assets:									
Freehold land	0.05	-	-	0.05	-	-	-	-	0.05
Computers	0.31	0.17	-	0.48	0.22	0.07	-	0.29	0.19
Furniture and fixtures	0.08	-	-	0.08	0.02	0.01	-	0.03	0.05
Office Equipment	0.02	-	-	0.02	0.02	#	-	0.02	-
Leasehold improvements	0.60	-	-	0.60	0.14	0.08	-	0.22	0.38
Leased Assets:									
Vehicles	0.20	-	(0.20)	-	0.10	0.02	(0.12)	-	-
Right to use of office premises	18.40	-	-	18.40	1.94	1.94	-	3.88	14.52
Total	**19.66**	**0.17**	**(0.20)**	**19.63**	**2.44**	**2.12**	**(0.12)**	**4.44**	**15.19**
Intangible Assets - Acquired									
Software	0.36	-	-	0.36	0.21	0.07	-	0.28	0.09

 # Denotes amount less than Rs.50,000/-

₹ in crore

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK
	As at March 31, 2019	Additions for the year	As at March 31, 2020	Up to March 31, 2019	Additions for the year	Up to March 31, 2020	As at March 31, 2020
PROPERTY, PLANT AND EQUIPMENT – PREVIOUS YEAR							
Owned Assets:							
Freehold land	0.05	-	0.05	-	-	-	0.05
Computers	0.25	0.06	0.31	0.16	0.06	0.22	0.09
Furniture and fixtures	0.08	-	0.08	0.01	0.01	0.02	0.06
Office Equipment	0.02	#	0.02	0.01	0.01	0.02	0.01
Leasehold improvements	0.60	-	0.60	0.07	0.07	0.14	0.46
Leased Assets:							
Vehicles	0.08	0.12	0.20	0.07	0.03	0.10	0.10

₹ in crore

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK
	As at March 31, 2019	Additions for the year	As at March 31, 2020	Up to March 31, 2019	Additions for the year	Up to March 31, 2020	As at March 31, 2020
Right to use of office premises	-	18.40	18.40	-	1.94	1.94	16.46
Total	**1.08**	**18.58**	**19.66**	**0.32**	**2.12**	**2.44**	**17.22**
Intangible Assets – Acquired							
Software	0.36	-	0.36	0.14	0.07	0.21	0.15

13 Other non-financial assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured and considered good unless otherwise stated		
Prepaid Expenses	0.25	0.26
Balances with government authorities	1.65	1.82
Others	0.38	0.01
Total	**2.28**	**2.09**

14 Trade Payables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of creditors other than micro enterprises and small enterprises	7.86	9.88
Total outstanding dues to micro enterprises and small enterprises	-	#
Total	**7.86**	**9.88**

 # Denotes amount less than Rs.50,000/-

Due to related parties as at March 31, 2021 is Rs. 3.37 crore (as at March 31, 2020 is Rs 6.22 crore)

14.a Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	#
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	**-**	**#**

 # Denotes amount less than Rs.50,000/-

15 Debt Securities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Secured		
Non-convertible debentures (refer note 15.1 and 15.2)	3,163.30	2,838.35
Interest Payable	246.94	207.05
Total	**3,410.24**	**3,045.40**
Unsecured		
Commercial paper (refer note 15.3 and 15.4)	100.00	-
Less: Unamortised interest on commercial paper	(2.58)	-
Total	**97.42**	**-**
Grand Total	**3,507.66**	**3,045.40**

Debt securities are issued in India.

15.1 Non-Convertible Debentures:

Non-convertible debentures aggregating Rs.3,163.30 crore (As at March 31, 2020: Rs. 2,838.35) are secured by way of first charge on freehold land (proportionately) and hypothecation on pool of certain loan fund balances of the Company.

15.2 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Private Placement - Face value of Rs.10,00,000 each		
9.05 % NCD redeemable in year 2020-21	-	205.00
0 % NCD redeemable in year 2020-21*	-	91.00
9.15 % NCD redeemable in year 2020-21	-	67.90
10.29 % NCD redeemable in year 2020-21	-	50.00
9.3606 % NCD redeemable in year 2020-21	-	42.80
0 % NCD redeemable in year 2021-22*	298.90	298.90
8.75 % NCD redeemable in year 2021-22	100.00	-
9.70 % NCD redeemable in year 2021-22	30.00	30.00
0 % NCD redeemable in year 2021-22*	30.00	30.00
9.50 % NCD redeemable in year 2021-22	25.00	25.00
10.50 % NCD redeemable in year 2021-22	20.00	20.00
9.00 % NCD redeemable in year 2021-22	10.00	10.00
9.40 % NCD redeemable in year 2023-24	200.00	-
9.10 % NCD redeemable in year 2023-24	100.00	-
8.25 % NCD redeemable in year 2023-24	50.00	-
9.00 % NCD redeemable in year 2022-23	50.00	-
10.85 % NCD redeemable in year 2024-25#	600.00	600.00
9.75 % NCD redeemable in year 2026-27	100.00	100.00
9.75 % NCD redeemable in year 2027-28	100.00	100.00
9.75 % NCD redeemable in year 2028-29	100.00	100.00
9.75 % NCD redeemable in year 2029-30	100.00	100.00
9.10 % NCD redeemable in year 2030-31	145.00	-
9.20 % NCD redeemable in year 2030-31	105.00	-
8.60 % NCD redeemable in year 2032-33	30.00	-
Public issue - Face value of Rs.1000 each		
9.25 % Tranche I -Option I redeemable in year 2021-22	116.52	116.52

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
0 % Tranche I -Option II redeemable in year 2021-22*	24.39	24.39
10.00% Tranche II -Option I redeemable in year 2022-23	98.72	98.72
0 % Tranche II -Option II redeemable in year 2022-23*	31.73	31.73
9.50% Tranche I -Option III redeemable in year 2023-24	365.31	365.31
10.10% Tranche II -Option III redeemable in year 2023-24	49.09	49.09
9.67% Tranche II -Option IV redeemable in year 2023-24	42.87	42.87
9.11% Tranche I -Option IV redeemable in year 2023-24	17.03	17.03
9.75% Tranche I -Option V redeemable in year 2028-29	214.81	214.81
9.34% Tranche I -Option VI redeemable in year 2028-29	11.94	11.94
10.25% Tranche II -Option V redeemable in year 2028-29	25.04	25.04
9.81% Tranche II -Option VI redeemable in year 2028-29	16.15	16.15
Total	**3,207.50**	**2,884.20**

** Redeemable at premium*

 # NCD with floating rate and quarterly reset.

Maturity profile above is disclosed at face value which excludes premium amounting to Rs.0.45 crore (2019-20 : Rs.0.25 crore),discount of Rs.16.60 crore (2019-20 : Rs.20.50 crore) and impact of effective interest rate adjustment amounting to Rs.28.05 crore (As at March 31, 2020 : 25.60 crore).

15.3 The maximum amount of commercial paper outstanding at any time during the year was Rs.100.00 crore (2019-20 : Rs.1,065.00 crore).

15.4 Commercial paper is repayable within a period upto 365 days from the date of disbursement and has interest of 8.50% for 2020-21 (2019-20: nil).

16 Borrowings (Other than Debt securities)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Term loans		
(i) from banks		
-Secured (refer note 16.1)	1,026.92	1,580.19
(ii) from other parties		
-Secured (refer note 16.1)	70.31	100.00
Interest payables	2.22	2.84
Total	**1,099.45**	**1,683.03**
Cash Credit Facility from Banks (refer note 16.2)	-	49.46
Working Capital Demand Loan (refer note 16.2)	100.00	75.00
Inter corporate deposit (refer note 16.3)	800.00	-
Finance lease obligations	-	0.10
(secured by way of hypothecation of vehicles)		
Total	**1,999.45**	**1,807.59**

Borrowings are made within India.

16.1 Term loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company. Also includes impact of effective interest rate of Rs.10.67 crore (As at March 31, 2020: Rs 6.92 crore).

Maturity profile and rate of interest of term loans:

₹ in crore

Residual Maturities	As at March 31, 2021		
	Up to one year (April 2021 to March 2022)	1-3 years (April 2022 to March 2024)	3 years & above (April 2024 onwards)
8.00 % to 9.00%	140.00	252.50	56.12
9.01 % to 10.00%	206.16	205.32	147.80
10.01% to 11.00%	-	50.00	50.00
Total	**346.16**	**507.82**	**253.92**

Maturity profile shown excluding effective interest rate impact amounting to Rs.10.67 crore

Maturity profile and rate of interest of term loans:

₹ in crore

Residual Maturities	As at March 31, 2020		
	Up to one year (April 2020 to March 2021)	1-3 years (April 2021 to March 2023)	3 years & above (April 2023 onwards)
8.00 % to 9.00%	35.42	-	-
9.01 % to 10.00%	699.05	498.98	168.67
10.01% to 11.00%	204.99	80.00	-
Total	**939.46**	**578.98**	**168.67**

Maturity profile shown excluding effective interest rate impact amounting to Rs.6.92 crore

*The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

16.2 Cash credit facility and working capital demand loan from banks are secured by way of hypothecation on certain identified loan fund balances of the Company.

16.3 Inter corporate deposit is secured, however security creation is pending as on March 31, 2021 and will be created within the timeline which is permissible as per the executed document. Inter Corporate Deposit is short term in nature and repayable on or before August 2021.

17 Other financial liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefits payable	28.58	25.18
Lease liability	15.83	16.73
Provision for CSR Expenditure	4.77	-
Total	**49.18**	**41.91**

18 Provisions

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
For employee benefits:		
Gratuity (refer note 37)	1.40	1.22
Compensated absences	0.79	0.70
Total	**2.19**	**1.92**

19 Other non-financial liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	3.98	1.71
Total	**3.98**	**1.71**

20 Equity Share capital

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
30,00,000 Equity shares of Rs 10/- each	3.00	3.00
20,00,000 Preference shares of Rs 10/- each	2.00	2.00
	5.00	**5.00**
Issued, Subscribed and Paid-up		
2,826,816 (F.Y 2020- 2,826,816) Equity shares of face value of Rs 10/- each fully paid-up	2.83	2.83
Total	**2.83**	**2.83**

Reconciliation of the number of equity shares outstanding

₹ in crore

	As at March 31, 2021		As at March 31, 2020	
Particulars	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,826,816	2.83	2,846,653	2.83
Shares forfeited during the year*	-	-	19,837	0#
Shares outstanding at the end of the year	**2,826,816**	**2.83**	**2,826,816**	**2.83**

 # Rs.39,674/-

* The partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. Further the Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020.

Details of shareholding in excess of 5%

₹ in crore

	As at March 31, 2021		As at March 31, 2020	
Particulars	Number	%	Number	%
JM Financial Limited along with its nominees	1,319,431	46.68%	1,319,431	46.68%
INH Mauritius 1	1,384,087	48.96%	1,384,087	48.96%

Terms and rights attached to each class of shares:

Equity Shares:

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

21 Other Equity

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium account	1,715.28	1,715.28
General reserve	0.17	0.17
Capital reserve	#	#
Statutory reserve	400.64	328.84
Retained Earnings	1,530.94	1,244.15
Grand Total	**3,647.03**	**3,288.44**

 # Denotes amount less than Rs.50,000/-

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium account		
Opening balance	1,715.28	1,715.28
Closing balance	**1,715.28**	**1,715.28**
General reserve		
Opening balance	0.17	0.17
Closing balance	**0.17**	**0.17**
Capital reserve		
Opening balance	#	-
Addition*	-	#
Closing balance	**#**	**#**
Statutory reserve (Section 45-IC of the RBI Act, 1934)		
Opening balance	328.84	252.37
Addition	71.80	76.47
Closing balance	**400.64**	**328.84**
Debenture Redemption Reserve		
Opening balance	-	33.76
(-) transferred to Retained earnings	-	(33.76)
Closing balance	**-**	**-**
Retained earnings:		
Opening balance	1,244.15	904.89
(+) Profit for the year	358.98	382.35
(+/-) Other Comprehensive Income	0.03	(0.04)
(+)Transferred from Debenture redemption reserve	-	33.76
	1,603.16	**1,320.96**
(-) Appropriations		
Transferred to statutory reserve	71.80	76.47
Final Dividend	0.42	0.28
Dividend Distribution Tax	-	0.06
	72.22	**76.81**
Closing balance	**1,530.94**	**1,244.15**
Grand Total	**3,647.03**	**3,288.44**

 # Rs.39,674/-

Note:

The Board of Directors of the Company has recommended a final dividend of Rs.2.00 per equity share of the face value of Rs.10/- each for the financial year 2020-2021 subject to the approval of the members at their ensuing Annual General Meeting.

* The partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. Further the Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve:

Capital reserve is created pursuant to the forfeiture and extinguishment of the partly paid up shares.

Statutory Reserve:

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit after tax every year in terms of Section 45-IC of the RBI Act, 1934.

Debenture Redemption Reserve:

As per amendment in Companies Act, 2013, Debenture Redemption Reserve is not required for debentures issued by Non-Banking Finance Companies regulated by Reserve Bank of India for both public as well as privately placed debentures.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

22 Interest Income

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
At Amortised Cost		
Interest on Loans	1,131.18	1,264.11
Total	**1,131.18**	**1,264.11**

23 Fees and Commission Income

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Other Fees	0.99	1.37
Total	**0.99**	**1.37**

24 Net gain on fair value changes

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Net gain/(loss) on financial instruments at fair value through profit or loss		
Investments	35.11	41.76
Fair value changes		
Realised	26.67	38.19
Unrealised	8.44	3.57
Total	**35.11**	**41.76**

*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense

25 Net gain on derecognition of financial instruments

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Net gain on derecognition of financial instruments under amortised cost category	-	2.22
Total	**-**	**2.22**

26 Other Operating Income

₹ in crore

Particulars	For the Period March 31, 2021	For the Period March 31, 2020
Interest income - Bank deposits	0.13	0.27
Interest income – Others	0.07	0.06
Write back	0.01	-
Total	**0.21**	**0.33**

27 Finance costs

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
At Amortised Cost		
Debt Securities	314.97	346.61
Borrowings(Other than Debt securities)	119.93	187.55
Interest on Lease Liabilities	1.54	1.63
Other Interest expense	12.69	12.74
Total	**449.13**	**548.53**

28 Impairment on financial instruments

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
At amortised cost		
Provision for Expected Credit Loss (Stage 1 & 2)	108.24	98.46
Provision for Expected Credit Loss (Stage 3)	76.21	46.53
Provision for Expected Credit Loss (On Other financial assets)	0.57	-
Total	**185.02**	**144.99**

29 Employee benefits expense

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, bonus, other allowances and benefits	26.86	26.47
Contribution to provident and other funds	0.70	0.68
Gratuity (refer note 37)	0.22	0.21
Staff welfare expenses	0.01	0.06
Total	**27.79**	**27.42**

30 Depreciation, Amortization

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation	2.12	2.12
Amortisation	0.07	0.07
Total	**2.19**	**2.19**

31 Other expenses

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Rates & taxes	0.90	0.96
Legal & professional fees	2.83	2.30
Support service charges	5.48	8.44
Space and related charges	-	0.06
Information technology expenses	0.38	0.40
Travelling & conveyance	0.11	0.46
Auditors' remuneration (Refer note 34)	0.13	0.16
Repairs and maintenance	0.23	0.26
Electricity expenses	0.14	0.17
Donation	13.03	11.50
Write off	-	25.47
Insurance Expense	0.12	0.15
Bank charges	0.01	0.03
Printing & Stationery	0.01	0.05
Membership and Subscription	0.38	0.28
Communication expenses	0.06	0.10

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Director Sitting Fees	0.15	0.12
Director commission	0.25	0.33
Miscellaneous expenses	0.42	0.45
Total	**24.63**	**51.69**

32 Income Tax

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Current tax	154.46	147.60
Deferred tax	(34.71)	5.02
Tax adjustment in respect of earlier years	-	-
Total income tax expenses recognised in the current year	**119.75**	**152.62**
Income tax expense recognised in other comprehensive income	(0.01)	0.01

Reconciliation of total tax charge

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	478.73	534.97
Income tax rate	25.17%	25.17%
Income tax expense	120.49	134.64
Tax Effect of:		
Items that are allowable or disallowable in determining taxable profits (net)	0.10	1.47
Set off of temporary differences pertaining to earlier years on which no deferred tax was created	(0.84)	-
Tax rate adjustment in respect of earlier years (net)	-	16.51
Total	**(0.74)**	**17.98**
Income tax expense recognised in the statement of profit and loss	**119.75**	**152.62**

The tax rate used for reconciliation above is the corporate tax rate applicable to companies in India on taxable profit under the tax laws in Indian Jurisdiction i.e. Income tax Act, 1961.

The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 1, 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening deferred tax assets as on April 1, 2019, amounting to Rs.16.51 crore has been reversed during the previous year ended March 31, 2020.

33 Contingent Liabilities and Commitments

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Contingent liability		
Claims against the Company not acknowledged as debt:	1.10	-
Income tax matters		
During the current year, the Company has received order from Assistant Commissioner of Income Tax making additions to the returned income, against which, the Company has filed an appeal with Commissioner of Income Tax (Appeals).		
In the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystallise.		
Commitments		
Undisbursed Commitment *	250.38	151.08

*This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03s.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.

34 Payment to Auditors: (Excluding Goods and Services Tax)

₹ in crore

Particulars	For Year Ended March 31, 2021	For Year Ended March 31, 2020
Audit Fees	0.09	0.09
In any other manner (Certifications, limited reviews, etc.)*	0.04	0.07
Out of pocket	0#	0#
Total	**0.13**	**0.16**
Fees paid in connection with Public issue of NCD included for measurement of financial liabilities at amortized cost	-	0.11

 # Denotes amount below Rs.50,000/-

35 Earnings per share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit for the year (In Rs Crore)	358.98	382.35
Profit attributable to equity shareholders (In Rs Crore)	358.98	382.35
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	2,826,816	2,826,816
Basic and Diluted earnings per share (Rupees)	1,269.89	1,352.58
Nominal value per share (Rupees)	10	10

Note:

There is no dilution to Basic earnings per share as there are no outstanding dilutive potential equity shares.

36 Lease Transactions

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2021:

₹ in crore

Category of ROU asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK
	As at April 1, 2020	Additions	Deletion	As at Mar 31, 2021	As at April 1, 2020	Depreciation	Deductions	As at Mar 31, 2021	As at Mar 31, 2021
Premises	18.40	-	-	18.40	1.94	1.94	-	3.88	14.52
Vehicle	0.20	-	(0.20)	-	0.10	0.02	(0.12)	-	-
Total	**18.60**	**-**	**(0.20)**	**18.40**	**2.04**	**1.96**	**(0.12)**	**3.88**	**14.52**

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2020:

₹ in crore

Category of ROU asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK
	As at April 1, 2019	Additions	Deletion	As at Mar 31, 2020	As at April 1, 2019	Depreciation	Deductions	As at Mar 31, 2020	As at Mar 31, 2020
Premises	-	18.40	-	18.40	-	1.94	-	1.94	16.46
Vehicle	0.08	0.12	-	0.20	0.07	0.03	-	0.10	0.10
Total	**0.08**	**18.52**	**-**	**18.60**	**0.07**	**1.97**	**-**	**2.04**	**16.56**

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	16.83	0.02
Additions during the year	-	17.56
Deletions during the year	0.10	-
Finance cost accrued during the year	1.56	1.65
Payment of lease liabilities	2.46	2.40
Closing balance	**15.83**	**16.83**

Table showing contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

₹ in crore

Particulars	Minimum lease Payments		Present Values of Minimum lease Payments	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Not later than one year	2.56	2.46	1.12	0.91
Later than one year and not later than five years	11.23	10.88	6.80	5.85
Later than five years	9.08	12.11	7.91	10.07
Total	22.87	25.45	15.83	16.83
Less: future finance charges	7.04	8.62		
Present value of minimum lease payments	15.83	16.83		

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

37 Employee Benefits

Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating Rs. 0.70 crore (2020: Rs. 0.68 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	6.80%
Expected rate of salary increase	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2012-14) Ult table.

b) Amount recognised in statement of profit and loss in respect of these defined benefit obligation

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	0.14	0.13
Net interest cost	0.08	0.08
Past service cost	-	-
Total amount recognised in statement of profit and loss	**0.22**	**0.21**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	-	0#
- Actuarial (gain)/loss from change in financial assumptions	(0.01)	0.09
- Actuarial (gain)/loss from change in experience adjustments	(0.03)	(0.04)
Total amount recognised in other comprehensive income	(0.04)	0.05
Total	**0.18**	**0.26**

#Denotes below Rs.50,000/-

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

c) The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan is as follows:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	1.40	1.22
Fair value of plan assets	-	-
Net liabilities arising from defined benefit obligation	**1.40**	**1.22**

d) Movement in the present value of the defined benefit obligation are as follows:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	1.22	1.00
Current service cost	0.14	0.13
Past service cost	-	-
Interest cost	0.08	0.08
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	-	0#
Actuarial (gain)/loss from change in financial assumptions	(0.01)	0.09
Actuarial (gain)/loss from change in experience adjustments	(0.03)	(0.04)
Benefits paid	-	-
Liabilities assumed/(settled)	-	(0.04)
Closing defined benefit obligation	**1.40**	**1.22**

#Denotes amount less than Rs.50,000/-

e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation (base)	1.40	1.22

₹ in crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	1.33	1.43	1.16	1.28
Impact of increase in 50 bps on DBO	-4.77%	2.08%	-4.90%	5.29%
Defined benefit obligation on decrease in 50 bps	1.47	1.37	1.28	1.16
Impact of decrease in 50 bps on DBO	5.18%	-2.13%	5.33%	-4.92%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

f) Projected benefits payable:

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected benefits for year 1	0.07	0.06
Expected benefits for year 2	0.26	0.06
Expected benefits for year 3	0.07	0.24
Expected benefits for year 4	0.06	0.06
Expected benefits for year 5	0.23	0.05
Expected benefits for year 6	0.05	0.22
Expected benefits for year 7	0.22	0.05
Expected benefits for year 8	0.05	0.21
Expected benefits for year 9	0.05	0.04
Expected benefits for year 10 and above	2.24	1.93

The weighted average duration of the defined benefit obligation is 9.94 years (previous year 10.36 years)

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

38 Related Party Disclosure

Names of related parties and description of Relationship

(i) Names of related parties and description of relationship where control exists

Holding Company

JM Financial Limited

(ii) Names of related parties and description of relationship where transactions have taken place

(A) Holding Company

JM Financial Limited

(B) Fellow Subsidiaries

JM Financial Institutional Securities Limited

JM Financial Services Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

Infinite India Investment Management Limited

JM Financial Asset Reconstruction Limited

JM Financial Home Loans Limited

Astute Investments

(C) Key management personnel of the reporting entity or of a parent of the reporting entity:

Mr. Vishal Kampani (VNK) (KMP of the parent of the reporting entity)

Ms. Amishi Gambhir (close relative of VNK)

Mr. Shashwat Belapurkar (SB) (CEO) (KMP of the reporting entity)

Ms. Sadhana Belapurkar (close relative of SB)

Non-Executive Directors

Mr. Vikram Pandit

Mr. Hariharan Aiyar

Mr. V P Shetty

Ms.Dipti Neelakantan

Mr. Vishal Kampani (w.e.f. August 1, 2019)

Independent Directors

Dr. Anup Shah

Mr. Darius E Udwadia

Mr. Satish Chand Mathur (w.e.f. August 1, 2019)

(iii) Details of transactions with related parties;

₹ in crore

Name of the related party	Nature of relationship	Year Ended March 31, 2021	Year Ended March 31, 2020
JM Financial Limited	(A)		
Rating support fees		3.19	5.93
Support service charges		1.98	1.98
Dividend paid		0.20	0.13
Reimbursement of employee expenses		0.61	0.67
Reimbursement of expenses		0.02	0.03
JM Financial Properties and Holdings Limited	(B)		
Space and related charges		2.00	1.91
Reimbursement of expenses (paid)		0.35	0.39
Security deposit outstanding		1.43	1.43
JM Financial Services Limited	(B)		
Brokerage on Debenture issue		-	0.05
Space and related charges		0.06	0.05
JM Financial Institutional Securities Limited	(B)		
Brokerage expenses		-	0.03
JM Financial Products Limited	(B)		
Inter corporate deposits taken		-	12.00
Inter corporate deposits repaid		-	12.00
Interest expenses on inter corporate deposits taken		-	0#
Interest paid on NCDs		0.18	0.20
Sale/Assignment of loan		-	60.64
Gratuity paid		-	0.04
Support service charges		3.05	5.76
Interest payable on NCDs		-	#
Closing balance of Non-convertible debentures		-	4.18
Payables		3.37	6.22

₹ in crore

Name of the related party	Nature of relationship	Year Ended March 31, 2021	Year Ended March 31, 2020
JM Financial Asset Reconstruction Company Limited	(B)		
Inter corporate deposits given		104.00	-
Inter corporate deposits received back		104.00	-
Interest income on inter corporate deposits given		3.04	-
Astute Investments	(B)		
Interest paid on NCDs		0.18	-
Interest payable on NCDs		0.01	-
Closing balance of Non-convertible debentures		6.98	-
Ms. Amishi Gambhir	(C)		
Payables		-	0.05
Key management personnel, (Refer Note (a) below)	(C)		
Interest paid on NCDs		0.73	0.33
Remuneration		4.64	5.07
Interest payable on NCDs		#	#
Closing balance of Non-convertible debentures		3.79	5.89
Payables		9.54	8.34

#Denotes amount less than Rs.50,000/-

The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

38.1 There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.

38.2 The transactions disclosed above are exclusive of GST.

39 Maturity Analysis of Assets and Liabilities

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
1 Financial Assets						
A Cash and cash equivalents	232.60	-	232.60	28.39	-	28.39
B Bank Balance other than (A) above	-	0.25	0.25	-	-	-
C Trade receivables	-	-	-	0.30	-	0.30
D Loans	2,953.81	3,876.90	6,830.71	2,750.96	4,425.01	7,175.97
E Investments	1,972.80	54.90	2,027.70	907.14		907.14
F Other Financial assets	-	5.93	5.93	0.29	0.80	1.09
	5,159.21	**3,937.98**	**9,097.19**	**3,687.08**	**4,425.81**	**8,112.89**
2 Non-financial Assets						
A Current tax assets (net)	-	16.72	16.72	-	13.33	13.33
B Deferred tax Assets (Net)	-	88.71	88.71	-	54.00	54.00
C Property, Plant and Equipment	-	15.19	15.19	-	17.22	17.22
D Other Intangible assets	-	0.09	0.09	-	0.15	0.15
E Other non-financial assets	2.28	-	2.28	2.09	-	2.09
	2.28	**120.71**	**122.99**	**2.09**	**84.70**	**86.79**
Total assets	**5,161.49**	**4,058.69**	**9,220.18**	**3,689.17**	**4,510.51**	**8,199.68**

₹ in crore

	Particulars	As at March 31, 2021			As at March 31, 2020		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
A	**Payables**						
	(I)Trade Payables						
	(i) total outstanding dues of micro enterprises and small enterprises						
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7.86	-	7.86	9.88	-	9.88
B	Debt Securities	1,026.15	2,481.51	3,507.66	588.60	2,456.80	3,045.40
C	Borrowings (Other than Debt Securities)	1,248.39	751.06	1,999.45	1,063.85	743.74	1,807.59
D	Other financial liabilities	20.13	29.05	49.18	15.91	26.00	41.91
	Total Financial Liabilities	**2,302.53**	**3,261.62**	**5,564.15**	**1,678.24**	**3,226.54**	**4,904.78**
2	**Non-Financial Liabilities**						
A	Provisions	0.79	1.40	2.19	0.70	1.22	1.92
B	Other non-financial liabilities	3.98	-	3.98	1.71	-	1.71
	Total Non-Financial Liabilities	**4.77**	**1.40**	**6.17**	**2.41**	**1.22**	**3.63**
	Total	**2,307.30**	**3,263.02**	**5,570.32**	**1,680.65**	**3,227.76**	**4,908.41**
	Net	**2,854.19**	**795.67**	**3,649.86**	**2,008.52**	**1,282.75**	**3,291.27**

40 Financial Instruments

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value and minimize cost of capital. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in crore

Borrowings	As at March 31, 2021	As at March 31, 2020
Debt	**5,507.11**	**4,852.99**
Less - Cash and cash equivalents*	232.60	28.39
Less - Investment in liquid mutual funds	1,947.82	907.14
Less - Investment in government securities	24.98	-
Less - Other bank deposits	-	-
Adjusted net debt	**3,301.71**	**3,917.46**
Total equity	3,649.86	3,291.27
Adjusted net debt to equity ratio	**0.90**	**1.19**

**excludes balances in earmarked account.*

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2021, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, is disclosed in Note 50.2. We believe that our high capital adequacy gives us significant headroom to grow our business.

Financial instruments

A. Fair Value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Set out below, is the accounting classification of financial instruments by category:

₹ in crore

As at March 31, 2021	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	232.60	232.60
Bank Balance other than (a) above	-	-	0.25	0.25
Trade receivables	-	-	-	-
Loans	-	-	6,830.71	6,830.71
Investments	1,977.70	50.00	-	2,027.70
Other Financial assets	-	-	5.93	5.93
Total	**1,977.70**	**50.00**	**7,069.49**	**9,097.19**
Financial liabilities				
Debt securities	-	-	3,507.66	3,507.66
Borrowings	-	-	1,999.45	1,999.45
Trade payables	-	-	7.86	7.86
Other Financial Liabilities	-	-	49.18	49.18
Total	**-**	**-**	**5,564.15**	**5,564.15**

₹ in crore

As at March 31, 2020	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	28.39	28.39
Bank Balance other than (a) above	-	-	-
Trade receivables		0.30	0.30
Loans	-	7,175.97	7,175.97
Investments	907.14	-	907.14
Other Financial assets	-	1.09	1.09
Total	**907.14**	**7,205.75**	**8,112.89**
Financial liabilities			
Debt securities	-	3,045.40	3,045.40
Borrowings	-	1,807.59	1,807.59
Trade payables	-	9.88	9.88
Other Financial Liabilities	-	41.91	41.91
Total	**-**	**4,904.78**	**4,904.78**

a. Debt securities issued at fixed rate of interest for which carrying value and fair value are as under:

As at	Carrying value	Fair Value
March 31, 2021	2,849.70	2,719.85
March 31, 2020	2,489.44	2,337.75

b. The Company considers that the carrying amounts recognised in the financial statements for Loans, Debt Securities (other than those disclosed in point a. above) and Borrowings approximate their fair values.

c. For financial assets / liabilities ("financial instruments") that are measured at fair value, except those included in point (b) above, the carrying amounts are equal to the fair values, as these financial instruments are maturing within 12 months or repayable on demand.

Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation processes and Technique

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO and the team at least once every three months, in line with the Company's quarterly reporting periods."

Type of Financial Instrument	Valuation Technique
Investment in Mutual Funds	NAV as on the reporting date.
Investments in Government securities	MTM Price from THE CLEARING CORPORATION OF INDIA LIMITED

₹ in crore

As at March 31, 2021	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	1,947.82	1,947.82	-	-	1,947.82
Investments in Debentures or Bonds	4.90	-	-	4.90	4.90
Investments in Equity instrument	0#	-	-	0#	0#
Investments in Government securities	24.98	-	24.98	-	24.98
Measured at FVTOCI					
Investments in Equity instrument	50.00	-	-	50.00	50.00
Total	**2,027.70**	**1,947.82**	**24.98**	**54.90**	**2,027.70**

₹ in crore

As at March 31, 2020	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	907.14	907.14	-	-	907.14
Investments in Debentures or Bonds	-	-	-	-	-
Investments in Equity instrument	0#	0#	-	0#	0#
Total	**907.14**	**907.14**	**-**	**-**	**907.14**

# Denotes amount less than Rs.50,000/-

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2021 and March 31, 2020.

₹ in crore

	Equity shares	Debt Instrument
As at March 31, 2019	0#	25.00
Acquisitions	-	-
Realisations	-	-
Write-off	-	(25.00)
Net Gain / (Loss) on fair value changes	-	-
As at March 31, 2020	0#	-
Acquisitions	50.00	4.90
Realisations	-	-
Net Gain / (Loss) on fair value changes	-	-
As at March 31, 2021	**50.00**	**4.90**

# Denotes amount less than Rs.50,000/-

Sensitivity for instruments

₹ in crore

Nature of instrument	Fair value as at March 31, 2021	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2021	
Equity shares	50.00	As per valuation report - Price to book value multiple	5%	2.50	(2.50)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Company.

i. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. Company has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Credit Risk Assessment Methodology

The Company has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters subject to review and approval of BOD

Finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

The Company has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

The Company believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

We also require the borrower to submit periodic reports. The Credit Committee of the Company, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board for its information. The Company continue to monitor the credit exposure until our loans are fully repaid.

The Company's is currently using the external rating given to the customers which they review on a timely basis.

The credit impaired assets as at the reporting dates were secured by collateral and the asset cover is upto 1.9 times of the outstanding balance.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	performing assets	12-month ECL
Stage 2	under-performing assets	Lifetime ECL
Stage 3	Credit Impaired	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a reporting date. It shall include outstanding loan amount, accrued interest and expected drawdowns on non-discretionary loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

Provision as per Expected Credit Loss (ECL):

The Company has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic. The impact on collateral values is also assessed for determination of adjustment to the loss given default and reasonable haircuts are applied wherever necessary.

As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD (by downgrading the ratings to one level lower) and LGD as computed by ECL Model by 15-25% depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Refer note 48 to the financial statements.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

As on March 31, 2021	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	6,247.73	149.45	6,098.28	1.06 to 3.83
Stage 1 – High quality assets	Advances	5.62	0.57	5.05	9.95
Stage 2 – Assets for which there is significant increase in credit risk	Loan	683.41	115.88	567.53	6.61 to 11.43
Stage 3 - Assets which are credit impaired	Loan	288.93	124.03	164.90	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for credit impaired assets.

₹ in crore

As at March 31, 2020	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	6,828.12	97.82	6,730.30	1.27 to 11.70
Stage 2 – Assets for which there is significant increase in credit risk	Loan	399.13	59.27	339.86	3.54 to 10.43
Stage 3 - Assets which are credit impaired	Loan	153.63	47.82	105.81	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for credit impaired assets.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending

₹ in crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**6,828.12**	**399.13**	**153.63**	**7,380.88**
New assets originated or purchased	1,609.95	13.41	-	1,623.36
Assets derecognised or repaid (excluding write offs)	(1,688.54)	(77.92)	(17.71)	(1,784.17)
Transfers to Stage 1	135.16	(135.16)	-	-
Transfers to Stage 2	(601.77)	601.77	-	-
Transfers to Stage 3	(35.19)	(117.82)	153.01	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**6,247.73**	**683.41**	**288.93**	**7,220.07**

*Including interest accrued and net of EIR

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**7,582.46**	**423.57**	**85.07**	**8,091.10**
New assets originated or purchased	1,492.59	57.86	-	1,550.45
Assets derecognised or repaid (excluding write offs)	(1,949.77)	(194.02)	(101.72)	(2,245.51)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(271.75)	271.75	-	-
Transfers to Stage 3	(25.41)	(160.03)	185.44	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(15.16)	(15.16)
Gross carrying amount closing balance*	**6,828.12**	**399.13**	**153.63**	**7,380.88**

*Including interest accrued and net of EIR

Reconciliation of ECL balance is given below

₹ in crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**97.82**	**59.27**	**47.82**	**204.91**
New assets originated or purchased	85.53	9.21	-	94.74
Assets derecognised or repaid (excluding write offs)	(10.45)	(7.05)	(2.21)	(19.71)
Transfers to Stage 1	0.15	(17.27)	-	(17.12)
Transfers to Stage 2	(20.34)	102.35	-	82.01
Transfers to Stage 3	(3.26)	(30.63)	78.42	44.53
"Impact on year end ECL of exposures transferred between stages during the year"	**(23.45)**	**54.45**	**78.42**	**109.42**
Amounts written off	-	-	-	-
ECL allowance - closing balance	**149.45**	**115.88**	**124.03**	**389.36**

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**52.32**	**6.30**	**16.44**	**75.06**
New assets originated or purchased	59.59	29.80	-	89.39
Assets derecognised or repaid (excluding write offs)	(11.24)	(0.79)	(2.00)	(14.03)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(2.74)	26.78	-	24.04
Transfers to Stage 3	(0.11)	(2.82)	48.54	45.61
"Impact on year end ECL of exposures transferred between stages during the year"	**(2.85)**	**23.97**	**48.54**	**69.66**
Amounts written off	-	-	(15.16)	(15.16)
ECL allowance - closing balance	**97.82**	**59.27**	**47.82**	**204.91**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Advances

₹ in crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	-	-	-	-
New assets originated or purchased	5.62	-	-	5.62
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**5.62**	**-**	**-**	**5.62**

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**-**	**-**	**-**	**-**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**-**	**-**	**-**	**-**

Reconciliation of ECL balance is given below

₹ in crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**-**	-	-	**-**
New assets originated or purchased	0.57	-	-	0.57
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	**0.57**	**-**	**-**	**0.57**

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**-**	**-**	**-**	**-**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**-**	**-**

ii) Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

"The Company has undrawn lines of credit of Rs.650 Crore and Rs. 61 Crore as of March 31, 2021, March 31, 2020 respectively, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to liquidity risk

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross.

₹ in crore

March 31, 2021	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	7.86	7.86	-	-	-
Debt Securities	3,507.66	1,026.15	959.90	576.42	945.19
Borrowings	1,999.45	1,248.38	497.14	253.93	-
Other financial liabilities	49.18	20.13	15.43	5.71	7.91
Total	**5,564.15**	**2,302.52**	**1,472.47**	**836.06**	**953.10**
Financial Assets					
Cash and cash equivalents	232.60	232.60	-	-	-
Bank Balance	0.25	-	0.25	-	-
Trade receivable	-	-	-	-	-
Loans	6,830.71	2,953.81	3,334.32	542.58	-
Investments	2,027.70	1,972.80	-	-	54.90
Other Financial assets	5.93	-	5.05	0.88	-
Total	**9,097.19**	**5,159.21**	**3,339.62**	**543.46**	**54.90**

₹ in crore

March 31, 2020	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	9.88	9.88	-	-	-
Debt Securities	3,045.40	588.60	729.09	1,061.11	666.60
Borrowings	1,807.59	1,063.85	575.90	167.84	-
Other financial liabilities	41.91	15.91	11.27	4.65	10.08
Total	**4,904.78**	**1,678.24**	**1,316.26**	**1,233.60**	**676.68**
Financial Assets					
Cash and cash equivalents	28.39	28.39	-	-	-
Bank Balance	-	-	-	-	-
Trade receivable	0.30	0.30	-	-	-
Loans	7,175.97	2,750.96	4,018.92	255.12	150.97
Investments	907.14	907.14	-	-	-
Other Financial assets	1.09	0.29		0.80	-
Total	**8,112.89**	**3,687.08**	**4,018.92**	**255.92**	**150.97**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii) Market risk - Interest rate risk

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Company's exposures to interest rates on loans and borrowings are detailed in the liquidity risk management section of this note

₹ in crore

	March 31, 2021	March 31, 2020
Loans		
Fixed-rate instruments	4,134.06	4,023.04
Floating-rate instruments	3,044.93	3,268.33
Total	**7,178.99**	**7,291.37**
Borrowings		
Fixed-rate instruments	3,675.52	2,449.71
Floating-rate instruments	1,585.01	2,193.39
Total	**5,260.53**	**4,643.10**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

₹ in crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	30.45	(30.45)	32.68	(32.68)
Floating rate borrowings	(15.85)	15.85	(21.93)	21.93
	14.60	**(14.60)**	**10.75**	**(10.75)**

41 Employee Stock Option Scheme:

JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

April 12, 2019 88,233 Stock Options

April 18, 2020 67,680 Stock Options

April 17, 2021 79,839 Stock Options

The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (In Rupees)
12th April 2019	Series - XI	29,411	Vested	Seven years from the date of Grant	1
12th April 2020	Series - XI	29,411	Vested	Seven years from the date of Grant	1
12th April 2021	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
18th April 2020	Series – XII	22,560	Vested	Seven years from the date of Grant	1
18th April 2021	Series – XII	22,560	Unvested	Seven years from the date of Grant	1
18th April 2022	Series – XII	22,560	Unvested	Seven years from the date of Grant	1
17th April 2021	Series – XIII	26,613	Unvested	Seven years from the date of Grant	1
17th April 2022	Series – XIII	26,613	Unvested	Seven years from the date of Grant	1
17th April 2023	Series – XIII	26,613	Unvested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

₹ in crore

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	1,30,178	88,233
Granted during the year	79,839	67,680
Exercised during the year	55,647	25,735
Lapsed	3,676	-
Outstanding at the end of the year	1,50,694	1,30,178
Exercisable at the end of the year	-	3,676

The charge on account of the above scheme is included in employee benefit expense aggregating Rs.0.61 crore (Previous year 0.67).Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

42 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in crore

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	104.00	-
		(-)	(-)

(Figures in brackets indicates previous year figures)

Loans and advances shown above are interest bearing and are repayable on demand.

43 Expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

₹ in crore

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a)	Gross amount required to be spent by the Company during the year.	12.17	10.64
b)	**Amount spent:**		
	In cash	7.40	10.64
	Yet to be paid in cash	4.77	-
	Total	**12.17**	**10.64**
(i)	Construction/acquisition of any asset	-	-
(ii)	On purposes other than (i) above	12.17	10.64

44 The Company operates only in one Operating Segment i.e Mortgage Loans - Financial Services and all other activities are incidental to the main business activity, hence has only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

The Company has its operations within India and all revenue is generated within India

45 Unhedged Foreign Currency Exposure

As at March 31, 2021

₹ in crore

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 Year
FCY Receivables							
Loans to JV/WOS	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
FCY Payables							
Imports	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	**-**	-	-	-	**-**	**-**	**-**

#Note: Covered Option(s) is/are not included

As at March 31, 2020

₹ in crore

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 Year
FCY Receivables							
Loans to JV/WOS	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
FCY Payables							
Imports	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

#Note: Covered Option(s) is/are not included

46 Disclosure on liquidity risk

a. Funding Concentration based on significant counterparty* (both deposits and borrowings):

₹ in crore

Year	Number of Significant Counterparties*	Amount	% of Total Deposits	% of Total Liabilities
For the year ended March 31, 2021	20	4,255.09	Not Applicable	76.4%
For the year ended March 31, 2020	21	3,749.87	Not Applicable	76.4%

**Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies*

b. Top 20 large deposits (amount in Rs. Crore and % of total deposits):

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

c. Total of top 10 borrowings (amount in Rs. Crore and % of total borrowings):

For the year ended March 31, 2021		For the year ended March 31, 2020	
Amount (Rs. In Crore)	**% of Total Borrowings**	**Amount (Rs. In Crore)**	**% of Total Borrowings**
3,485.88	62.5%	2,923.12	59.6%

d. Funding Concentration based on significant instrument/product*:

₹ in crore

Sr. No.	Name of the instrument/product	For the year ended March 31, 2021		For the year ended March 31, 2020	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities
1	Term Loans	1,099.45	19.7%	1,683.03	34.3%
2	Non-Convertible Debentures	3,410.24	61.2%	3,045.40	62.0%
3	Commercial Papers	97.42	1.7%	-	-
4	Inter corporate deposit	800.00	14.4%	-	-
5	Cash Credit and Working Capital lines	100.00	1.8%	124.46	2.5%

**Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.*

e. Stock Ratios:

Sr. No.	Particulars	Ratios	
		March 31, 2021	March 31, 2020
1.	Commercial papers as a % of total public funds	1.8%	None
	Commercial papers as a % of total liabilities	1.7%	None
	Commercial papers as a % of total assets	1.1%	None
2.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	None	None
	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	None	None
	Non-convertible debentures (original maturity of less than one year) as a % of total assets	None	None
3.	Other short-term liabilities, if any as a % of total public funds	40.1%	34.6%
	Other short-term liabilities, if any as a % of total liabilities	39.7%	34.2%
	Other short-term liabilities, if any as a % of total assets	24.0%	20.5%

f. Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia, reviews liquidity risk management, funding and capital planning, forecasting and analyzing different scenarios and preparation of contingency plans. Further, the Risk Management Committee, inter alia, monitors and measures the risk profile of the Company and oversees the integrated risk management system of the Company.

The Company has also constituted the Asset Liability Management Support Group, inter alia, to analyse, monitor and report the liquidity risk profile to the Asset Liability Management Committee.

The Company manages liquidity risk by maintaining sufficient cash/treasury surplus and by having access to funding through an adequate amount of committed credit lines to meet obligations, in case required.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

The Company manages liquidity risk in accordance with the Company's Asset Liability Management Policy. The Asset Liability Management Policy is reviewed periodically to realign the same pursuant to any regulatory changes/changes in the economic landscape or business needs.

LIQUIDITY COVERAGE RATIO

₹ in crore

	Particulars	For the Quarter ended December 31, 2020		For the Quarter ended March 31, 2021	
		Total Unweighted Value[1] (average)	Total weighted Value (average)[2]	Total Unweighted Value[3] (average)	Total weighted Value (average)[4]
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1.	Total HQLA (to disclose the components of HQLA)	48.68	48.68	125.88	125.88
	CASH OUTFLOWS				
2.	Deposits (for deposit taking companies)	-	-	-	-
3.	Unsecured wholesale funding	-	-	-	-
4.	Secured wholesale funding	-	-	-	-
5.	**Additional requirements, of which:**				
i.	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
ii.	Outflows related to loss of funding on debt products	-	-	-	-
iii.	Credit and liquidity facilities	-	-	-	-

₹ in crore

	Particulars	For the Quarter ended December 31, 2020		For the Quarter ended March 31, 2021	
		Total Unweighted Value[1] (average)	Total weighted Value (average)[2]	Total Unweighted Value[3] (average)	Total weighted Value (average)[4]
6.	Other contractual funding obligations	82.63	95.02	85.92	98.80
7.	Other contingent funding obligations	-	-	-	-
8.	**TOTAL CASH OUTFLOWS**	**82.63**	**95.02**	**85.92**	**98.80**
	CASH INFLOWS				
9.	Secured Lending	115.97	86.98	163.92	122.94
10.	Inflows from fully performing exposures	-	-	-	-
11.	Other cash inflows	33.33	25.00	56.72	42.54
12.	**TOTAL CASH INFLOWS**	**149.30**	**111.98**	**220.64**	**165.48**
13.	**TOTAL HQLA**		**48.68**		**125.88**
14.	**TOTAL NET CASH OUTFLOWS**		**23.76**		**24.70**
15.	**LIQUIDITY COVERAGE RATIO (%)**		**204.90 %**		**509.61%**

[1]Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

[2]Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

[3]Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

[4]Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

47 Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL

₹ in crore

Asset Classification as per RBI Norms	Asset Classification as per Ind AS	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	6,247.73	145.93	6,101.80	24.99	120.94
		(6,828.12)	(94.60)	(6,733.52)	(27.31)	(67.29)
	Stage 2	683.41	109.10	574.31	2.73	106.37
		(399.13)	(58.84)	(340.19)	(1.60)	(57.34)
Subtotal		**6,931.14**	**255.03**	**6,676.11**	**27.72**	**227.31**
		(7,227.25)	**(153.54)**	**(7,073.71)**	**(28.91)**	**(124.63)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	146.98	78.40	68.58	14.70	63.70
		(150.91)	(47.11)	(103.80)	(15.09)	(32.02)
Doubtful						
Up to 1 year	Stage 3	141.95	45.63	96.32	28.39	17.24
		(2.72)	(0.71)	(2.01)	(0.54)	(0.17)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**141.95**	**45.63**	**96.32**	**28.39**	**17.24**
		(2.72)	(0.71)	(2.01)	(0.54)	(0.17)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**288.93**	**124.03**	**164.90**	**43.09**	**80.94**
		(153.63)	**(47.82)**	**(105.81)**	**(15.63)**	**(32.19)**

₹ in crore

Asset Classification as per RBI Norms	Asset Classification as per Ind AS	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	201.67	3.52	198.15	0.81	2.71
		(148.00)	(3.22)	(144.78)	(0.59)	(2.63)
	Stage 2	48.72	6.78	41.94	0.19	6.59
		(3.08)	(0.33)	(2.75)	(0.01)	(0.32)
	Stage 3	-	-		-	-
Subtotal		**250.39**	**10.30**	**240.09**	**1.00**	**9.30**
		(151.08)	**(3.55)**	**(147.53)**	**(0.60)**	**(2.95)**
Total	Stage 1	6,449.40	149.45	6,299.95	25.80	123.65
		(6,976.12)	(97.82)	(6,878.30)	(27.90)	(69.92)
	Stage 2	732.13	115.88	616.25	2.93	112.95
		(402.21)	(59.27)	(342.94)	(1.61)	(57.66)
	Stage 3	288.93	124.03	164.90	43.09	80.94
		(153.63)	(47.82)	(105.81)	(15.63)	(32.19)
	Total	**7,470.46**	**389.36**	**7,081.10**	**71.82**	**317.54**
		(7,531.96)	**(204.91)**	**(7,327.05)**	**(45.14)**	**(159.77)**

Figures in brackets represents previous year amount

ECL policy formulated by the Company has been duly approved by the Board of Directors of the Company at its meeting held on May 4, 2020

Disclosure in respect of RBI circular on "COVID19 Regulatory Package - Asset Classification and Provisioning" dated April 17,2020 having reference number RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 as per para 10

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the RBI Circular;	671.49	690.92
Respective amount where asset classification benefits is extended as at March 31,2020	24.84	49.95
Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5 of the RBI Circular*	NA	NA
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	10.63	Nil

48 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.

Given the uncertainty over the potential macro-economic impact and external regulatory developments, the Management has considered internal and external information up to the date of approval of these financial statements, and has estimated overlays and made certain judgements in accordance with the policy of the Company for the purpose of determination of the provision for impairment of financial assets carried at amortised cost and in relation to revenue recognition.

The provision for expected credit loss on financial assets as at March 31, 2021 aggregates Rs. 389.36 crore (as on March 31, 2020 - Rs. 204.91 crore) which includes management overlay for the potential impact on account of the pandemic of Rs. 228.36 crore (as on March 31, 2020 – Rs. 86.79 crore). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate. Accordingly, the impairment provision for the year ended March 2021 on account of the pandemic is Rs. 141.57 crore.

In addition, while assessing the liquidity situation, the Company has taken into consideration certain assumptions with respect to repayments of loan assets expected source of funds, based on its past experience which have been adjusted for the current events.

The extent to which the pandemic including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the results of the Company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition the impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

49 In line with the judgment pronounced by the Hon'ble Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v/s. UOI & Ors. and other connected matters on March 23, 2021, the Reserve Bank of India (RBI) vide their Circular no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 has mandated all lending institutions to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement. In order to ensure that the above judgement is implemented uniformly in letter and spirit by all lending institutions, the RBI also suggested that the methodology for calculation of the amount to be refunded/adjusted for different facilities shall be as finalised by the Indian Banks Association (IBA) in consultation with other industry participants/bodies, which shall be adopted by all lending institutions.

The IBA Managing Committee at their meeting held on March 25, 2021 and April 16, 2021 has been clarified that interest on interest/penal interest/compound interest, if charged during the moratorium on borrowing accounts, should be refunded or adjusted in the next instalment of the loan account within reasonable time from the date of supreme court order.

Accordingly, the Company will refund/adjust Rs.14.68 crore in the next instalment of the loan account.

50 Disclosures as per RBI master directions and other notifications.

50.1 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006

₹ in crore

Sr No	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Total Number of transactions wherein Loan assets securitized	-	-
(ii)	Total book value of loan assets securitised – Rupees	-	-
(iii)	Total sales consideration received for the securitised assets – Rupees	-	-
(iv)	Gain on sale on account of securitisation – Rupees	-	-
(v)	Gain recognized in the Statement of Profit and Loss – Rupees	-	-
(vi)	Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc.	-	-
		-	-

Details of non-performing financial assets purchase / sold (Assignment)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
No. of accounts sold	-	1
Aggregate outstanding	-	75.80
Aggregate consideration received	-	60.64

During the year, there are no non-performing financial assets purchased.

50.2 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008:-

(i) Capital risk adequacy ratio (CRAR):

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
CRAR	40.19%	40.25%
CRAR - Tier I capital	38.94%	39.06%
CRAR - Tier II capital	1.25%	1.18%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

50.3 Exposures:

A. Exposure to Real Estate Sector

₹ in crore

	Category	As at March 31, 2021	As at March 31, 2020
A.1)	**Direct Exposure**		
(i)	**Residential Mortgages-**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)		
(ii)	**Commercial Real Estate-**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	6,296.72	6,746.93
A.2)	**Indirect Exposure**		
	Funded and Non-funded Exposures NHB and Housing Finance Companies(HFCs)	-	-
	Any other	790.89	-
	Total Investments		
B.1	**Direct Exposure**		
(i)	**Commercial real estate**	4.90	-
(ii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures-**		
	a) Residential,		
	b) Commercial Real Estate.		
	b) Others.		
B.2	**Indirect Exposure**		
(i)	Funded and Non-funded Exposures NHB and Housing Finance Companies(HFCs)	50.00	-
(ii)	Any other	-	-

B. Exposures to Capital Market

₹ in crore

	Category	As at March 31, 2021	As at March 31, 2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	132.46	633.95
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to Capital Market	**132.46**	**633.95**

iii. Asset Liability Management:

Maturity pattern of certain items of assets and liabilities:

₹ in crore

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Assets									
Deposits	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances	153.72	923.68	240.76	556.06	1,081.87	3,339.93	542.90	-	6,838.92
	(-)	(323.89)	(554.83)	(468.82)	(1,405.80)	(3,913.11)	(255.92)	(256.78)	(7,179.15)
Investments	24.98	1,147.82	100.00	700.00	-	-	-	54.90	2,027.70
	(907.14)	(-)	(-)	(-)	(-)	(-)	(-)	(#)	(907.14)
Liabilities									
Borrowing	114.94	155.55	355.81	1,317.45	330.80	1,457.03	830.36	945.18	5,507.11
	(110.37)	(47.66)	(516.48)	(310.98)	(666.94)	(1,304.94)	(1,229.03)	(666.60)	(4,852.99)
Foreign currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

 # Denotes amount below Rs.50,000/-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) Above maturity pattern is after the considering the impact of Moratorium benefit extended by the Company to the customers

c) Figures in brackets are for previous year.

50.4 Schedule to the Balance Sheet (as required in terms of Paragraph 19 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

Particulars

	Liabilities side	Amount outstanding (In Rs Crore)	Amount overdue (In Rs Crore)
(a)	Debentures		
	(i) Secured	3,507.66	-
		(3,045.40)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
		(-)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	**Term Loans**	1,099.45	-
		(1,683.03)	(-)
(d)	Inter-corporate loans and borrowing	800.00	-
		(-)	-
(e)	Commercial Paper	-	-
		(-)	(-)
(f)	Other Loans (Please Specify)		
	Working Capital Loan	100.00	-
		(75.00)	(-)
	Cash Credits	-	-
		(49.46)	(-)
	Due under finance lease	-	-
		(0.10)	(-)

(2) Break up of Loans and Advances including bills receivables (other than those included in (3) below):

Particulars

	Assets side	Amount outstanding (In Rs Crore)
(a)	Secured	7,220.07
		(7,380.88)
(b)	Unsecured	-
		(-)

(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

Particulars

	Assets side	Amount outstanding (In Rs Crore)
(i)	Lease assets including lease rentals under sundry debtors:	
	(a) Financial Lease	-
		(-)
	(b) Operating Lease	-

(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

Particulars		
	Assets side	Amount outstanding (In Rs Crore)
		(-)
(ii)	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
		(-)
(iii)	Other loans counting towards AFC activities:	
	(a) Loans where assets have been repossessed	-
		(-)
	(b) Loans other than (a) above	-
		(-)

(4) Break – up of Investments:

Particulars		
		Amount outstanding (In Rs Crore)
	Current Investment	
	1. Quoted:	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
		(-)
	(iii) Units of Mutual Funds	1,947.82
		(907.14)
	(iv) Government Securities	24.98
		(-)
	(v) Others (Please Specify)	-
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	50.00
	(b) Preference	-
		(0#)
	(ii) Debentures and Bonds	4.90
		(-)
	(iii) Units of Mutual Funds	-
		(-)
	(iv) Government Securities	-
		(-)
	(v) Others (Please Specify)	-
		(-)

# Denotes amount less than Rs.50,000/-

(5) Borrower group – wise classification of assets financed as in (2) and (3) above:

		Amount (net of provisions)		
	Category	Secured (In Rs Crore)	Unsecured (In Rs Crore)	Total (In Rs Crore)
1)	Related Parties			
	(a) Subsidiaries	-	-	-

(5) Borrower group – wise classification of assets financed as in (2) and (3) above:

	Category	Amount (net of provisions) Secured (In Rs Crore)	Unsecured (In Rs Crore)	Total (In Rs Crore)
		(-)	(-)	(-)
	(b) Companies in the same group	-	-	-
		(-)	(-)	(-)
	(c) Other related parties	-	-	-
		(-)	(-)	(-)
2)	Other than related parties	7,220.07	-	7,220.07
		(7,380.88)	(-)	(7,380.88)
		7,220.07	**-**	**7,220.07**
		(7,380.88)	(-)	(7,380.88)
	Less: Provision for non-performing assets	124.03	-	124.03
		(47.82)	(-)	(47.82)
		7,096.04	**-**	**7,096.04**
		(7,333.06)	(-)	(7,333.06)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	Category	Market Value/ Breakup or fair value or NAV (In Rs Crore)	Book Value (Net of Provisions) (In Rs Crore)
1)	**Related Parties**		
	(a) Subsidiaries	-	-
		(-)	(-)
	(b) Companies in the same group	50.00	50.00
		(-)	(-)
	(c) Other related parties	-	-
		(-)	(-)
2)	Other than related parties	1,977.70	1,969.26
		(907.14)	(903.57)
		2,027.70	**2,019.26**
		(907.14)	(903.57)

(7) Other Information:

	Particulars	Amount (In Rupees)
(i)	Gross Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	288.93
		(153.63)
(ii)	Net Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	164.90
		(105.81)
(iii)	Assets acquired in satisfaction of debt	-
		(-)

(Figures in brackets indicates previous year figures)

50.5 There are no restructured advances as on March 31, 2021, Hence disclosure of information as required in terms of Paragraph 24 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 (as amended vide Notification No. DNBS(PD).No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

50.6 Investments

	Category	As at 31.03.2021 (In Rs Crore)	As at 31.03.2020 (In Rs Crore)
(a)	**Value of Investments**		
(i)	**Gross Value of Investments**		
	(a) in India	2,027.70	907.14
	(b) Outside India	-	-
(ii)	**Provision for depreciation**		
	(a) in India*	-	-
	(b) Outside India	-	-
(iii)	**Net Value of Investments**		
	(a) in India	2,027.70	907.14
	(b) Outside India	-	-
(b)	Movement of provisions held towards depreciation on investments		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

50.7 Additional & Miscellaneous Disclosures:

(I) Registration obtained from other financial sector regulators

Company has not registered with other financial sector regulators except with Reserve Bank of India

(II) Disclosure of Penalties imposed by RBI and other regulators

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Penalties imposed	Nil	Nil

(III) Net Profit or Loss for the period, prior period items and changes in accounting policies:

There are no prior period items and changes in accounting policies impacting net profit for the year

(IV) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

(V) Premium utilised for share issue expenses

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Premium utilised for share issue expenses	-	-

(VI) Drawdown from Reserves

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Drawdown from reserves	-	-

50.8 Ratings assigned by credit rating agencies and migration of ratings during the year:

₹ in crore

		As at March 31, 2021	As at March 31, 2020
	ICRA Limited		
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA/Stable
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA/Stable
		PP-MLD ICRA AA / Stable	PP-MLD ICRA AA / Stable
	CRISIL Limited (Refer Note below)		
(i)	Bank loan facility	-	CRISIL AA/stable
	India Rating		
(i)	Commercial Paper programme	IND A1+	IND A1+
(ii)	Bank loan facility	IND AA/Stable	IND AA/Stable
(iii)	Non-Convertible Debentures	IND AA/Stable	IND AA/Stable

During the year under review

- the unutilised ratings for bank borrowings of the Company were reaffirmed and voluntarily withdrawn by CRISIL with effect from March 1, 2021, pursuant to the request of the Company.

50.9 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

₹ in crore

	For the year March 31, 2021	For the year March 31, 2020
Provisions for depreciation on Investment*	-	-
Provision towards NPA / ECL stage 3	124.03	46.53
Provision made towards Income tax	154.46	147.60
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets / ECL stage 1 and 2	265.33	98.46

Netted off from "Net gain on fair value changes" in schedule III as per Ind AS requirement

50.10 Concentration of Deposits, Advances and Exposures and NPAs:

Concentration of Deposits (for deposit taking NBFCs)

	As at March 31, 2021	As at March 31, 2020
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

Concentration of Advances

	As at March 31, 2021	As at March 31, 2020
Total Advances to twenty largest borrowers – (In Rs Crore)	3,847.95	3,321.68
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	53.60%	45.56%

Concentration of Exposures

	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers / customers – (In Rs Crore)	3,878.66	3,377.57
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	53.73%	45.76%

Concentration of NPAs

	As at March 31, 2021	As at March 31, 2020
Total exposure to top four NPA accounts	200.72	144.79

Sector-wise NPAs

	As at March 31, 2021	As at March 31, 2020
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers Real Estate sector	288.93	153.63
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil

50.11 Movement of NPAs:

	As at March 31, 2021	As at March 31, 2020
Net NPAs to Net Advances (%)		
Movement of NPAs (Gross)		
(a) Opening balance	153.63	85.07
(b) Additions during the year	146.98	185.44
(c) Reductions during the year	11.68	116.88
(d) Closing balance	**288.93**	**153.63**
Movement of Net NPAs		
(a) Opening balance	105.81	68.63
(b) Additions during the year	68.56	136.89
(c) Reductions during the year	9.47	99.71
(d) Closing balance	**164.90**	**105.81**
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	47.82	16.44
(b) Provisions made during the year	78.42	46.54
(c) Write-off / write-back of excess provisions	2.21	15.16
(d) Closing balance	**124.03**	**47.82**

50.12 Disclosures of customer complaints

Complaints

	As at March 31, 2021	As at March 31, 2020
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	1	-
No. of complaints redressed during the year	1	-
No. of complaints pending at the end of the year	-	-

50.13 During the year, there are no Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company.

50.14 Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company since there is no exposure.

51 The financial statements were approved for issue by the Board of Directors on April 29, 2021.

52 To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Independent Auditors' Report

To the Members of

JM Financial Credit Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JM Financial Credit Solutions Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Impairment of loans and advances to customers

The Company has recorded an impairment loss allowance of ₹ 475.44 crores as at 31 March 2022 and has recognized a charge of ₹ 224.56 crores for the year ended 31 March 2022 in its statement of profit and loss.

See Note 2.15 – Significant Accounting policies , Note 6 to the financial statements: Loans, Note 28 to the financial statements: Impairment on financial instruments, Note 40.B.i to the financial statements: Financial Risk Management, Credit Risk, Note 48, Note 49.9 Provisions and Contingencies, 49.11 Movement of NPAs

The key audit matter	How the matter was addressed in our audit
Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss ("ECL") estimation model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECL are: – Data inputs – The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data which has been used to create assumptions in the model. – Staging – Ind AS 109 requires the Company to classify loans and advances into various stages based on applicable prudential regulatory norms and assessment of significant increase in credit risk considering the quantitative and qualitative information. Significant management judgment is involved in determining the significant increase in credit risk and related staging.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence for testing impairment loss allowance: - Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance process. We tested the relevant manual, general IT and application controls over key systems used in the impairment loss allowance process. - Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, completeness and accuracy of reports and management's review process over the computation of impairment allowance and the related disclosures on credit risk management. - Testing the 'Governance Framework' controls over implementation and model monitoring in line with Reserve Bank of India guidelines.

Independent Auditors' Report (Contd.)

The key audit matter	How the matter was addressed in our audit
– Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD, LGD including value of collateral are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. – Economic scenarios – Ind AS 109 requires the Company to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them, including changes to methodology, especially when considering the current uncertain economic environment arising from COVID-19. – Qualitative adjustments/ management overlays – Adjustments to the model-driven ECL results as overlays are recorded by management to address emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter. Disclosures: The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and significant inputs to the Ind AS 109 ECL results.	- Tested management's controls over authorization and computation of post model adjustments and management overlays. - Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and verified that the computations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings. - Sample testing over key inputs, data and assumptions impacting ECL computations to assess the completeness, accuracy and relevance of data and reasonableness of the periods considered, economic forecasts, and model assumptions applied. - Test of details on post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, in order to assess the reasonableness of the adjustments by challenging key assumptions, and inspecting the computation methodology. - Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowances in the financial statements are appropriate and sufficient. - Involvement of specialists – We involved financial risk management specialists for the following: a) Evaluating the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays). b) For model refresh undertaken during the year, evaluating whether the refresh was appropriate by assessing the updated model / methodology. c) The reasonableness of the Company's considerations of the impact of the current economic environment due to COVID-19 on the impairment loss allowance determination.

IT systems and controls

The key audit matter	How the matter was addressed in our audit
The Company's key financial accounting and reporting processes are dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.	We have involved IT Specialists in performing the following key procedures: a) Performed control testing on user access management, change management and system application controls over key financial accounting and reporting systems.

The key audit matter	How the matter was addressed in our audit
Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.	b) Tested key automated controls operating over the information technology systems in relation to financial accounting and reporting systems, including system access and system change management. c) Tested the design and operating effectiveness of key controls over user access management which includes granting access/right, new user creation, removal of user rights and super user access rights management over the in-scope systems. d) For selected key general IT controls over financial and reporting systems, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. e) Other areas that were tested include password policies, controls over changes to applications, its associated operating systems and databases and controls to ensure that developers don't have access to change applications, the operating system or databases in the production environment. f) Obtained an understanding of the cyber security controls implemented by the organization.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended 31 March 2021 have been audited by the predecessor auditor who had expressed an unmodified opinion on 29 April 2021.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 33 to the financial statements;

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189
UDIN: 22118189AJDFLQ7528

Mumbai
17 May 2022

Annexure A to the Independent Auditor's Report on financial statements of JM Financial Credit Solutions Limited for the year ended 31 March 2022

Report on Companies (Auditor's Report) Order, 2020 with reference to the aforesaid financial statements

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is engaged in the business of a non-banking financial company without accepting public deposits under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, it does not hold any physical inventory. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, granted loans and advances in the nature of loans, secured or unsecured to companies and other parties in respect of which the requisite information is as below:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans and advances in the nature of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the receipts have been regular except for the following:

Number of Customers/ Borrowers	Amount (₹ in Crores)	Due Date	Extent of delay
11	51.01	Various due dates	31-60 days
13	202.97	Various due dates	More than 90 days

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans (and advance in the nature of loan) given except loans amounting to ₹ 202.97 Crores (principal amount) overdue for more than ninety days as at 31 March 2022. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company's principal business is to give loans. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Income-Tax and Cess have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on employees' state insurance and duty of customs.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund and Cess which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ In crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.78	AY 2018-19	Assistant Commissioner of Income Tax

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

Independent Auditors' Report (Contd.)

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanation provided to us, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors, if any.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189
UDIN: 22118189AJDFLQ7528

Mumbai
17 May 2022

Annexure B to the Independent Auditors' report on the financial statements of JM Financial Credit Solutions Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of JM Financial Credit Solutions Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

Independent Auditors' Report (Contd.)

may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189
UDIN: 22118189AJDFLQ7528

Mumbai
17 May 2022

Auditors' Additional Report

To the Board of Directors of

JM Financial Credit Solutions Limited

Report on the Financial Statements

1. In addition to the report made under section 143 of the Companies Act, 2013 (the 'Act') on the financial statements of JM Financial Credit Solutions Limited (the 'Company') for the year ended 31 March 2022 and as required by Master Direction on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (the 'Directions'), we report as follows on the matters specified in paragraphs 3 and 4 of the said Directions to the extent applicable.

Management's Responsibility for the Financial Statements

2. The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. The Company's management is responsible for ensuring that the Company complies with the requirements of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'Master Direction'). This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Master Direction.

Auditor's Responsibility

4. We have audited the financial statements of the Company for the year ended 31 March 2022, on which we issued an unmodified audit opinion vide our report dated 17 May 2022. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

5. Pursuant to the requirements of the Directions, it is our responsibility to provide reasonable assurance on whether the Company has complied with the matters specified in the Directions to the extent applicable to the Company.

6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.'

Conclusion

8. Based on our examination of the audited financial statements as at and for the year ended

   31 March 2022, books of account and records of the Company as produced for our examination and according to the information and explanations given to us we further report that:

   i. The Company is engaged in the business of non-banking financial institution and it has obtained a certificate of registration No. B-13.01681 from Reserve Bank of India ('RBI'). The date of issuance of Certificate of Registration ('COR') to FICS Consultancy Services Limited is 27 August 2003 in pursuance of section 45-IA of RBI Act, 1934 (subsequently name changed to JM Financial Credit Solutions Limited and revised registration certificate received from RBI vide communication dated 8 April 2015);

   ii. The Company is entitled to continue to hold such Certificate of Registration in terms of its asset/ income pattern as on/ for the year ended 31 March 2022;

Auditors' Additional Report (Contd.)

iii. In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the the required net owned fund requirement as laid down in the Master Direction;

iv. The Board of Directors of the Company has passed a resolution in its meeting held on 29 April 2021 for non-acceptance of public deposits during the year ended 31 March 2022;

v. The Company has not accepted any public deposits during year ended 31 March 2022;

vi. With effect from 1 April 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies vide notification no.G.S.R 365(E) dated 30 March 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS). In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts to the extent applicable as per Ind AS in the preparation of the financial statements for the year ended 31 March 2022;

vii. In our opinion and to the best of our information and according to the explanations given to us, the Company being a Systemically Important Non-deposit taking NBFC as defined in paragraph 3 (xxxi) of the Master Direction, for the year ended 31 March 2022:

a) the capital adequacy ratio as disclosed in the annual return submitted to RBI in form DNBS03 (Important Prudential Parameters) as at 31 March 2022, has been correctly arrived at and such ratio is in compliance with the minimum capital to risk assets ratio ('CRAR') prescribed by RBI; and

b) the Company has furnished to RBI, the provisional annual statement of capital funds, risk assets/exposures and risk asset ratio ('form DNBS03') for the year ended 31 March 2022 on 15 April 2022 which is within the stipulated period.

viii. Based on the criteria set forth by RBI in paragraph 3 (xix) of the Master Direction for classification of NBFCs as NBFC – Micro Finance Institution ('NBFC-MFI'), the Company does not meet the criteria to be classified as NBFC-MFI as defined in the aforesaid Master Direction, with reference to the business carried on by it during the year ended 31 March 2022.

Restriction of use

9. This Report is addressed to and provided to the Board of Directors solely to comply with the aforesaid Directions and for submission to RBI, if required and may not be suitable for any other purpose. Accordingly, our Report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our Report is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Kapil Goenka
Partner
Membership No: 118189
UDIN: 22118189AKYXXW5031

Mumbai
15 June 2022

Balance Sheet

as at March 31, 2022

₹ in Crore

Sr. No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	Assets			
1	**Financial Assets**			
A	Cash and cash equivalents	4	409.10	232.60
B	Bank balance other than (A) above	5	3.43	0.25
C	Loans	6	7,347.87	6,830.71
D	Investments	7	1,169.05	2,027.70
E	Other financial assets	8	19.71	5.93
			8,949.16	**9,097.19**
2	**Non-financial Assets**			
A	Current tax assets (net)	9	39.10	16.72
B	Deferred tax assets (net)	10	104.93	88.71
C	Property, plant and equipment	11	18.46	15.19
D	Other intangible assets	11	0.02	0.09
E	Other non-financial assets	12	1.52	2.28
			164.03	**122.99**
	Total assets		**9,113.19**	**9,220.18**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
A	**Payables**			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	13	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	3.32	7.61
B	Debt securities	14	3,826.93	3,507.66
C	Borrowings (Other than Debt securities)	15	1,275.64	1,999.45
D	Lease Liability	16	19.90	15.83
E	Other financial liabilities	17	40.67	33.60
	Total Financial Liabilities		**5,166.46**	**5,564.15**
2	**Non-Financial Liabilities**			
A	Provisions	18	2.09	2.19
B	Other non-financial liabilities	19	2.48	3.98
	Total Non-Financial Liabilities		**4.57**	**6.17**
3	**EQUITY**			
A	Equity Share capital	20	2.83	2.83
B	Other Equity	21	3,939.33	3,647.03
	Total Equity		**3,942.16**	**3,649.86**
	Total Liabilities and Equity		**9,113.19**	**9,220.18**
	The accompanying notes form an integral part of the financial statements			

In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 17, 2022

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 17, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Crore

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Income:**			
	Revenue from operations			
	Interest income	22	1,041.33	1,131.38
	Fees and commission income	23	6.20	0.99
	Net gain on fair value changes	24	61.39	35.11
	Net gain on derecognition of financial instruments under amortised cost category	25	13.47	-
	Other operating income	26	0.01	0.01
	Total Revenue from Operations		**1,122.40**	**1,167.49**
	Other income		13.70	-
	Total Income		**1,136.10**	**1,167.49**
II	**Expenses:**			
	Finance costs	27	455.43	449.13
	Impairment on financial instruments	28	224.56	185.02
	Employee benefits expense	29	35.64	27.79
	Depreciation, amortization and impairment	30	3.13	2.19
	Operating and other expenses	31	24.62	24.63
	Total expenses		**743.38**	**688.76**
III	**Profit before Tax**		**392.72**	**478.73**
IV	**Less: Tax expense**			
	Current tax	32	120.01	154.46
	Deferred tax		(17.51)	(34.71)
	Tax adjustment of earlier years(net)		1.16	-
			103.66	**119.75**
V	**Net Profit for the year**		**289.06**	**358.98**
VI	**Other Comprehensive Income**			
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Items that will not be reclassified to profit or loss			
	- Actuarial gain/(losses) on post-retirement benefit plans		(0.19)	0.04
	- Equity Instruments through Other Comprehensive Income		5.28	-
			5.09	**0.04**
	- Income tax on above		(1.28)	(0.01)
	Total Other Comprehensive Income		**3.81**	**0.03**
VII	**Total Comprehensive Income**		**292.87**	**359.01**
VIII	**Earnings per equity share**	35		
	(Face value of ₹ 10/- each)			
	Basic (₹)		1,022.59	1,269.89
	Diluted (₹)		1,022.59	1,269.89
	The accompanying notes form an integral part of the financial statements			

In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 17, 2022

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 17, 2022

Statement of Cash Flows

for the year ended March 31, 2022

₹ in Crore

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from operating activities**		
	Profit before tax	**392.72**	**478.73**
	Adjustment for:		
	Depreciation, amortization and impairment	3.13	2.19
	Net gain on fair value changes	(61.39)	(35.11)
	Write off	116.12	-
	Provision for impairment written back	(129.54)	-
	Impairment on financial instruments	224.55	185.02
	Provision for gratuity	0.22	0.22
	Provision for compensated absences	0.12	0.10
	Interest on fixed deposits	(0.60)	(0.13)
	Interest expenses – others	1.68	1.54
	Operating profit before working capital changes	**547.01**	**632.56**
	Adjustment for:		
	Decrease in Trade receivables	-	0.30
	(Increase) / Decrease in loans	(737.23)	163.30
	(Increase) / Decrease in other financial and non-financial assets	(4.06)	(4.77)
	Increase in trade payables and other liabilities	1.29	8.42
	(Decrease) in Provisions	(0.63)	-
	Cash generated from operations	**(193.62)**	**799.81**
	Direct taxes paid	(143.55)	(161.47)
	Net cash (used in) / generated from operating activities	**(337.17)**	**638.34**
B	**Cash flow from investing activities**		
	Purchase of investments	(12,196.24)	(7,612.56)
	Sale of investments	13,121.56	6,527.11
	Fixed deposits (placed) / matured with bank	(3.18)	(0.25)
	Interest received on bank deposits	0.58	0.41
	Purchase of Property, plant and equipment	(0.12)	(0.10)
	Net cash generated from / (used in) investing activities	**922.60**	**(1,085.39)**
C	**Cash flow from financing activities**		
	Dividend paid	(0.57)	(0.42)
	Repayment of lease obligations	(3.82)	(2.43)
	Interest paid others	-	(0.01)
	Proceeds from issuance of debt securities	1,299.16	918.96
	Repayment of debt securities	(979.89)	(456.70)
	Proceeds from borrowings other than debt securities	820.01	2,061.24
	Repayment of borrowings other than debt securities	(1,543.82)	(1,869.38)
	Net cash generated from / (used in) financing activities	**(408.93)**	**651.26**
	Net increase / (decrease) in Cash and cash equivalents	176.50	204.21
	Cash and cash equivalents at the beginning of the year	232.60	28.39
	Cash and cash equivalents at the end of the year (refer note 4)	**409.10**	**232.60**
	Components of cash and cash equivalents		
	Cash on hand	0#	0#
	Balances with banks		
	- in current accounts	54.10	232.52
	- Cheques, drafts on hand	-	0.08
	- in deposit accounts	355.00	-
		409.10	**232.60**

# Denotes amount less than ₹50,000/-

The accompanying notes form an integral part of the financial statements

Notes

1 The cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - "Statement of Cash Flow ".

In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 17, 2022

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 17, 2022

Statement of Changes in Equity

as at March 31, 2022

A Equity Share capital

₹ in Crore

Particulars	Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
Equity Share Capital	**2.83**	**-**	**2.83**	**-**	**2.83**

B Other equity

₹ in Crore

Particulars	Reserves and Surplus					Other Comprehensive Income (OCI)	Total Other Equity
	Securities Premium	General Reserve	Capital Reserve	Statutory Reserve	Retained earnings	Equity instruments through OCI	
Balance at March 31, 2020	**1,715.28**	**0.17**	**#**	**328.84**	**1,244.15**	**-**	**3,288.44**
Addition/Reduction during the year							
Profit for the year	-	-	-	-	358.98	-	358.98
Other comprehensive income for the year	-	-	-	-	0.03	-	0.03
Final Dividend	-	-	-	-	(0.42)	-	(0.42)
Transfer to statutory reserves	-	-	-	71.80	(71.80)	-	-
Balance at March 31, 2021	**1,715.28**	**0.17**	**#**	**400.64**	**1,530.94**	**-**	**3,647.03**
Addition/Reduction during the year							
Profit for the year	-	-	-	-	289.06	-	289.06
Other comprehensive income for the year	-	-	-	-	(0.14)	3.95	3.81
Final Dividend	-	-	-	-	(0.57)	-	(0.57)
Transfer to statutory reserves	-	-	-	57.82	(57.82)	-	-
Balance at March 31, 2022	**1,715.28**	**0.17**	**#**	**458.46**	**1,761.47**	**3.95**	**3,939.33**

# Denotes amount less than ₹ 50,000/-

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 17, 2022

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 17, 2022

1 Corporate Information

JM Financial Credit Solutions Limited (the "Company") was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". The Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, the Company's name was changed to "JM Financial Credit Solutions Limited". The Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant rules, as amended.

Historical cost convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are prepared and presented on going concern basis and the relevant provisions of the Act and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees in crores rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

2.2 Property, plant and equipment and Intangible Assets

a. Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs and impairment of assets below).

Notes
to the Financial Statements

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Assets	Useful Life
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Leasehold improvements	10 years or lease period whichever is lower
Intangible Assets	**Useful Life**
Computer Software	5 years

Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Assets taken on finance lease are depreciated over a period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognised.

Impairment losses on non-financial assets

As at the end of each year, the Company reviews the carrying amount of its non-financial assets that is PPE and intangible to determine whether there is any indication that these assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets’ net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

a. Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into

account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at Fair Value through Profit and Loss ('FVTPL'), transaction costs are recognised in statement of profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

b. Fees and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in this part of the statement of profit and loss include fees charged for servicing a loan. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration

c. Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

2.4 Leasing

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,

b) the right to obtain substantially all the economic benefits from use of the identified asset, and

c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Notes
to the Financial Statements

Lease liability has been presented in Note 16 “Lease Liability” and ROU asset has been presented in Note 11 “Property, Plant and Equipment” and lease payments have been classified as financing cash flows.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company’s policy on borrowing costs.

2.5 Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in statement of profit or loss in the period in which they arise.

2.6 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.7 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

Payments to defined contribution plans are recognised as expense in the Statement of Profit and Loss of the year when employees have rendered service entitling them to the contributions. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payment is available.

Defined Benefit Obligation:

The Company's Gratuity liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount

of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Share-based payment arrangements

Equity-settled share-based payments to employees of the Company are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 41.

The fair value determined at the grant date of the equity-settled share-based payments to employees of the Company is expensed on a straight-line basis over the vesting period with a corresponding increase in equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in the Statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in statement of profit or loss for the year

2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Notes
to the Financial Statements

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

i. an entity has a present obligation (legal or constructive) as a result of a past event; and

ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii. a reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

i. estimated amount of contracts remaining to be executed on capital account and not provided for;

ii. uncalled liability on shares and other investments partly paid;

iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.13 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.14 Segments

Based on “Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the “Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a

reasonable basis have been included under Unallocated Income / Costs.

2.15 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in statement of profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in statement of profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets:

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the individual asset basis and the Company's business model for managing the asset.

Notes
to the Financial Statements

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit and Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in statement of profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply

prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of financial assets

Overview of the Expected Credit Loss principles

The company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by Given the uncertainty over the the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: Defined as performing assets with upto 30 days past due (DPD). Stage 1 loans will also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

- Stage 2: Defined as under-performing assets having 31 to 90 DPD. Stage 2 loans will also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2. Accounts with overdue more than 30 DPD will be assessed for significant increase in credit risks.

- Stage 3: Defined as assets with overdue more than 90 DPD. The Company will record an allowance for the life time expected credit losses. These accounts will be assessed for credit impairment.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss

Notes
to the Financial Statements

allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/ loss is recognised in statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net statement of profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net statement of profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note 40 B(i)

Fair Valuation

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Corporation has applied appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 40 A.

Notes
to the Financial Statements

4. Cash and cash equivalents

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0#	0#
Balances with banks		
- in current accounts	54.10	232.52
- Cheques, drafts on hand	-	0.08
- in deposit accounts	355.00	-
	409.10	**232.60**

# Denotes amount less than ₹ 50,000/-

Note:

Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period upto 90 days.

5. Other bank balances

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
- in current accounts	3.12	-
- in deposit accounts (Refer Note b below)	0.31	0.25
Total	**3.43**	**0.25**

Notes:

a) Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates.

b) Balances with banks in deposit accounts are held as margin money against creation of Recovery Expense Fund in respect of listed debt securities.

6. Loans

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Term Loans (refer note a)	7,756.68	7,178.99
Interest accrued	66.63	41.08
Gross loan	**7,823.31**	**7,220.07**
Less: Impairment loss allowance (refer note b)	(475.44)	(389.36)
Net loan	**7,347.87**	**6,830.71**
Break up of loans into secured and unsecured		
Secured by tangible assets	7,689.33	7,220.07
Unsecured	133.98	-
Gross loan	**7,823.31**	**7,220.07**
Less: Impairment loss allowance (refer note b)	(475.44)	(389.36)
Net loan	**7,347.87**	**6,830.71**

Note:

a) Includes impact of Effective interest rates amounting to ₹ 30.66 crore as at March 31, 2022 (₹ 40.20 crore as at March 31, 2021).

b) Impairment loss allowance includes provision on undisbursed loan commitment amounting to ₹ 5.62 crore as at March 31, 2022 (₹ 10.25 crore as at March 31, 2021).

c) The loans are given in India to other than Public sectors.

d) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

7. Investments

₹ in Crore

Particulars	As at 31.03.2022		As at 31.03.2021	
	Quantity	Amount	Quantity	Amount
At FVTPL				
Mutual fund units				
SBI Liquid Fund – Growth	3,75,156.54	125.04	-	-
JM Liquid Fund - Growth	164,47,624.07	95.74	203,22,302.42	114.31
UTI Liquid Cash Plan - Growth	1,73,235.04	60.43	5,71,189.40	192.52
Axis Liquid Fund – Growth (CF-DG)	2,52,477.29	59.69	8,42,759.85	192.54
HDFC Liquid Fund - Direct Plan – Growth	59,225.72	24.78	4,76,963.14	192.96
ICICI Prudential Liquid Fund – Growth	6,41,666.83	20.23	63,06,139.65	192.17
Nippon India Liquid Fund- Growth	37,712.13	19.64	3,82,021.74	192.26
Aditya Birla Sun Life Liquid fund – Growth	4,42,927.35	15.20	58,22,581.41	193.04
SBI Overnight Fund	37,579.19	13.01	-	-
Sundaram Money Fund – Growth	-	-	441,36,307.03	191.54
Baroda Liquid Fund - Plan B Growth	-	-	4,23,639.42	100.37
Franklin India Liquid Fund - Super Institutional Plan	-	-	6,24,819.38	193.18
Mirae Asset Cash Management Fund – Growth	-	-	8,88,476.51	192.93
		433.76		**1,947.82**
Debt instruments				
Vrutant Real Estate Developers Private Limited (Unrated, Unlisted, Unsecured, Redeemable, Optionally Fully Convertible Debentures)	490	4.90	490	4.90
Non-Convertible Debentures				
JM Financial Products Limited	9,66,584	95.88	-	-
Government Securities				
91 days Treasury Bills (08/04/2021)	-	-	1	24.98
364 days Treasury Bills (06/10/2022)	1	9.80	-	-
364 days Treasury Bills (20/10/2022)	1	39.13	-	-
	2	**48.93**	**1**	**24.98**
Security receipts				
Victory Real Estate 2021 – Trust	3,40,000	34.00	-	-
Realty March 2022 – Trust	30,17,500	301.75	-	-
		335.75	**-**	**-**
Equity instruments				
Meghvarnam Realty Private Limited	100	0#	100	0#
Compulsory Convertible Debentures				
JM Financial Assets reconstruction Company Limited	39,79,272	178.44	-	-
JM Financial Home Loans Limited	72,02,134	16.12	-	-
		194.56		
At FVTOCI				
Equity instruments				
JM Financial Home Loans Limited	1,48,19,206	55.27	1,48,19,206	50.00
Total		**1,169.05**		**2,027.70**

# Denotes amount below ₹ 50,000/-

Note:

All the above investments are within India.

Notes
to the Financial Statements

8. Other Financial Assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good unless otherwise stated		
Advances	14.73	5.62
Less: Provisions	(9.50)	(0.57)
Net	**5.23**	**5.05**
Security deposits	1.71	0.88
Accrued interest but not due on investments	12.74	-
Accrued interest but not due on deposits with banks	0.03	0#
Total	**19.71**	**5.93**

# Denotes amount below ₹ 50,000/-

9. Current tax assets (net)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax (net of provisions)	39.10	16.72
Total	**39.10**	**16.72**

10 Deferred tax Assets (net)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Impairment of Financial instruments	106.57	81.83
Change in fair value	(3.22)	(2.12)
Measurement of Financial instruments at amortised cost (EIR)	3.89	6.58
Disallowances under section 43B of the Income Tax Act, 1961	1.78	5.48
Preliminary expense under section 35(d) of the Income Tax Act, 1961	(4.86)	(3.60)
Difference between books and tax written down value of Property, plant and equipment	0.77	0.54
Total	**104.93**	**88.71**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2022

₹ in Crore

Deferred tax asset / (liability	Opening balance as at April 1, 2021	Recognised in Statement of profit or loss (Expense) / Income	Recognised in OCI	Closing balance as at March 31 2022
Fiscal allowance on Property, plant and equipment	0.54	0.23	-	0.77
Fiscal allowance on expenditure, etc.	1.88	(4.96)	-	(3.08)
Measurement of Financial instruments at amortised cost (EIR)	6.58	(2.69)	-	3.89
Impairment allowance for financial assets	81.83	24.74	-	106.57
Fair value of financial instruments	(2.12)	0.23	(1.33)	(3.22)
Total	**88.71**	**17.55**	**(1.33)**	**104.93**

For the year ended March 31, 2021

₹ in Crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2020	Recognised in Statement of profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31 2021
Fiscal allowance on Property, plant and equipment	0.28	0.26	-	0.54
Fiscal allowance on expenditure, etc.	2.24	(0.36)	-	1.88
Measurement of Financial instruments at amortised cost	10.83	(4.25)	-	6.58
Impairment allowance for financial assets	43.31	38.52	-	81.83
Donation	(1.76)	1.76	-	-
Fair value of financial instruments	(0.90)	(1.22)	-	(2.12)
Total	**54.00**	**34.71**	**-**	**88.71**

11. Property, Plant and Equipment:

₹ in Crore

Description	Gross Block				Accumulated Depreciation/Amortisation				Net Block
	As at March 31, 2021	Additions for the year	Deduction for the year	As at 31.03.2022	Up to 31.03.2021	Additions for the year	Deduction for the year	Up to 31.03.2022	As at 31.03.2022
PROPERTY, PLANT AND EQUIPMENT - CURRENT YEAR									
Owned Assets:									
Freehold land	0.05	-	-	0.05	-	-	-	-	0.05
Computers	0.48	0.07	-	0.54	0.29	0.10	-	0.39	0.15
Furniture and fixtures	0.08	-	-	0.08	0.03	0.01	-	0.04	0.04
Office Equipment	0.02	0.05	-	0.07	0.02	0.01	-	0.03	0.04
Leasehold improvements	0.60	0.01	-	0.61	0.22	0.08	-	0.30	0.31
Leased Assets:									
Right of use of office premises	18.40	6.21	-	24.61	3.88	2.87	-	6.74	17.87
Total	**19.63**	**6.34**	**-**	**25.96**	**4.44**	**3.07**	**-**	**7.50**	**18.46**
Intangible Assets – Acquired									
Software	**0.36**	**-**	**-**	**0.36**	**0.28**	**0.07**	**-**	**0.35**	**0.02**

# Denotes amount less than ₹ 50,000/-

Note: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year. Also The Company does not hold any benami property.

₹ in Crore

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at March 31, 2020	Additions for the year	Deductions for the year	As at March 31, 2021	Up to 31.03.2020	Addition for the year	Deductions for the year	Up to 31.03.2021	As at March 31, 2021
PROPERTY, PLANT AND EQUIPMENT - CURRENT YEAR									
Owned Assets:									
Freehold land	0.05	-	-	0.05	-	-	-	-	0.05
Computers	0.31	0.17	-	0.48	0.22	0.07	-	0.29	0.19
Furniture and fixtures	0.08	-	-	0.08	0.02	0.01	-	0.03	0.05
Office Equipment	0.02	-	-	0.02	0.02	#	-	0.02	-
Leasehold improvements	0.60	-	-	0.60	0.14	0.08	-	0.22	0.38
Leased Assets:		-	-						
Vehicles	0.20	-	(0.20)	-	0.10	0.02	(0.12)	-	-
Right to use of office premises	18.40	-	-	18.40	1.94	1.94	-	3.88	14.52
Total	**19.66**	**0.17**	**(0.20)**	**19.63**	**2.44**	**2.12**	**(0.12)**	**4.44**	**15.19**
Intangible Assets - Acquired									
Software	**0.36**	**-**	**-**	**0.36**	**0.21**	**0.07**	**-**	**0.28**	**0.09**

# Denotes amount less than ₹ 50,000/-

Notes
to the Financial Statements

12. Other non-financial assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good unless otherwise stated		
Prepaid Expenses	0.21	0.25
Balances with government authorities	1.27	1.65
Others	0.04	0.38
Total	**1.52**	**2.28**

13. Trade Payable

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to micro enterprises and small enterprises	0.05	0.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.27	7.59
	3.32	**7.61**

#Denotes amount less than ₹ 50,000/-

Due to related parties as at March 31, 2022 is ₹ 0.63 crore (as at March 31, 2021 is ₹ 3.37 crore)

13.a Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.05	0.02
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	**0.05**	**0.02**

# Denotes amount less than ₹ 50,000/-

13.b Trade payable ageing schedule:

₹ in Crore

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total FY 2021-22
(i) MSME	0.05	-	-	-	0.05
(ii) Others	2.49	0.76	#	0.02	3.27
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**2.54**	**0.76**	**#**	**0.02**	**3.32**

# Denotes amount less than ₹ 50,000/-

For the year 2020-21

₹ in Crore

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total FY 2020-21
(i) MSME	0.02	-	-	-	0.02
(ii) Others	7.58	-	0.01	#	7.59
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**7.60**	**-**	**0.01**	**-**	**7.61**

14. Debt Securities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Non-convertible debentures (refer note 14.1 and 14.2)	3,341.37	3,163.30
Interest Payable	161.90	246.94
Total	**3,503.27**	**3,410.24**
Unsecured		
Commercial paper (refer note 14.3 and 14.4)	330.00	100.00
Less: Unamortised interest on commercial paper	(6.34)	(2.58)
Total	**323.66**	**97.42**
Grand Total	**3,826.93**	**3,507.66**

Debt securities are issued in India.

14.1 Non-Convertible Debentures:

Non-convertible debentures aggregating Rs.3,503.27 crore (As at March 31, 2021: Rs. 3,410.24) are secured by way of first charge on freehold land and hypothecation on pool of certain loan receivables of the Company.

14.2 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Private Placement - Face value of ₹ 10,00,000 each		
0 % NCD redeemable in year 2021-22*	-	298.90
8.75 % NCD redeemable in year 2021-22	-	100.00
9.70 % NCD redeemable in year 2021-22	-	30.00
0 % NCD redeemable in year 2021-22*	-	30.00
9.50 % NCD redeemable in year 2021-22	-	25.00
10.50 % NCD redeemable in year 2021-22	-	20.00
9.00 % NCD redeemable in year 2021-22	-	10.00
8.25 % NCD redeemable in year 2022-23	10.00	10.00
9.00 % NCD redeemable in year 2022-23	50.00	50.00
8.25 % NCD redeemable in year 2023-24	40.00	40.00
9.40 % NCD redeemable in year 2023-24	200.00	200.00
9.10 % NCD redeemable in year 2023-24	66.67	100.00
10.85 % NCD redeemable in year 2024-25#	597.00	600.00
9.75 % NCD redeemable in year 2026-27	100.00	100.00
9.75 % NCD redeemable in year 2027-28	100.00	100.00
9.75 % NCD redeemable in year 2028-29	100.00	100.00
9.75 % NCD redeemable in year 2029-30	100.00	100.00
9.10 % NCD redeemable in year 2030-31	145.00	145.00

Notes
to the Financial Statements

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
9.20 % NCD redeemable in year 2030-31	105.00	105.00
8.60 % NCD redeemable in year 2032-33	30.00	30.00
8.35 % NCD redeemable in year 2024-25	300.00	-
8.50 % NCD redeemable in year 2031-32	260.00	-
8.99 % NCD redeemable in year 2028-29	75.00	-
8.99 % NCD redeemable in year 2029-30	75.00	-
8.99 % NCD redeemable in year 2030-31	75.00	-
8.99 % NCD redeemable in year 2031-32	75.00	-
Public issue - Face value of ₹ 1000 each		
9.25 % Tranche I -Option I redeemable in year 2021-22	-	116.52
0 % Tranche I -Option II redeemable in year 2021-22*	-	24.39
10.00% Tranche II -Option I redeemable in year 2022-23	98.72	98.72
0 % Tranche II -Option II redeemable in year 2022-23*	31.73	31.73
9.50% Tranche I -Option III redeemable in year 2023-24	365.31	365.31
10.10% Tranche II -Option III redeemable in year 2023-24	49.09	49.09
9.67% Tranche II -Option IV redeemable in year 2023-24	42.87	42.87
9.11% Tranche I -Option IV redeemable in year 2023-24	17.03	17.03
9.75% Tranche I -Option V redeemable in year 2028-29	214.81	214.81
9.34% Tranche I -Option VI redeemable in year 2028-29	11.94	11.94
10.25% Tranche II -Option V redeemable in year 2028-29	25.04	25.04
9.81% Tranche II -Option VI redeemable in year 2028-29	16.15	16.15
Total	**3,376.36**	**3,207.50**

* Redeemable at premium
# NCD with floating rate and quarterly reset.

Maturity profile above is disclosed at face value which excludes premium amounting to ₹ 0.00 crore (2020-21 : ₹ 0.45 crore), discount of ₹ 10.65 crore (2020-21 : ₹ 16.60 crore) and impact of effective interest rate adjustment amounting to ₹ 24.34 crore (As at March 31, 2021 : 28.05 crore).

14.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 375.00 crore (2020-21 : ₹ 100.00 crore).

14.4 Commercial paper is repayable within a period upto 365 days from the date of disbursement and has interest of 6.46% for 2021-22 (2020-21: 8.50%).

14.5 Company have utilized money obtained by way of Non-convertible debentures during the year for the purpose for which they were obtained

During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

15. Borrowings (Other than Debt securities)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Term loans		
(i) from banks		
- Secured (refer note 15.1)	1,189.88	1,026.92
(ii) from other parties		
- Secured (refer note 15.1)	51.56	70.31
Interest payables on term loan from banks	4.20	2.22
Total	**1,245.64**	**1,099.45**
Working Capital Demand Loan (refer note 15.2)	30.00	100.00
Inter corporate deposit (refer note 15.3)	-	800.00
Total	**1,275.64**	**1,999.45**

Borrowings are made within India.

15.1 Term loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company. Also includes impact of effective interest rate of Rs.15.54 crore (As at March 31, 2021: Rs 10.67 crore).

Company have utilized money obtained by way of Term loans during the year for the purpose for which they were obtained.

15.2 The quarterly returns filed by the company with banks / financial institutions from which borrowing is obtained on the basis of security of current assets are in agreement with the books of account of the company.

Cash credit facility and working capital demand loan from banks are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

15.3 Inter corporate deposit was secured and short term in nature.

Maturity profile and rate of interest of term loans:

₹ in Crore

Residual Maturities	As at 31.03.2022		
	Up to one year (April 2022 to March 2023)	1-3 years (April 2023 to March 2025)	3 years & above (April 2025 onwards)
7.00 % to 8.00%	65.00	142.50	80.00
8.01 % to 9.00%	86.88	355.80	70.28
9.01 % to 10.00%	45.42	281.26	129.84
10.01% to 11.00%	-		
Total	**197.30**	**779.56**	**280.12**

Maturity profile above excludes effective interest rate impact amounting to ₹ 15.54 crore.

Maturity profile and rate of interest of term loans:

₹ in Crore

Residual Maturities	As at 31.03.2021		
	Up to one year (April 2021 to March 2022)	1-3 years (April 2022 to March 2024)	3 years & above (April 2024 onwards)
8.00 % to 9.00%	140.00	252.50	56.12
9.01 % to 10.00%	206.16	205.32	147.80
10.01% to 11.00%	-	50.00	50.00
Total	**346.16**	**507.82**	**253.92**

Maturity profile above excludes effective interest rate impact amounting to ₹ 10.67 crore.

Notes
to the Financial Statements

The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

16. Lease Liability

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liability (refer note 36)	19.90	15.83
Total	**19.90**	**15.83**

17. Other financial liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits payable	25.32	28.58
Provision for CSR Expenditure	14.93	4.77
Others	0.42	0.25
Total	**40.67**	**33.60**

18. Provisions

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
For employee benefits:		
Gratuity (refer note 37)	1.35	1.40
Compensated absences	0.74	0.79
Total	**2.09**	**2.19**

19. Other non-financial liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	2.48	3.98
Total	**2.48**	**3.98**

20. Equity Share capital

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
30,00,000 (March 2021: 30,00,000) Equity shares of ₹ 10/- each	3.00	3.00
20,00,000 (March 2021: 20,00,000) Preference shares of ₹ 10/- each	2.00	2.00
Total	**5.00**	**5.00**
Issued, Subscribed and Paid-up		
2,826,816 (March 2021: 2,826,816) Equity shares of face value of ₹ 10/- each fully paid-up	2.83	2.83
Total	**2.83**	**2.83**

Reconciliation of the number of equity shares outstanding

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	₹ in Crore	Number	₹ in Crore
Shares outstanding at the beginning of the year	2,826,816	2.83	2,826,816	2.83
Shares forfeited during the year	-	-	-	-
Shares outstanding at the end of the year	**2,826,816**	**2.83**	**2,826,816**	**2.83**

Details of shareholding in excess of 5%

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	%	Number	%
JM Financial Limited along with its nominees	1,319,431	46.68%	1,319,431	46.68%
INH Mauritius 1	1,384,087	48.96%	1,384,087	48.96%

Terms and rights attached to each class of shares:

Equity Shares:

The Company has only one class of shares referred to as equity shares having a face value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Details of promoters:

Sr. No.	Shares held by promoters at the end of the year			Percentage of change during the year
	Name of the Promoter	No of shares	Percentage of total shares	
1	JM Financial Limited	1,319,431	46.68%	Nil

21. Other Equity

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium account	1,715.28	1,715.28
General reserve	0.17	0.17
Capital reserve	#	#
Statutory reserve	458.46	400.64
Retained Earnings	1,765.42	1,530.94
Total	**3,939.33**	**3,647.03**

₹ 39,674/-

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium account		
Opening balance	1,715.28	1,715.28
Closing balance	**1,715.28**	**1,715.28**
General reserve		
Opening balance	0.17	0.17
Closing balance	**0.17**	**0.17**
Capital reserve		
Opening balance	#	#
Addition*	-	-
Closing balance	**#**	**#**
Statutory reserve (Section 45-IC of the RBI Act, 1934)		
Opening balance	400.64	328.84
Addition	57.82	71.80

Notes
to the Financial Statements

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Closing balance	**458.46**	**400.64**
Retained earnings:		
Opening balance	1,530.94	1,244.15
(+) Profit for the year	289.06	358.98
(+/-) Other Comprehensive Income	3.81	0.03
(+)Transferred from Debenture redemption reserve	-	-
	1,823.81	**1,603.16**
(-) Appropriations		
Transferred to statutory reserve	57.82	71.80
Final Dividend	0.57	0.42
	58.39	**72.22**
Closing balance	**1,765.42**	**1,530.94**
Grand Total	**3,939.33**	**3,647.03**

₹ 39,674/-

Note:

The Board of Directors of the Company has recommended a dividend of ₹ 2.50 per equity share of the face value of ₹ 10/- each for the financial year 2021-2022 subject to the approval of the members at their ensuing Annual General Meeting.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve:

Capital reserve is created pursuant to the forfeiture and extinguishment of the partly paid up shares.

Statutory Reserve:

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit after tax every year in terms of Section 45-IC of the RBI Act, 1934.

Debenture Redemption Reserve:

As per amendment in Companies Act, 2013, Debenture Redemption Reserve is not required for debentures issued by Non-Banking Finance Companies regulated by Reserve Bank of India for both public as well as privately placed debentures.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

22. Interest Income

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At Amortised Cost		
Interest on Loans	1,026.78	1,131.18
Interest income - Bank deposits	0.60	0.13
Interest income – Others	13.95	0.07
Total	**1,041.33**	**1,131.38**

23. Fees and Commission Income

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Prepayment and other Fees	6.20	0.99
Total	**6.20**	**0.99**

24. Net gain on fair value changes

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolios	-	-
(ii) Others		
On other financial securities	61.39	35.11
Total net gain /(loss) on fair valuation	**61.39**	**35.11**
Fair value changes		
Realised	53.87	26.67
Unrealised	7.52	8.44
Total	**61.39**	**35.11**

*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

25. Net gain on derecognition of financial instruments under amortised cost category

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on derecognition of financial instruments under amortised cost category	0.05	-
Provision for Sub standard assets write back of earlier year	129.54	-
Write off of assets	(116.12)	-
Total	**13.47**	**-**

26. Other Operating Income

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend income	0.01	-
Write back	-	0.01
Total	**0.01**	**0.01**

Notes
to the Financial Statements

27. Finance Costs

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At Amortised Cost		
Debt Securities	320.08	314.97
Borrowings(Other than Debt securities)	117.22	119.93
Interest on Lease Liabilities	1.68	1.54
Other Interest expense	16.45	12.69
Total	**455.43**	**449.13**

28. Impairment on financial instruments

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At amortised cost		
Provision for Expected Credit Loss (Stage 1 & 2)	78.62	108.24
Provision for Expected Credit Loss (Stage 3)	137.00	76.21
Provision for Expected Credit Loss (On Other financial assets)	8.94	0.57
Total	**224.56**	**185.02**

29. Employee benefits expense

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus, other allowances and benefits	34.56	26.86
Contribution to provident and other funds	0.82	0.70
Gratuity (refer note 37)	0.22	0.22
Staff welfare expenses	0.04	0.01
Total	**35.64**	**27.79**

30. Depreciation, amortization and impairment

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on PPE	3.06	2.12
Amortisation on intangible assets	0.07	0.07
Total	**3.13**	**2.19**

31. Operating and Other expenses

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates and taxes	0.32	0.90
Legal and professional fees	4.66	2.83
Support service charges	2.16	5.48
Information technology expenses	0.36	0.38
Travelling and conveyance	0.33	0.11
Auditors' remuneration (Refer note 34)	0.21	0.13
Repairs and maintenance	0.26	0.23
Electricity expenses	0.10	0.14
Donation	14.06	13.03
Insurance Expense	0.20	0.12
Bank charges	0.01	0.01
Printing & Stationery	0.02	0.01
Membership and Subscription	0.35	0.38
Communication expenses	0.08	0.06
Director Sitting Fees	0.22	0.15
Director commission	0.39	0.25
Miscellaneous expenses	0.89	0.42
Total	**24.62**	**24.63**

32. Income Tax

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	120.01	154.46
Deferred tax	(17.51)	(34.71)
Tax adjustment in respect of earlier years	1.16	-
Total income tax expenses recognised in the current year	**103.66**	**119.75**
Income tax expense recognised in other comprehensive income	(1.28)	(0.01)

Notes
to the Financial Statements

Reconciliation of total tax charge

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	392.72	478.73
Income tax rate	25.17%	25.17%
Income tax expense	98.84	120.49
Tax Effect of:		
Items that are allowable or disallowable in determining taxable profits (net)	3.54	0.10
Set off of temporary differences pertaining to earlier years on which no deferred tax was created	0.11	(0.84)
Tax adjustment in respect of earlier years	1.16	-
Total	**4.82**	**(0.74)**
Income tax expense recognised in the statement of profit and loss	**103.66**	**119.75**

The tax rate used for reconciliation above is the corporate tax rate applicable to companies in India on taxable profit under the tax laws in Indian Jurisdiction i.e. Income tax Act, 1961.

33. Contingent Liabilities and Commitments

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent liability		
Claims against the Company not acknowledged as debt:	1.10	1.10
Income tax matters (During the current year, the Company has received order from Assistant Commissioner of Income Tax making additions to the returned income, against which, the Company has filed an appeal with Commissioner of Income Tax (Appeals)). In the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystallise.		
Commitments		
Undisbursed Commitment *	63.79	250.38
Investment in Compulsory Convertible Preference Shares	33.00	-

*This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03s.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.

34. Payment to Auditors: (Excluding Goods and Services Tax)

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit Fees	0.15	0.09
In any other manner (Certifications, limited reviews, etc)*	0.06	0.04
Out of pocket	0#	0#
Total	**0.21**	**0.13**

# Denotes amount below ₹ 50,000/-

35. Earnings per share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year (In ₹ Crore)	289.06	358.98
Profit attributable to equity shareholders (In ₹ Crore)	289.06	358.98
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	2,826,816	2,826,816
Basic and Diluted earnings per share (Rupees)	1,022.59	1,269.89
Nominal value per share (Rupees)	10	10

Note:

There is no dilution to Basic earnings per share as there are no outstanding dilutive potential equity shares

36. Lease Transactions

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2022:

₹ in Crore

Category of ROU asset	Gross Block				Accumulated Depreciation				Net block
	As at April 1, 2021	Additions	Deletion	As at March 31, 2022	As at April 1, 2021	Depreciation	Deductions	As at March 31, 2022	As at March 31, 2022
Premises	18.40	6.21	-	24.61	3.88	2.87	-	6.74	17.87
Vehicle	-	-	-	-	-	-	-	-	-
Total	**18.40**	**6.21**	**-**	**24.61**	**3.88**	**2.87**	**-**	**6.74**	**17.87**

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2021:

₹ in Crore

Category of ROU asset	Gross Block				Depreciation/Amortisation				Net Block
	As at April 1, 2020	Additions	Deletion	As at March 31, 2021	As at April 1, 2020	Depreciation	Deductions	As at March 31, 2021	As at March 31, 2021
Premises	18.40	-	-	18.40	1.94	1.94	-	3.88	14.52
Vehicle	0.20	-	(0.20)	-	0.10	0.02	(0.12)	-	-
Total	**18.60**	**-**	**(0.20)**	**18.40**	**2.04**	**1.96**	**(0.12)**	**3.88**	**14.52**

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	**15.83**	**16.83**
Additions during the year	5.99	-
Deletions during the year	-	0.10
Finance cost accrued during the year	1.68	1.56
Payment of lease liabilities	3.60	2.46
Closing balance	**19.90**	**15.83**

Notes
to the Financial Statements

Table showing contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

₹ in Crore

Particulars	Minimum lease Payments		Present Values of Minimum lease Payments	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Not later than one year	4.95	2.56	3.22	1.12
Later than one year and not later than five years	15.26	11.23	11.28	6.80
Later than five years	5.94	9.08	5.40	7.91
Total	**26.15**	**22.87**	**19.90**	**15.83**
Less: future finance charges	6.25	7.04		
Present value of minimum lease payments	19.90	15.83		

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

37 Employee Benefits

Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating Rs. 0.82 crore (2021: Rs. 0.70 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.20%	6.90%
Expected rate of salary increase	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2012-14) Ult table.

b) Amount recognised in statement of profit and loss in respect of these defined benefit obligation

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Current service cost	0.13	0.14
Net interest cost	0.09	0.08
Past service cost	-	-
Total amount recognised in statement of profit and loss	**0.22**	**0.22**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.04)	(0.01)
- Actuarial (gain)/loss from change in experience adjustments	0.23	(0.03)
Total amount recognised in other comprehensive income	**0.19**	**(0.04)**
Total	**0.41**	**0.18**

#Denotes below ₹ 50,000/-

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

c) The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan is as follows:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	1.35	1.40
Fair value of plan assets	-	-
Net liabilities arising from defined benefit obligation	**1.35**	**1.40**

d) Movement in the present value of the defined benefit obligation are as follows::

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	1.40	1.22
Current service cost	0.13	0.14
Past service cost	-	-
Interest cost	0.09	0.08
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	-	-
Actuarial (gain)/loss from change in financial assumptions	(0.04)	(0.01)
Actuarial (gain)/loss from change in experience adjustments	0.23	(0.03)
Benefits paid	(0.51)	-
Liabilities assumed/(settled)	0.04	-
Closing defined benefit obligation	**1.35**	**1.40**

#Denotes amount less than ₹ 50,000/-

Notes
to the Financial Statements

e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

₹ in Crore

Particulars	March 31, 2022	March 31, 2021
Defined benefit obligation (base)	1.35	1.40

Particulars	As at March 31, 2022		As at March 31, 2021	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.28	1.39	1.33	1.43
Impact of increase in 50 bps on DBO	-5.07%	2.72%	-4.77%	2.08%
Defined benefit obligation on decrease in 50 bps	1.42	1.32	1.47	1.37
Impact of decrease in 50 bps on DBO	5.51%	-2.56%	5.18%	-2.13%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis.

For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

f) Projected benefits payable:

₹ in Crore

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Expected benefits for year 1	0.26	0.07
Expected benefits for year 2	0.06	0.26
Expected benefits for year 3	0.06	0.07
Expected benefits for year 4	0.06	0.06
Expected benefits for year 5	0.07	0.23
Expected benefits for year 6	0.07	0.05
Expected benefits for year 7	0.07	0.22
Expected benefits for year 8	0.07	0.05
Expected benefits for year 9	0.07	0.05
Expected benefits for year 10 and above	2.70	2.24

The weighted average duration of the defined benefit obligation is 10.57 years (previous year 9.94 years)

38. Related Party Disclosure

Names of related parties and description of Relationship

(i) Names of related parties and description of relationship where control exists

Holding Company

JM Financial Limited

(ii) Names of related parties and description of relationship where transactions have taken place

(A) Holding Company

JM Financial Limited

(B) Fellow Subsidiaries

JM Financial Services Limited
JM Financial Products Limited
JM Financial Properties and Holdings Limited
JM Financial Asset Reconstruction Limited
JM Financial Home Loans Limited
Astute Investments

(C) The entity is controlled or jointly controlled by a person identified

Enterprise over which close members of the family (relatives) of key management personnel are able to exercise significant influence

J.M. Assets Management Private Limited

J.M. Financial & Investment Consultancy Services Private Limited

(D) Key management personnel of the reporting entity or of a parent of the reporting entity:

Mr. Vishal Kampani (KMP of the parent company) and (KMP of the Company effective October 1, 2021)
Ms. Amishi Gambhir (close relative of VNK)

Mr. Shashwat Belapurkar (SB) (CEO) (KMP of the reporting entity) (uptil April 30, 2021)
Ms. Sadhana Belapurkar (close relative of SB) (uptil April 30, 2021)

Mr. Atul Mehra (KMP of the parent company – effective October 1, 2021)
Ms. Sammiksha Mehra (Relative of Atul Mehra)
Ms. Sasha Mehra (Relative of Atul Mehra)
Ms. Suvidha Mehra (relative of Atul Mehra)

Managing Director

Mr. Vishal Kampani (w.e.f. October 1, 2021)

Non-Executive Directors

Mr. Vikram Pandit
Mr. Hariharan Aiyar
Mr. V P Shetty
Ms.Dipti Neelakantan
Mr. Vishal Kampani (w.e.f. August 1, 2019)

Independent Directors

Dr. Anup Shah
Mr. Satish Chand Mathur
Mr. Darius Udwadia (uptil October 20, 2021)
Mr. K. G. Krishnamurthy (effective from August 25, 2021)

Notes
to the Financial Statements

(iii) Details of transactions with related parties;

₹ in Crore

Name of the Related Party	Nature of relationship	As at March 31, 2022	As at March 31, 2021
JM Financial Limited	**(A)**		
Rating support fees		2.40	3.19
Support service charges		1.98	1.98
Dividend paid		0.26	0.20
Gratuity paid		0.17	-
Gratuity received		0.09	-
Purchase of Compulsory Convertible Debentures of JMFARC		178.44	-
Reimbursement of employee expenses / (write back)		(0.06)	0.61
Reimbursement of expenses		0.08	0.02
Closing balance payables		0.64	-
JM Financial Properties and Holdings Limited	**(B)**		
Space and related charges		2.11	2.00
Reimbursement of expenses (paid)		0.34	0.35
Inter Corporate Deposits placed		2,000.00	-
Inter Corporate Deposits repaid		2,000.00	-
Interest income		2.41	-
Security deposit outstanding		1.43	1.43
JM Financial Services Limited	**(B**		
Brokerage paid		#	#
Space and related charges		0.06	0.06
JM Financial Home Loans Limited	**(B)**		
Dividend received		0.01	-
Investment in Compulsory Convertible Debentures		9.00	-
Interest income on Compulsory Convertible Debentures		0.11	
Investment in equity shares		-	50.00
Closing Investment in equity shares and Compulsory Convertible Debentures		59.00	50.00
JM Financial Products Limited	**(B)**		
Interest paid on NCDs		-	0.18
Support service charges		-	3.05
Gratuity received		0.06	-
Interest payable on NCDs		-	-
Investment in Non-Convertible Debentures		96.65	-
Closing balance of Non-convertible debentures		96.65	-
Payables		-	3.37
JM Financial Asset Reconstruction Company Limited	**(B)**		
Management Fees		1.40	-
Interest income on Compulsory Convertible Debentures		9.91	-
Gratuity received		0.18	-
Inter corporate deposits given		-	104.00
Inter corporate deposits received back		-	104.00
Interest income on inter corporate deposits given		-	3.04
Closing balance of interest receivables		8.92	-
Closing balance of Compulsory Convertible Debentures		178.44	-

₹ in Crore

Name of the Related Party	Nature of relationship	As at March 31, 2022	As at March 31, 2021
Astute Investments	**(B)**		
Interest paid on NCDs		0.47	0.18
Interest payable on NCDs		#	0.01
Closing balance of Non-convertible debentures		2.01	6.98
J.M. Assets Management Private Limited	**(C)**		
Rent paid		0.84	-
Security Deposit paid		0.84	-
Closing Security Deposit		0.84	-
J.M. Financial & Investment Consultancy Services Private Limited	**(C)**		
Interest paid on NCDs		0.01	-
Interest payable on NCDs		-	-
Closing balance of Non-convertible debentures		0.79	-
Key management personnel, (Refer Note (a) below)	**(D)**		
Interest paid on NCDs		0.44	0.73
Remuneration		10.06	4.64
Interest payable on NCDs		-	#
Redemption of NCD		0.04	2.10
Closing balance of Non-convertible debentures		4.27	3.79
Payables		8.09	9.54

#Denotes amount less than ₹ 1,00,000/-

The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

38.1 There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.

38.2 The transactions disclosed above are exclusive of GST.

38.3 Closing balance / investment has been valued at cost.

39. Maturity Analysis of Assets and Liabilities

₹ in Crore

	Assets	As at March 31, 2022			As at March 31, 2021		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS						
1	**Financial Assets**						
A	Cash and cash equivalents	409.10	-	409.10	232.60	-	232.60
B	Bank Balance other than (A) above	3.43	-	3.43	-	0.25	0.25
C	Loans	3,002.00	4,345.87	7,347.87	2,953.81	3,876.90	6,830.71
D	Investments	482.68	686.37	1,169.05	1,972.80	54.90	2,027.70
E	Other Financial assets	12.76	6.95	19.71	-	5.93	5.93
		3,909.97	**5,039.19**	**8,949.16**	**5,159.21**	**3,937.98**	**9,097.19**
2	**Non-financial Assets**						
A	Current tax assets (net)	-	39.10	39.10	-	16.72	16.72
B	Deferred tax Assets (Net)	-	104.93	104.93	-	88.71	88.71
C	Property, Plant and Equipment	-	18.46	18.46	-	15.19	15.19
D	Other Intangible assets	-	0.02	0.02	-	0.09	0.09
E	Other non-financial assets	1.52	-	1.52	2.28	-	2.28
		1.52	**162.51**	**164.03**	**2.28**	**120.71**	**122.99**
	Total	**3,911.49**	**5,201.70**	**9,113.19**	**5,161.49**	**4,058.69**	**9,220.18**

Notes
to the Financial Statements

₹ in Crore

	Assets	As at March 31, 2022			As at March 31, 2021		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
A	**Payables**						
	(I) Trade Payables						
	(i) total outstanding dues of micro enterprises and small enterprises						
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.32	-	3.32	7.61	-	7.61
B	Debt Securities	709.35	3,117.58	3,826.93	1,026.15	2,481.51	3,507.66
C	Borrowings (Other than Debt Securities)	231.49	1,044.15	1,275.64	1,248.39	751.06	1,999.45
D	Lease liabilities	3.22	16.68	19.90	1.12	14.71	15.83
E	Other financial liabilities	39.39	1.28	40.67	19.26	14.34	33.60
	Total Financial Liabilities	**986.77**	**4,179.69**	**5,166.46**	**2,302.53**	**3,261.62**	**5,564.15**
2	**Non-Financial Liabilities**						
A	Provisions	0.74	1.35	2.09	0.79	1.40	2.19
B	Other non-financial liabilities	2.48	-	2.48	3.98	-	3.98
	Total Non-Financial Liabilities	**3.22**	**1.35**	**4.57**	**4.77**	**1.40**	**6.17**
	Total	**989.99**	**4,181.04**	**5,171.03**	**2,307.30**	**3,263.02**	**5,570.32**
	Net	**2,921.50**	**1,020.66**	**3,942.16**	**2,854.19**	**795.67**	**3,649.86**

40. Financial Instruments

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value and minimize cost of capital. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in Crore

Borrowings	As at March 31, 2022	As at March 31, 2021
Debt	**5,102.57**	**5,507.11**
Less - Cash and cash equivalents*	409.10	232.60
Less - Investment in liquid mutual funds	433.76	1,947.82
Less - Investment in government securities	48.93	24.98
Less - Other bank deposits	-	-
Adjusted net debt	**4,210.78**	**3,301.71**
Total equity	3,942.16	3,649.86
Adjusted net debt to equity ratio	**1.07**	**0.90**

*excludes balances in earmarked account.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. The Company generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2022, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, is disclosed in Note 49.2. We believe that our high capital adequacy gives us significant headroom to grow our business.

Financial instruments

A. Fair Value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Set out below, is the accounting classification of financial instruments by category:

₹ in Crore

As at March 31, 2022	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	409.10	409.10
Bank Balance other than (a) above	-	-	3.43	3.43
Trade receivables	-	-	-	-
Loans	-	-	7,347.87	7,347.87
Investments	1,113.78	55.27	-	1,169.05
Other Financial assets	-	-	19.71	19.71
Total	**1,113.78**	**55.27**	**7,780.11**	**8,949.16**
Financial liabilities				
Debt securities	-	-	3,826.93	3,826.93
Borrowings	-	-	1,275.64	1,275.64
Lease liabilities	-	-	19.90	19.90
Trade payables	-	-	3.32	3.32
Other Financial Liabilities	-	-	40.67	40.67
Total	**-**	**-**	**5,166.46**	**5,166.46**

Notes
to the Financial Statements

₹ in Crore

As at March 31, 2021	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	232.60	232.60
Bank Balance other than (a) above	-	-	0.25	0.25
Trade receivables	-	-	-	-
Loans	-	-	6,830.71	6,830.71
Investments	1,977.70	50.00	-	2,027.70
Other Financial assets	-	-	5.93	5.93
Total	**1,977.70**	**50.00**	**7,069.49**	**9,097.19**
Financial liabilities				
Debt securities	-	-	3,507.66	3,507.66
Borrowings	-	-	1,999.45	1,999.45
Lease liabilities	-	-	15.83	15.83
Trade payables	-	-	7.61	7.61
Other Financial Liabilities	-	-	33.60	33.60
Total	**-**	**-**	**5,564.15**	**5,564.15**

a. **Debt securities issued at fixed rate of interest for which carrying value and fair value are as under:**

As at	Carrying value	Fair Value
March 31, 2022	2,941.24	2,792.28
March 31, 2021	2,849.70	2,719.85

b. The Company considers that the carrying amounts recognised in the financial statements for Loans, Debt Securities (other than those disclosed in point a. above) and Borrowings approximate their fair values.

c. For financial assets / liabilities ("financial instruments") that are measured at fair value, except those included in point (b) above, the carrying amounts are equal to the fair values, as these financial instruments are maturing within 12 months or repayable on demand.

Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation processes and Technique

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the

audit committee (AC). Discussions of valuation processes and results are held between the CFO and the team at least once every three months, in line with the Company's quarterly reporting periods."

Type of Financial Instrument	Valuation Technique
Investment in Mutual Funds	NAV as on the reporting date.
Investments in Government securities	Price from The Clearing Corporation of India Limited
Investment in Security receipts	NAV as on the reporting date
Investment in Debt instruments	Market approach – Comparable companies' approach
Investment in Equity instruments	Market approach – Comparable companies' approach

₹ in Crore

As at March 31, 2022	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	433.76	433.76	-	-	433.76
Investments in Debentures or Bonds	100.78	-	-	100.78	100.78
Investments in Equity instrument	0#			0#	0#
Investments in Security receipts	335.75	-	-	335.75	335.75
Investments in Government securities	48.93	-	48.93	-	48.93
Investments in Compulsory Convertible Debentures	194.56	-	-	194.56	194.56
Measured at FVTOCI					
Investments in Equity instrument	55.27	-	-	55.27	55.27
Total	**1,169.05**	**433.76**	**48.93**	**686.36**	**1,169.05**

₹ in Crore

As at March 31, 2021	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	1,947.82	1,947.82	-	-	1,947.82
Investments in Debentures or Bonds	4.90	-	-	4.90	4.90
Investments in Equity instrument	0#	-	-	0#	0#
Investments in Government securities	24.98	-	24.98	-	24.98
Measured at FVTOCI					
Investments in Equity instrument	50.00	-	-	50.00	50.00
Total	**2,027.70**	**1,947.82**	**24.98**	**54.90**	**2,027.70**

# Denotes amount less than ₹ 50,000/-

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2022 and March 31, 2021.

₹ in Crore

Particulars	Equity shares	Debt Instrument	Security receipts
As at March 31, 2020	0#	-	-
Acquisitions	50.00	4.90	-
Realisations	-	-	-
Write-off	-	-	-
Net Gain / (Loss) on fair value changes	-	-	-
As at March 31, 2021	**50.00**	**4.90**	**-**
Acquisitions	-	284.10	335.75
Realisations	-	-	-
Net Gain / (Loss) on fair value changes	5.27	6.33	-
As at March 31, 2022	**55.27**	**295.34**	**335.75**

# Denotes amount less than ₹ 50,000/-

Notes
to the Financial Statements

Sensitivity for instruments

₹ in Crore

Nature of the instrument	Fair Value As at March 31, 2022	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2022	
Equity shares	55.27	As per valuation report - Price to book value multiple	5%	2.76	(2.76)
Debt instruments	295.34	As per valuation report - Estimated cash flow based on realisation of collaterals value, etc.	5%	14.77	(14.77)
Security receipts	335.75	NAV as on the reporting date	5%	16.79	(16.79)

₹ in Crore

Nature of the instrument	Fair Value As at March 31, 2021	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2021	
Equity shares	50.00	As per valuation report - Price to book value multiple	5%	2.50	(2.50)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Company.

i. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. Company has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Credit Risk Assessment Methodology

The Company has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters subject to review and approval of BOD

Finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

The Company has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

The Company believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

We also require the borrower to submit periodic reports. The Credit Committee of the Company, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board for its information. The Company continue to monitor the credit exposure until our loans are fully repaid.

The Company's is currently using the external rating given to the customers which they review on a timely basis.

The credit impaired assets as at the reporting dates were secured by collateral and the asset cover is upto 2.4 times of the outstanding balance.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	performing assets	12-month ECL
Stage 2	under-performing assets	Lifetime ECL
Stage 3	Credit Impaired	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a reporting date. It shall include outstanding loan amount, accrued interest and expected drawdowns on non-discretionary loan commitments.

Notes
to the Financial Statements

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

Provision as per Expected Credit Loss (ECL):

The Company has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic. The impact on collateral values is also assessed for determination of adjustment to the loss given default and reasonable haircuts are applied wherever necessary.

As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD (by downgrading the ratings to one level lower) and LGD as computed by ECL Model by 15-25% depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Refer note 48 to the financial statements.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

₹ in Crore

As at March 31, 2022	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	6,383.89	131.10	6,252.79	0.16 to 2.85
Stage 1 – High quality assets	Advances	14.73	9.50	5.23	9.95
Stage 2 – Assets for which there is significant increase in credit risk	Loan	1,023.41	212.86	810.55	2.83 to 13.85
Stage 3 - Assets which are credit impaired	Loan	416.01	131.48	284.53	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for credit impaired assets

₹ in Crore

As at March 31, 2021	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	6,247.73	149.45	6,098.28	1.06 to 3.83
Stage 1 – High quality assets	Advances	5.62	0.57	5.05	9.95
Stage 2 – Assets for which there is significant increase in credit risk	Loan	683.41	115.88	567.53	6.61 to 11.43
Stage 3 - Assets which are credit impaired	Loan	288.93	124.03	164.90	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for credit impaired assets.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending

₹ in Crore

Particulars	2021-22			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**6,247.73**	**683.41**	**288.93**	**7,220.07**
New assets originated or purchased	3,744.48	70.28	-	3,814.76
Assets derecognised or repaid (excluding write offs)	(2,643.58)	(17.82)	(434.01)	(3,095.41)
Transfers to Stage 1	316.50	(234.79)	(81.70)	-
Transfers to Stage 2	(645.36)	645.36	-	-
Transfers to Stage 3	(635.88)	(123.03)	758.91	-
Changes to contractual cash flows due to modifications not resulting in derecognition				
Amounts written off	-	-	(116.12)	(116.12)
Gross carrying amount closing balance*	**6,383.89**	**1,023.41**	**416.01**	**7,823.31**

*Including interest accrued and net of EIR

As at March 31, 2021

₹ in Crore

Particulars	2020-21			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**6,828.12**	**399.13**	**153.63**	**7,380.88**
New assets originated or purchased	1,609.95	13.41	-	1,623.36
Assets derecognised or repaid (excluding write offs)	(1,688.54)	(77.92)	(17.71)	(1,784.17)
Transfers to Stage 1	135.16	(135.16)	-	-
Transfers to Stage 2	(601.77)	601.77	-	-
Transfers to Stage 3	(35.19)	(117.82)	153.01	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**6,247.73**	**683.41**	**288.93**	**7,220.07**

*Including interest accrued and net of EIR

Reconciliation of ECL balance is given below

₹ in Crore

Particulars	2021-22			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**149.45**	**115.88**	**124.03**	**389.36**
New assets originated or purchased	48.36	113.53	5.52	167.41
Assets derecognised or repaid (excluding write offs)	(55.50)	(1.78)	-	(57.29)
Transfers to Stage 1	20.88	(24.17)	-	(3.29)
Transfers to Stage 2	(29.75)	46.56	-	16.81
Transfers to Stage 3	(2.34)	(37.17)	139.25	99.74
Impact on year end ECL of exposures transferred between stages during the year				
Recoveries	-	-	(21.20)	(21.20)
Amounts written off	-	-	(116.12)	(116.12)
ECL allowance - closing balance	**131.10**	**212.86**	**131.48**	**475.44**

₹ in Crore

Particulars	2020-21			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**97.82**	**59.27**	**47.82**	**204.91**
New assets originated or purchased	85.53	9.21	-	94.74
Assets derecognised or repaid (excluding write offs)	(10.45)	(7.05)	(2.21)	(19.71)
Transfers to Stage 1	0.15	(17.27)	-	(17.12)
Transfers to Stage 2	(20.34)	102.35	-	82.01
Transfers to Stage 3	(3.26)	(30.63)	78.42	44.53
Impact on year end ECL of exposures transferred between stages during the year	**(23.45)**	**54.45**	**78.42**	**109.42**
Amounts written off	-	-	-	-
ECL allowance - closing balance	**149.45**	**115.88**	**124.03**	**389.36**

Notes
to the Financial Statements

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Advances

₹ in Crore

Particulars	2021-22			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**5.62**	**-**	**-**	**5.62**
New assets originated or purchased	9.11	-	-	9.11
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**14.73**	**-**	**-**	**14.73**

₹ in Crore

Particulars	2020-21			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**-**	**-**	**-**	**-**
New assets originated or purchased	5.62	-	-	5.62
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**5.62**	**-**	**-**	**5.62**

Reconciliation of ECL balance is given below

₹ in Crore

Particulars	2021-22			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**0.57**	**-**	**-**	**0.57**
New assets originated or purchased	8.93	-	-	8.93
Assets derecognised or repaid (excluding write offs)		-	-	
Amounts written off		-	-	
ECL allowance - closing balance	**9.50**	**-**	**-**	**9.50**

₹ in Crore

Particulars	2020-21			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**-**	**-**	**-**	**-**
New assets originated or purchased	0.57	-	-	0.57
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	**0.57**	**-**	**-**	**0.57**

ii) Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund products, the Company maintains

flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

The Company has undrawn lines of credit of Rs.480 Crore and Rs. 650 Crore as of March 31, 2022 and March 31, 2021 respectively, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to liquidity risk

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross

₹ in Crore

March 31, 2022	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	3.32	3.32	-	-	-
Debt Securities	3,826.93	709.35	1,626.17	100.00	1,391.41
Borrowings	1,275.64	231.49	764.03	280.12	-
Lease Liabilities	19.90	3.22	6.61	4.67	5.40
Other financial liabilities	40.67	39.39	1.28	-	-
Total	**5,166.46**	**986.77**	**2,398.09**	**384.79**	**1,396.81**
Financial Assets					
Cash and cash equivalents	409.10	409.10	-	-	-
Bank Balance	3.43	3.43	-	-	-
Trade receivable	-	-	-	-	-
Loans	7,347.87	3,002.00	3,606.76	581.92	155.19
Investments	1,169.05	482.68	-	95.89	590.48
Other Financial assets	19.71	12.76	5.23	1.72	-
Total	**8,949.16**	**3,909.97**	**3,613.99**	**679.53**	**745.67**

Notes
to the Financial Statements

₹ in Crore

March 31, 2021	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	7.61	7.61	-	-	-
Debt Securities	3,507.66	1,026.15	959.90	576.42	945.19
Borrowings	1,999.45	1,248.39	497.14	253.92	-
Lease liabilities	15.83	1.12	2.80	4.00	7.91
Other financial liabilities	33.60	19.26	12.63	1.71	-
Total	**5,564.15**	**2,302.53**	**1,472.47**	**836.05**	**953.10**
Financial Assets					
Cash and cash equivalents	232.60	232.60	-	-	-
Bank Balance	0.25	-	0.25	-	-
Trade receivable	-	-	-	-	-
Loans	6,830.71	2,953.81	3,334.32	542.58	-
Investments	2,027.70	1,972.80	-	-	54.90
Other Financial assets	5.93	-	5.05	0.88	-
Total	**9,097.19**	**5,159.21**	**3,339.62**	**543.46**	**54.90**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii) Market risk - Interest rate risk

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Company's exposures to interest rates on loans and borrowings are detailed in the liquidity risk management section of this note

₹ in Crore

	March 31, 2022	March 31, 2021
Loans		
Fixed-rate instruments	7,205.05	4,134.06
Floating-rate instruments	551.63	3,044.93
Total	**7,756.68**	**7,178.99**
Borrowings		
Fixed-rate instruments	3,099.47	3,675.52
Floating-rate instruments	1,843.34	1,585.01
Total	**4,942.81**	**5,260.53**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

₹ in Crore

Particulars	March 31, 2022		March 31, 2021	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	5.52	(5.52)	30.45	(30.45)
Floating rate borrowings	(18.43)	18.43	(15.85)	15.85
	(12.91)	**12.91**	**14.60**	**(14.60)**

41. Employee Stock Option Scheme:

JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

April 12, 2019 88,233 Stock Options

April 18, 2020 67,680 Stock Options

April 17, 2021 79,839 Stock Options

The option shall be eligible for vesting as per following schedule:

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (In Rupees)
12th April 2019	Series - XI	29,411	Vested	Seven years from the date of Grant	1
12th April 2020	Series - XI	29,411	Vested	Seven years from the date of Grant	1
12th April 2021	Series - XI	29,411	Vested	Seven years from the date of Grant	1
18th April 2020	Series – XII	22,560	Vested	Seven years from the date of Grant	1
18th April 2021	Series – XII	22,560	Vested	Seven years from the date of Grant	1
18th April 2022	Series – XII	22,560	Unvested	Seven years from the date of Grant	1
17th April 2021	Series – XIII	26,613	Vested	Seven years from the date of Grant	1
17th April 2022	Series – XIII	26,613	Unvested	Seven years from the date of Grant	1
17th April 2023	Series – XIII	26,613	Unvested	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

₹ in Crore

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	1,50,694	1,30,178
Granted during the year	-	79,839
Exercised during the year	74,908	55,647
Lapsed	46,764	3,676
Outstanding at the end of the year	29,022	1,50,694
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense / write back aggregating (₹ 0.06 crore) (Previous year 0.61).Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

42 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

Notes
to the Financial Statements

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in Crore

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Properties and Holdings Limited	Fellow Subsidiary	500.00	-
		(-)	(-)
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	-	-
		(104.00)	(-)

(Figures in brackets indicates previous year figures)

Loans and advances shown above are interest bearing and are repayable on demand.

43. Expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

₹ in Crore

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Gross amount required to be spent by the Company during the year.	13.06	12.17
b)	**Amount spent:**		
	In cash	1.25	7.40
	Yet to be paid in cash	11.81	4.77
	Total	**13.06**	**12.17**
c)	Short fall at the end of the year	-	-
d)	Total Previous years shortfall	-	-
e)	Reason for shortfall	-	-
f)	Amount contributed to a trust controlled by the Group	-	-
g)	Nature of CSR Activities		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	13.06	12.17

44. The Company operates only in one Operating Segment i.e Mortgage Loans - Financial Services and all other activities are incidental to the main business activity, hence has only one reportable Segment as per Indian Accounting Standard 108 “Operating Segments”. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

The Company has its operations within India and all revenue is generated within India

45. Unhedged Foreign Currency Exposure

As at March 31, 2022

₹ in Crore

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 Year
FCY Receivables							
Loans to JV/WOS	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
FCY Payables							
Imports	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

#Note: Covered Option(s) is/are not included

Notes
to the Financial Statements

As at March 31, 2021

₹ in Crore

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 Year
FCY Receivables							
Loans to JV/WOS	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
FCY Payables							
Imports	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

#Note: Covered Option(s) is/are not included

46. Disclosure on liquidity risk

a. Funding Concentration based on significant counterparty* (both deposits and borrowings):

₹ in Crore

Year	Number of Significant Counterparties*	Amount	% of Total Deposits	% of Total Liabilities
For the year ended March 31, 2022	21	4,142.95	Not Applicable	80.1%
For the year ended March 31, 2021	20	4,255.09	Not Applicable	76.4%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

b. Top 20 large deposits (amount in ₹ Crore and % of total deposits):

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

c. Total of top 10 borrowings (amount in ₹ Crore and % of total borrowings):

For the year ended March 31, 2022		For the year ended March 31, 2021	
Amount (₹ In Crore	% of Total Borrowings	Amount (₹ In Crore)	% of Total Borrowings
3,124.63	60.4%	3,485.88	62.5%

d. Funding Concentration based on significant instrument/product

₹ in Crore

Sr. No.	Name of the instrument/product	For the year ended March 31, 2022		For the year ended March 31, 2021	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities
1	Term Loans	1,245.64	24.1%	1,099.45	19.7%
2	Non-Convertible Debentures	3,503.27	67.7%	3,410.24	61.2%
3	Commercial Papers	323.66	6.3%	97.42	1.7%
4	Inter corporate deposit	-	-	800.00	14.4%
5	Cash Credit and Working Capital lines	30.00	0.6%	100.00	1.8%

*Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

Notes
to the Financial Statements

e. Stock Ratios:

Sr. No.	Particulars	Ratios	
		March 31, 2022	March 31, 2021
1.	Commercial papers as a % of total public funds	6.3%	1.8%
	Commercial papers as a % of total liabilities	6.3%	1.7%
	Commercial papers as a % of total assets	3.6%	1.1%
2.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	None	None
	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	None	None
	Non-convertible debentures (original maturity of less than one year) as a % of total assets	None	None
3.	Other short-term liabilities, if any as a % of total public funds	13.1%	40.1%
	Other short-term liabilities, if any as a % of total liabilities	12.9%	39.7%
	Other short-term liabilities, if any as a % of total assets	7.3%	24.0%

f. Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia, reviews liquidity risk management, funding and capital planning, forecasting and analyzing different scenarios and preparation of contingency plans. Further, the Risk Management Committee, inter alia, monitors and measures the risk profile of the Company and oversees the integrated risk management system of the Company.

The Company has also constituted the Asset Liability Management Support Group, inter alia, to analyse, monitor and report the liquidity risk profile to the Asset Liability Management Committee.

The Company manages liquidity risk by maintaining sufficient cash/treasury surplus and by having access to funding through an adequate amount of committed credit lines to meet obligations, in case required.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

The Company manages liquidity risk in accordance with the Company's Asset Liability Management Policy. The Asset Liability Management Policy is reviewed periodically to realign the same pursuant to any regulatory changes/changes in the economic landscape or business needs.

LIQUIDITY COVERAGE RATIO

₹ in Crore

	Particulars	For the Quarter ended June 30, 2021		For the Quarter ended September 30, 2021	
		Total Unweighted Value[1] (average)	Total weighted Value (average)[2]	Total Unweighted Value[3] (average)	Total weighted Value (average)[4]
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1.	Total HQLA (to disclose the components of HQLA)	77.29	77.29	118.98	118.98
	CASH OUTFLOWS				
2.	Deposits (for deposit taking companies)	-	-	-	-
3.	Unsecured wholesale funding	-	-	-	-
4.	Secured wholesale funding	-	-	-	-
5.	**Additional requirements, of which:**				
i.	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
ii.	Outflows related to loss of funding on debt products	-	-	-	-
iii.	Credit and liquidity facilities	-	-	-	-
6.	Other contractual funding obligations	237.75	273.41	139.69	160.64
7.	Other contingent funding obligations	22.62	26.01	25.76	29.62
8.	**TOTAL CASH OUTFLOWS**	**260.37**	**299.43**	**165.44**	**190.26**

₹ in Crore

	Particulars	For the Quarter ended June 30, 2021		For the Quarter ended September 30, 2021	
		Total Unweighted Value[1] (average)	Total weighted Value (average)[2]	Total Unweighted Value[3] (average)	Total weighted Value (average)[4]
	CASH INFLOWS				
9.	Secured Lending	371.92	278.94	71.49	53.62
10.	Inflows from fully performing exposures	-	-	-	-
11.	Other cash inflows	103.67	77.75	213.33	160.00
12.	**TOTAL CASH INFLOWS**	**475.59**	**356.69**	**284.82**	**213.62**
13.	**TOTAL HQLA**		**77.29**		**118.98**
14.	**TOTAL NET CASH OUTFLOWS**		**74.86**		**47.56**
15.	**LIQUIDITY COVERAGE RATIO (%)**		**103.25%**		**250.14%**

1. Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
2. Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow
3. Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
4. Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

₹ in Crore

	Particulars	For the Quarter ended December 31, 2021		For the Quarter ended March 31, 2022	
		Total Unweighted Value (average)[5]	Total weighted Value (average)[6]	Total Unweighted Value[7] (average)	Total weighted Value (average)[8]
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1.	Total HQLA (to disclose the components of HQLA)	107.86	107.86	99.83	99.83
	CASH OUTFLOWS				
2.	Deposits (for deposit taking companies)	-	-	-	-
3.	Unsecured wholesale funding	-	-	-	-
4.	Secured wholesale funding	-	-	-	-
5.	**Additional requirements, of which:**				
i.	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
ii.	Outflows related to loss of funding on debt products	-	-	-	-
iii.	Credit and liquidity facilities	-	-	-	-
6.	Other contractual funding obligations	52.87	60.81	64.81	74.54
7.	Other contingent funding obligations	10.80	12.42	5.60	6.44
8.	**TOTAL CASH OUTFLOWS**	**63.67**	**73.22**	**70.41**	**80.98**
	CASH INFLOWS				
9.	Secured Lending	61.36	46.02	49.09	36.82
10.	Inflows from fully performing exposures	-	-	-	-
11.	Other cash inflows	476.07	357.05	500.00	375.00
12.	**TOTAL CASH INFLOWS**	**537.43**	**403.07**	**549.09**	**411.82**
13.	**TOTAL HQLA**		**107.86**		**99.83**
14.	**TOTAL NET CASH OUTFLOWS**		**18.31**		**20.24**
15.	**LIQUIDITY COVERAGE RATIO (%)**		**589.25%**		**493.11%**

5. Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
6. Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow
7. Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
8. Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

Notes
to the Financial Statements

47. Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL

₹ in Crore

Asset Classification as per RBI Norms	Asset Classification as per Ind AS	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	6,383.89	128.16	6,255.73	25.54	102.62
		(6,247.73)	(145.93)	(6,101.80)	(24.99)	(120.94)
	Stage 2	1,023.41	210.18	813.23	4.09	206.09
		(683.41)	(109.10)	(574.31)	(2.73)	(106.37)
Subtotal		**7,407.30**	**338.34**	**7,068.96**	**29.63**	**308.71**
		(6,931.14)	**(255.03)**	**(6,676.11)**	**(27.72)**	**(227.31)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	261.42	73.35	188.06	26.14	47.21
		(146.98)	(78.40)	(68.58)	(14.70)	(63.70)
Doubtful						
Up to 1 year	Stage 3	23.71	7.73	15.98	4.74	2.99
		(141.95)	(45.63)	(96.32)	(28.39)	(17.24)
1 to 3 years	Stage 3	130.88	50.40	80.48	45.86	4.54
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**154.59**	**58.13**	**96.46**	**50.60**	**7.53**
		(141.95)	(45.63)	(96.32)	(28.39)	(17.24)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**416.01**	**131.48**	**284.53**	**76.74**	**54.74**
		(288.93)	**(124.03)**	**(164.90)**	**(43.09)**	**(80.94)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	42.47	2.94	39.53	0.17	2.77
		(201.67)	(3.52)	(198.15)	(0.81)	(2.71)
	Stage 2	21.32	2.68	18.64	0.09	2.59
		(48.72)	(6.78)	(41.94)	(0.19)	(6.59)
	Stage 3	-	-		-	-
Subtotal		**63.79**	**5.62**	**58.17**	**0.26**	**5.36**
		(250.39)	**(10.30)**	**(240.09)**	**(1.00)**	**(9.30)**
Total	Stage 1	6,426.36	131.10	6,295.26	25.71	105.39
		(6,449.40)	(149.45)	(6,299.95)	(25.80)	(123.65)
	Stage 2	1,044.73	212.86	831.87	4.18	208.68
		(732.13)	(115.88)	(616.25)	(2.93)	(112.95)
	Stage 3	416.01	131.48	284.53	76.74	54.74
		(288.93)	(124.03)	(164.90)	(43.09)	(80.94)
	Total	**7,887.10**	**475.44**	**7,411.66**	**106.63**	**368.81**
		(7,470.46)	**(389.36)**	**(7,081.10)**	**(71.82)**	**(317.54)**

Figures in brackets represents previous year amount

48. Given the uncertainty due to COVID-19 pandemic over the potential macro-economic impact and external regulatory developments, the Management has considered internal and external information up to the date of approval of these financial results, and has estimated overlays and made certain judgements in accordance with the policy of the Company for the purpose of determination of the provision for impairment of financial assets carried at amortised cost and in relation to revenue recognition.

The provision for expected credit loss on financial assets (Loan book) as at March 31, 2022 aggregates ₹ 475.43 crore (as on December 31, 2021 - ₹ 501.01 crore and as on March 31, 2021 - ₹ 389.36 crore) which includes management overlay for the potential impact on account of the pandemic of ₹ 276.63 crore (as on December 31, 2021 – ₹ 314.77 crore and

as on March 31, 2021 – Rs. 228.36 crore). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate. Accordingly, the impairment provision for the year ended March 31, 2022 on account of the pandemic is Rs. 124.70 crore respectively.

In addition, while assessing the liquidity situation, the Company has taken into consideration certain assumptions with respect to repayments of loan assets and expected source of funds, based on its past experience which have been adjusted for the current events.

The extent to which the pandemic will continue to impact the results of the Company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition the impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

49 Disclosures as per RBI master directions and other notifications.

49.1 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006

₹ in Crore

Sr No	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	Total Number of transactions wherein Loan assets securitized	-	-
(ii)	Total book value of loan assets securitised – Rupees	-	-
(iii)	Total sales consideration received for the securitised assets – Rupees	-	-
(iv)	Gain on sale on account of securitisation – Rupees	-	-
(v)	Gain recognized in the Statement of Profit and Loss – Rupees	-	-
(vi)	Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc.	-	-
		-	-

Details of non-performing financial assets purchase / sold (Assignment)

₹ in Crore

Particulars	As at 31.03.2022	As at 31.03.2021
No. of accounts sold	4	-
Aggregate outstanding	511.12	-
Aggregate consideration received	395.00	-

During the year, there are no non-performing financial assets purchased.

49.2 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008:-

(i) Capital risk adequacy ratio (CRAR):

Particulars	As at 31.03.2022	As at 31.03.2021
CRAR	45.28%	40.19%
CRAR - Tier I capital	44.04%	38.94%
CRAR - Tier II capital	1.24%	1.25%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Notes
to the Financial Statements

49.3 Exposures:

A. Exposure to Real Estate Sector

₹ in Crore

	Category	As at 31.03.2022	As at 31.03.2021
A.1)	Direct Exposure		
(i)	Residential Mortgages-		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)		
(ii)	Commercial Real Estate-		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	5,678.39	6,296.72
A.2)	Indirect Exposure		
	Funded and Non-funded Exposures NHB and Housing Finance Companies(HFCs)	-	-
	Any other	-	790.89
	Total Investments		
B.1	Direct Exposure		
(i)	Commercial real estate	340.65	4.90
(ii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
	a) Residential,		
	b) Commercial Real Estate.		
	b) Others.		
B.2	Indirect Exposure		
(i)	Funded and Non-funded Exposures NHB and Housing Finance Companies(HFCs)	71.39	50.00
(ii)	Any other	-	-
B.	**Exposures to Capital Market**		
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	2,144.92	132.46
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to Capital Market	**2,144.92**	**132.46**

iii. Asset Liability Management:

Maturity pattern of certain items of assets and liabilities:

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Assets											
Deposits	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances	-	-	38.73	48.89	256.38	842.76	1,829.53	3,614.00	583.64	155.17	7,369.10
	(-)	(-)	(153.72)	(923.68)	(240.76)	(556.06)	(1,081.87)	(3,339.93)	(542.90)	-	(6,838.92)
Investments	-	-	-	-	433.76	-	48.93	-	95.88	590.48	1,169.05
	(-)	(24.98)	(-)	(1,147.82)	(100.00)	(700.00)	(-)	(-)	(-)	(54.90)	(2,027.70)
Liabilities											
Borrowing	34.24	-	9.64	16.37	412.20	281.69	186.68	2,390.20	380.12	1,391.43	5,102.57
	(108.86)	-	(6.08)	(155.55)	(355.81)	(1,317.45)	(330.80)	(1,457.03)	(830.36)	(945.18)	(5,507.11)
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

# Denotes amount below ₹ 50,000/-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) Above maturity pattern is after the considering the impact of Moratorium benefit extended by the Company to the customers

c) Figures in brackets are for previous year.

Notes
to the Financial Statements

49.4 Schedule to the Balance Sheet (as required in terms of Paragraph 19 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016

(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	Particulars		
	Liabilities side	**Amount outstanding (In ₹ Crore)**	**Amount overdue (In ₹ Crore)**
(a)	Debentures		
	(i) Secured	3,503.27	-
		(3,410.24)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
		(-)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	Term Loans	1,245.64	-
		(1,099.45)	(-)
(d)	Inter-corporate loans and borrowing	-	-
		(800.00)	-
(e)	Commercial Paper	323.66	-
		(97.42)	(-)
(f)	Other Loans		
	Working Capital Loan	30.00	-
		(100.00)	(-)
	Cash Credits	-	-
		(-)	(-)
	Due under finance lease	-	-
		(-)	(-)

(2)	Break up of Loans and Advances including bills receivables (other than those included in (3) below):	
	Particulars	
	Assets side	**Amount outstanding (In ₹ Crore)**
(a)	Secured	7,823.31
		(7,220.07)
(b)	Unsecured	-
		(-)

(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:	
	Particulars	
	Assets side	**Amount outstanding (In ₹ Crore)**
(i)	Lease assets including lease rentals under sundry debtors:	
	(a) Financial Lease	-
		(-)
	(b) Operating Lease	-
		(-)
(ii)	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
		(-)
(iii)	Other loans counting towards AFC activities:	
	(a) Loans where assets have been repossessed	-
		(-)
	(b) Loans other than (a) above	-
		(-)

(4)	Break – up of Investments:	
	Particulars	
	Assets side	Amount outstanding (In ₹ Crore)
	Current Investment	
	1. Quoted:	
	(i) Shares:	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
		(-)
	(iii) Units of Mutual Funds	433.76
		(1,947.82)
	(iv) Government Securities	48.93
		(24.98)
	(v) Others (Please Specify)	-
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	55.27
	(b) Preference	-
		(50.00)
	(ii) Debentures and Bonds	295.34
		(4.90)
	(iii) Units of Mutual Funds	-
		(-)
	(iv) Government Securities	-
		(-)
	(v) Others (Security receipts)	335.75
		(-)

(5)	Borrower group – wise classification of assets financed as in (2) and (3) above:			
	Particulars	Amount (net of provisions)		
	Category	Secured (In ₹ Crore)	Unsecured (In ₹ Crore)	Total (In ₹ Crore)
1)	Related Parties			
	(a) Subsidiaries	-	-	-
		(-)	(-)	(-)
	(b) Companies in the same group	-	-	-
		(-)	(-)	(-)
	(c) Other related parties	-	-	-
		(-)	(-)	(-)
2)	Other than related parties	7,823.31	-	7,823.31
		(7,220.07)	(-)	(7,220.07)
		7,823.31	**-**	**7,823.31**
		(7,220.07)	(-)	(7,220.07)
	Less: Provision for non-performing assets	131.48	-	131.48
		(124.03)	(-)	(124.03)
		7,691.83	**-**	**7,691.83**
		(7,096.04)	(-)	(7,096.04)

Notes
to the Financial Statements

(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value/ Breakup or fair value or NAV (In ₹ Crore)	Book Value (Net of Provisions) (In ₹ Crore)
1)	Related Parties		
	(a) Subsidiaries	-	-
		(-)	(-)
	(b) Companies in the same group	345.71	334.10
		(50.00)	(50.00)
	(c) Other related parties	-	-
		(-)	(-)
2)	Other than related parties	823.34	821.55
		(1,977.70)	(1,969.26)
		1,169.05	**1,155.65**
		(2,027.70)	**(2,019.26)**

(7)	Other Information:	
	Particulars	Amount (In Rupees)
(i)	Gross Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	416.01
		(288.93)
(ii)	Net Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	284.53
		(164.90)
(iii)	Assets acquired in satisfaction of debt	-
		(-)

(Figures in brackets indicates previous year figures)

49.5 There are no restructured advances as on March 31, 2022, Hence disclosure of information as required in terms of Paragraph 24 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 (as amended vide Notification No. DNBS(PD). No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

49.6 Investments

	Particulars	As at 31.03.2022 (In ₹ Crore)	As at 31.03.2021 (In Rs Crore)
(a)	**Value of Investments**		
(i)	Gross Value of Investments		
	(a) in India	1,169.05	2,027.70
	(b) Outside India	-	-
(ii)	Provision for depreciation		
	(a) in India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments		
	(a) in India	1,169.05	2,027.70
	(b) Outside India	-	-
(b)	Movement of provisions held towards depreciation on investments		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

49.7 Additional & Miscellaneous Disclosures:

(I) Registration obtained from other financial sector regulators

Company has not registered with other financial sector regulators except with Reserve Bank of India

(II) Disclosure of Penalties imposed by RBI and other regulators

₹ in Crore

Particulars	As at 31.03.2022 (In ₹ Crore)	As at 31.03.2021 (In Rs Crore)
Penalties imposed	**Nil**	Nil

(III) Net Statement of profit or loss for the period, prior period items and changes in accounting policies:

There are no prior period items and changes in accounting policies impacting net profit for the year

(IV) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

(V) Premium utilised for share issue expenses

₹ in Crore

Particulars	As at 31.03.2022 (In ₹ Crore)	As at 31.03.2021 (In Rs Crore)
Premium utilised for share issue expenses	**Nil**	Nil

(V) Drawdown from Reserves

₹ in Crore

Particulars	As at 31.03.2022 (In ₹ Crore)	As at 31.03.2021 (In Rs Crore)
Drawdown from reserves	**Nil**	Nil

Notes
to the Financial Statements

49.8 Ratings assigned by credit rating agencies and migration of ratings during the year:

	Particulars	As at 31.03.2022 (In ₹ Crore)	As at 31.03.2021 (In Rs Crore)
	ICRA Limited		
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA/Stable
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA/Stable
		PP-MLD ICRA AA / Stable	PP-MLD ICRA AA / Stable
	India Rating		
(i)	Commercial Paper programme	IND A1+	IND A1+
(ii)	Bank loan facility	IND AA/Stable	IND AA/Stable
(iii)	Non-Convertible Debentures	IND AA/Stable	IND AA/Stable

49.9 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

Particulars	For the year 31.03.2022 (In ₹ Crore)	For the year 31.03.2021 (In ₹ Crore
Provisions for depreciation on Investment*	-	-
Provision towards NPA / ECL(stage 3)	137.00	76.21
Provision made towards Income tax	121.17	154.46
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets / ECL stage 1 and 2	87.56	108.81

Netted off from “Net gain on fair value changes” in schedule III as per Ind AS requirement

49.10 Concentration of Deposits, Advances and Exposures and NPAs:

Concentration of Deposits (for deposit taking NBFCs)

₹ in Crore

	As at 31.03.2022	As at 31.03.2021
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

Concentration of Advances

₹ in Crore

	As at 31.03.2022	As at 31.03.2021
Total Advances to twenty largest borrowers	4,512.01	3,847.95
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	58.17%	53.60%

Concentration of Exposures

₹ in Crore

	As at 31.03.2022	As at 31.03.2021
Total Exposure to twenty largest borrowers / customers	4,555.96	3,878.66
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	58.24%	53.73%

Concentration of NPAs

₹ in Crore

	As at 31.03.2022	As at 31.03.2021
Total exposure to top four NPA accounts	310.51	200.72

Sector-wise NPAs

₹ in Crore

	As at 31.03.2022	As at 31.03.2021
Agriculture & allied activities	**Nil**	**Nil**
MSME	Nil	Nil
Corporate borrowers Real Estate sector	416.01	288.93
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil

49.11 Movement of NPAs:

₹ in Crore

	As at 31.03.2022	As at 31.03.2021
Net NPAs to Net Advances (%)	**3.72%**	2.32%
Movement of NPAs (Gross)		
(a) Opening balance	288.93	153.63
(b) Additions during the year	742.64	146.98
(c) Reductions during the year	615.56	11.68
(d) Closing balance	416.01	288.93
Movement of Net NPAs		
(a) Opening balance	164.90	105.81
(b) Additions during the year	597.87	68.56
(c) Reductions during the year	478.24	9.47
(d) Closing balance	284.53	164.90
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	124.03	47.82
(b) Provisions made during the year	144.78	78.42
(c) Write-off / write-back of excess provisions	137.32	2.21
(d) Closing balance	**131.48**	**124.03**

49.12 Disclosures of customer complaints

Complaints

	As at 31.03.2022	As at 31.03.2021
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	2	1
No. of complaints redressed during the year	2	1
No. of complaints pending at the end of the year	-	-

49.13 During the year, there are no Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company.

49.14 Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company since there is no exposure.

50. During the year ended 31 March 2022, the Company has sold two loans worth INR 511 crores to JM Financial Asset Reconstruction Company Limited, through a publicly conducted auction mode as per the guidelines of Reserve Bank of India, for an aggregate consideration of INR 395 crores which include cash of INR 59 crores and security receipts of INR 335 crores issued by the Trust. Ind AS 109 – Financial Instruments, requires substantially all risk and rewards to be transferred for the purpose of derecognition of such loans from the company's books and recognizing security receipts so acquired. The control on the loan resolution and the associated risk and reward on the outstanding loan granted to the borrower rest fully and without recourse with JM Financial Asset Reconstruction Company Limited in capacity as

Notes
to the Financial Statements

the trustees of the respective trust. As a result, these assets have been derecognised from the books of accounts and investments in security receipts have been recognised which are classified as FVTPL.

51. The financial statements were approved by the Board of Directors on May 17, 2022.

52. Willful Defaulter

The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

53. Relationship with struck off Companies

The Company has no transactions with the companies struck off under the Companies Act, 2013.

54. Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

55. Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

56. Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

57. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

58. Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

59. Previous year figures have been re-grouped or reclassified, to conform to such current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

Kapil Goenka
Partner
Membership No. 118189

Place: Mumbai
Date: May 17, 2022

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 17, 2022

B S R & Co. LLP
Chartered Accountants

14th Floor, Central Wing B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai - 400 063, India

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Independent Auditor's Report

To the Board of Directors of JM Financial Credit Solutions Limited

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of JM Financial Credit Solutions Limited (hereinafter referred to as the "Company") for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

a. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and

b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI guidelines") to the extent applicable and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information for the year ended 31 March 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act, RBI Guidelines to the extent applicable and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

Management's and Board of Directors' Responsibilities for the Annual Financial Results ***(Continued)***

safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.

Auditor's Responsibilities for the Audit of the Annual Financial Results ***(Continued)***

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

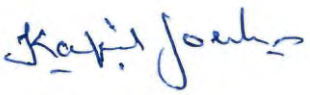
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The annual financial results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Kapil Goenka
Partner
Membership No. 118189
UDIN: 23118189BGUREJ3301

Place: Mumbai
Date: 29 April 2023

JM FINANCIAL

JM FINANCIAL CREDIT SOLUTIONS LIMITED
CIN : U74140MH1980PLC022644
FINANCIAL RESULTS

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(Rupees in Crore)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2023 Audited (Refer note 7)	31.12.2022 Unaudited	31.03.2022 Audited (Refer note 7)	31.03.2023 Audited	31.03.2022 Audited
1	**Income**					
(a)	Revenue from operations					
	Interest income	316.86	280.73	245.92	1,118.08	1,041.33
	Fees and commission income	-	0.96	1.28	1.13	6.20
	Net gain on fair value changes	4.94	15.22	17.07	53.08	61.39
	Net gain on derecognition of financial instruments under amortised cost category	-	-	15.89	-	13.47
	Other operating income	-	-	-	0.01	0.01
		321.80	**296.91**	**280.16**	**1,172.30**	**1,122.40**
(b)	Other income	0.22	-	13.47	0.24	13.70
	Total Income	**322.02**	**296.91**	**293.63**	**1,172.54**	**1,136.10**
2	**Expenses**					
(a)	Finance costs	142.80	125.93	113.93	499.36	455.43
(b)	Net loss on derecognition of financial instruments under amortised cost category	-	-	-	0.06	-
(c)	Impairment on financial instruments	9.79	38.45	42.87	136.87	224.56
(d)	Employee benefits expense	18.29	9.91	13.61	50.09	35.64
(e)	Depreciation, amortization and impairment	1.02	1.02	1.08	3.86	3.13
(f)	Operating and other expenses	15.39	5.67	1.16	29.47	24.62
	Total expenses	**187.29**	**180.98**	**172.65**	**719.71**	**743.38**
3	**Profit before tax (1-2)**	**134.73**	**115.93**	**120.98**	**452.83**	**392.72**
4	**Tax expenses**					
(a)	Current tax	47.03	37.87	21.81	102.89	120.01
(b)	Deferred tax	(12.30)	(7.86)	10.88	14.36	(17.51)
(c)	Tax adjustment of earlier years (net)	(0.01)	-	1.16	0.83	1.16
	Total tax expenses	**34.72**	**30.01**	**33.85**	**118.08**	**103.66**
5	**Net Profit for the period / year (3-4)**	**100.01**	**85.92**	**87.13**	**334.75**	**289.06**
6	**Other Comprehensive Income**					
	(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Items that will not be reclassified to profit or loss					
	- Actuarial gain/(losses) on post-retirement benefit plans	0.03	#	-	0.04	(0.19)
	- Net gain / (loss) on fair value changes	(14.45)	#	5.28	(25.83)	5.28
	- Income tax on the above	3.63	#	(1.33)	6.49	(1.28)
	Other Comprehensive Income / (Loss)	**(10.79)**	#	**3.95**	**(19.30)**	**3.81**
7	**Total Comprehensive Income (5+6)**	**89.22**	**85.92**	**91.08**	**315.45**	**292.87**
8	Paid up equity share capital (Face value Rs.10/- per share)	2.83	2.83	2.83	2.83	2.83
	Other equity excluding revaluation reserves				4,254.07	3,939.33
9	Net Profit Margin (%) (Profit for the period/year / Total income)	31.06%	28.94%	29.67%	28.55%	25.44%
10	Earnings Per Share (EPS)					
	Basic EPS (in Rs.) (Face value Rs 10/- per share) (Not annualised)	353.79	303.94	308.24	1,184.18	1,022.59
	Diluted EPS (in Rs.) (Face value Rs 10/- per share) (Not annualised)	353.79	303.94	308.24	1,184.18	1,022.59

# denotes less than Rs.50,000/-

BSR & Co. LLP
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Chartered Accountants

JM Financial Credit Solutions Limited Mumbai

JM FINANCIAL

JM FINANCIAL CREDIT SOLUTIONS LIMITED
CIN : U74140MH1980PLC022644

STATEMENT OF AUDITED ASSETS AND LIABILITIES AS AT MARCH 31, 2023

(Rupees in Crore)

Sr. No.	Particulars	As at March 31, 2023 Audited	As at March 31, 2022 Audited
	ASSETS		
(1)	**Financial Assets**		
(a)	Cash and cash equivalents	51.17	409.10
(b)	Bank Balance other than (a) above	5.59	3.43
(c)	Loans	9,197.53	7,347.87
(d)	Investments	1,195.05	1,169.05
(e)	Other Financial assets	6.07	19.71
		10,455.41	**8,949.16**
(2)	**Non-financial Assets**		
(a)	Current tax assets (net)	48.48	39.10
(b)	Deferred tax Assets (Net)	97.07	104.93
(c)	Property, Plant and Equipment	16.31	18.46
(d)	Intangible assets	0.01	0.02
(e)	Other non-financial assets	0.97	1.52
		162.84	**164.03**
	Total Assets	**10,618.25**	**9,113.19**
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	**Financial Liabilities**		
(a)	Payables		
	(I)Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6.58	3.32
(b)	Debt Securities	3,915.34	3,826.93
(c)	Borrowings (Other than Debt Securities)	2,367.54	1,275.64
(d)	Lease Liability	18.11	19.90
(e)	Other financial liabilities	46.54	40.67
	Total Financial Liabilities	**6,354.11**	**5,166.46**
(2)	**Non-Financial Liabilities**		
(a)	Provisions	2.57	2.09
(b)	Other non-financial liabilities	4.67	2.48
	Total Non-Financial Liabilities	7.24	4.57
(3)	**EQUITY**		
(a)	Equity Share capital	2.83	2.83
(b)	Other Equity	4,254.07	3,939.33
	Total Equity	**4,256.90**	**3,942.16**
	Total Liabilities and Equity	**10,618.25**	**9,113.19**

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JM Financial Credit Solutions Limited
Mumbai

JM FINANCIAL

JM FINANCIAL CREDIT SOLUTIONS LIMITED
CIN : U74140MH1980PLC022644
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Crore)

	Particulars	For the year ended 31.03.2023 Audited	For the year ended 31.03.2022 Audited
A	**Cash flow from operating activities**		
	Profit before tax	**452.83**	**392.72**
	Adjustment for:		
	Depreciation, amortization and impairment	3.86	3.13
	Net gain on fair value changes	(53.08)	(61.39)
	Loans writen-off	224.89	116.12
	Provision for impairment written back	(164.99)	(129.54)
	Impairment on financial instruments	136.86	224.55
	Provision for gratuity	0.25	0.22
	Provision for compensated absences	0.38	0.12
	Interest on fixed deposits	(0.16)	(0.60)
	Interest income	(1,117.92)	(1,040.73)
	Finance costs	499.36	455.43
	Operating profit before working capital changes and interest received / paid	**(17.72)**	**(39.97)**
	Adjustment for:		
	(Increase) in loans	(1,976.57)	(711.68)
	Decrease / (Increase) in other financial and non-financial assets	19.41	(4.06)
	Increase in trade payables and other liabilities	11.30	1.28
	(Decrease) in Provisions	(0.11)	(0.63)
	Interest income received	1,042.84	1,015.18
	Interest expenses paid	(493.46)	(536.82)
	Cash used in operating activities	**(1,414.31)**	**(276.70)**
	Direct taxes paid	(113.11)	(143.55)
	Net cash used in operating activities	**(1,527.42)**	**(420.25)**
B	**Cash flow from investing activities**		
	Purchase of investments	(9,599.81)	(12,196.24)
	Sale of investments	9,601.06	13,121.56
	Placement of earmarked balance with bank	(2.16)	(3.18)
	Interest received on bank deposits	0.19	0.58
	Purchase of Property, plant and equipment	(0.36)	(0.12)
	Net cash generated (nsed in) / generated from investing activities	**(1.08)**	**922.60**
C	**Cash flow from financing activities**		
	Dividend paid	(0.71)	(0.57)
	Repayment of lease obligations	(4.87)	(3.82)
	Proceeds from debt securities	627.70	1,299.16
	Repayment of debt securities	(544.27)	(894.84)
	Proceeds from borrowings other than debt securities	1,404.00	820.01
	Repayment of borrowings other than debt securities	(311.28)	(1,545.79)
	Net cash (used in) / generated from financing activities	**1,170.57**	**(325.85)**
	Net (decrease) / increase in Cash and cash equivalents	(357.93)	176.50
	Cash and cash equivalents at the beginning of the year	409.10	232.60
	Cash and cash equivalents at the end of the year	**51.17**	**409.10**
	Components of cash and cash equivalents		
	Cash on hand	**0#**	**0#**
	Balances with banks		
	- In current accounts	51.02	54.10
	- Cheques, drafts on hand	0.15	-
	- In deposit accounts	-	355.00
	Total	**51.17**	**409.10**
	# Denotes amount less than Rs.50,000/-		

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JM FINANCIAL CREDIT SOLUTIONS LIMITED
CIN : U74140MH1980PLC022644
Annexure I - Additional Information as required under Regulation 52(4), 54(2) and 54(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended

Sr No	Particulars	31.03.2023 Audited	31.12.2022 Unaudited	31.03.2022 Audited
1	Debt Equity Ratio (Nos. of times)	1.48	1.39	1.29
2	Debenture Redemption Reserve (Rs in crore)	-	-	-
	Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company being a Non-Banking Financial Company is exempted from the requirement of creating Debenture Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures issued through public issue and under private placement.			
3	Net Worth (Rs in crore) (Total Equity)	4,256.90	4,167.68	3,942.16
4	Current Ratio (Nos. of times) (Current assets / Current liabilities)	1.93	1.90	3.95
5	Long term debt to working capital (Nos. of times) [Debt with residual maturities more than 12 months /(Current assets - Current liabilities)]	3.09	3.58	1.42
6	Bad debts to Account receivable ratio (%)	NA	NA	NA
7	Current liability ratio (Current liabilities / Total outside liabilities) (%)	25.79%	23.54%	19.14%
8	Total debts to total assets (%)	59.17%	57.83%	55.99%
9	Debtors turnover	NA	NA	NA
10	Inventory turnover (%)	NA	NA	NA
11	Operating Margin (%)	NA	NA	NA
12	Sector specific equivalent ratio			
	Gross Non Performing assets (%)	5.09%	4.95%	5.35%
	Net Non Performing assets (%)	3.32%	3.33%	3.66%
	Tier 1 Capital (Rs in Crore)	4,159.57	4,084.16	3,824.20
	Tier 2 Capital (Rs in Crore)	102.81	113.27	107.94
	Capital Adequacy Ratio (%)	40.57%	42.42%	45.28%
	Liquidity Coverage Ratio (%)	669.90%	313.37%	493.11%
13	The NCDs are fully secured by way of first pari passu charge on the Company's identified immovable property and/or pool of receivables. Further, the requisite security cover as agreed with investors is maintained. Security cover maintained by the Company for the NCDs issued and remaining outstanding as on March 31, 2023 is 1.65 times.			

BSR & Co. LLP
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Chartered Accountants

JM Financial Credit Solutions Limited
Mumbai

Notes:

1 The above results for the quarter and the year ended March 31, 2023, have been reviewed by the Audit Committee and on its recommendation, have been approved by the Board of Directors of the Company at its meeting held on April 29, 2023. The said results have been audited by the Statutory Auditors of the Company and have issued an unmodified audit opinion thereon.

2 The above audited financial results have been prepared as per format prescribed in Regulation 52 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended read with operational circular for listing obligation and disclosure requirement dated July 29, 2022.

3 Information as required by Regulation 52(4), 54(2) and 54(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 as amended is attached as Annexure 'I".

4 Disclosure applicable for large corporates as per provisions of SEBI circular dated November 26, 2018 as per para 4 are being made to the exchange alongwith this results.

5 Pursuant to Master Directions – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021, applicable disclosures are given below:

Rs in Crore

Details of loans acquired during the financial year ended March 31, 2023	**From Lenders listed in clause 3 of Master Direction**
Aggregate principal outstanding of loans acquired	65.00
Aggregate consideration paid*	69.27
Weighted average residual tenor of loans acquired	9 months

*Consideration paid includes principal and interest accrued but not due as on date of acquisition.

6 The Company operates only in one Operating Segment i.e. Loans - Financing Activity and all other activities are incidental to the main business activity. The Company has its operations within India and all revenue is generated within India. As such the Company has only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the Chief Operating Decision Maker (CODM).

7 The figures for the quarter ended March 31, 2023 and March 31, 2022 in the above financial results are the balancing figures between the audited figures for the year ended March 31, 2023 and March 31, 2022 and the year to date unaudited figures published up to the nine months ended December 31, 2022 and December 31, 2021 respectively.

8 Previous period figures have been regrouped / reclassified to make them comparable with those of current period.

9 The Board of Directors at their meeting held on April 29, 2023 have recommended dividend of Rs. 3.0 per share for the financial year 2022-2023.

10 The audited financial results have been made available to the stock exchanges where the NCD's of the Company are listed and are also posted on the Company's web site at https://jmfinancialcreditsolutions.in

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East) Mumbai - 400 063 Chartered Accountants

JM Financial Credit Solutions Limited Mumbai

For JM Financial Credit Solutions Limited

Vishal Kampani
Vice Chairman and Managing Director
DIN – 00009079

Place : Mumbai
Date : April 29, 2023

APPLICATION FORM – TRANCHE BU

JM FINANCIAL CREDIT SOLUTIONS LIMITED

CIN - U74140MH1980PLC022644
LEI - 2549006BN92R4G13MM66
(Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)
Tel : (022) 6630 3030 Fax : (022) 6630 3223
Email: hemant.pandya@jmfl.com / investorrelations.csl@jmfl.com
Contact Person: Mr. Hemant Pandya, Company Secretary

PRIVATE PLACEMENT OF UPTO 10,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BU NCDs") OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH) EACH FOR CASH AGGREGATING UPTO RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORE ONLY) DIVIDED BETWEEN TWO SERIES OF 2,500 NCDS *(SERIES I)* AND 5,000 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 2,500 NCDS AGGREGATING TO 7,500 NCDS *(SERIES II)*.

TRANCHE BU DEBENTURE APPLICATION FORM SERIAL NO.			0	0	1

TRANCHE BU Opens on: May 29, 2023	**TRANCHE BU Closes on: May 29, 2023**	
Series Applied	**I**	**II**

Dear Sirs,

I/We have read and understood the terms and conditions of the issue of Tranche BU Debentures and all the information contained in the DD ("**Disclosure Documents**") including in particular the Risk Factors described in the DD and have considered these in making my/our decision to apply. I/We bind myself/ourselves to the said terms and conditions and wish to apply for allotment of the Tranche BU Debentures. I/We request you to please place my/our name(s) on the Register of Tranche BU Debenture holders. The amount payable on application as shown below is remitted herewith and is paid from my own (first/sole applicant) bank account. I/We note that the Company is entitled in its absolute discretion, to accept or reject this application in whole, or in part, without assigning any reason whatsoever.

(PLEASE READ THE INSTRUCTIONS ON THE LAST PAGE CAREFULLY BEFORE FILLING THIS APPLICATION FORM)

All capitalized terms used in this application form which are not defined shall have the meaning attributed to them in the Disclosure Documents.

The application shall be for a minimum of 10 (Ten) Tranche BU NCDs and in multiples of 1 (one) thereafter	
No. of Tranche BU NCDs applied for (in figures)	
No. of Tranche BU NCDs applied for (in words)	
Amount (Rs.) (in figures)	
Amount (Rs.) (in words)	
Sources of funds	
Latest Net worth	

DETAILS OF PAYMENT:

Funds transferred to JM FINANCIAL CREDIT SOLUTIONS LIMITED

Mode of Transfer (RTGS / NEFT / ECS / NACH / Direct Credit etc.): _____

Date of Transfer:_____

Total Amount Transferred:

(Rs. in figures) _____

(Rs. in words) _____

The payment is to be made through any electronic mode of payment such as RTGS / NEFT, the funds have to be credited to the any of Designated Bank Accounts of ICCL, the details of which are as follows:

Bank	**ICICI Bank**	**YES Bank**	**HDFC Bank**
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Beneficiary Account No.	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060

I/We confirm that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

FIRST/SOLE APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

PAN / GIR No. / NOT ALLOTTED	**IT Circle / Ward / District**

SECOND APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

PAN / GIR No. / NOT ALLOTTED	**IT Circle / Ward / District**

THIRD APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

PAN / GIR No. / NOT ALLOTTED	**IT Circle / Ward / District**

FIRST/SOLE APPLICANT'S COMPLETE ADDRESS (Post Box No. alone is not sufficient)

PIN		**PHONE**		**FAX**	

FIRST/SOLE APPLICANT'S BANK DETAILS

Bank Name	
Bank Branch	
Branch City	
Nature of Account	
Account No.	
MICR Code	
RTGS Code	
IFSC Code	
Email id	

I/WE ARE APPLYING AS: (✔) COMPANY ( ) INDIVIDUAL ( ) MUTUAL FUND
( ) OTHERS SPECIFY _____

I/WE CONFIRM RESIDENTIAL STATUS AS **INDIAN**

TAX STATUS: NON EXEMPT (✔) EXEMPT ( ) (IF EXEMPT PLEASE SPECIFY) _____
(IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)

I / WE CONFIRM that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING SOCIETY)

	Name of the Authorised Signatory(ies)	Designation	Signature
1			
2			
3			

I/We, the undersigned, are agreeable to holding the Tranche BU NCDs of the Company in dematerialised form. Details of my/our Beneficiary Account are given below:

DEPOSITORY	
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY CLIENT ID	
NAME OF THE APPLICANT(S)	

I/We understand that: i) in case of allotment of Tranche BU Debentures to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Tranche BU Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with the Depository Participant, iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Tranche BU Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application.

I/We confirm that I/We have for the purpose of investing in these Tranche BU Debentures carried out my/our own due diligence and made my/our own decisions with respect to investment in these Tranche BU Debentures and have not relied on any representations made by anyone other than those contained in the Disclosure Documents. I/We confirm that we have not been debarred from accessing the capital market or have been restrained by any regulatory authority from directly or indirectly acquiring the said securities.

I / We understand that the Company may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier. I / We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), I / We shall convey all the terms and conditions contained herein and in the Disclosure Documents to such Transferee. I / We shall indemnify the Company for all claims arising out of or as a consequence of us not conveying to the Transferee all the terms and conditions contained herein and in the Disclosure Documents.

Sole/First Applicant's	Second Applicant's	Third Applicant's
_____	_____	_____
Signature	Signature	Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

ACKNOWLEDGMENT SLIP

JM FINANCIAL CREDIT SOLUTIONS LIMITED

CIN - U74140MH1980PLC022644

LEI - 2549006BN92R4G13MM66

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

Tel : (022) 6630 3030 Fax : (022) 6630 3223

Email: hemant.pandya@jmfl.com / investorrelations.csl@jmfl.com

Contact Person: Mr. Hemant Pandya, Company Secretary

PRIVATE PLACEMENT OF UPTO 10,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BU NCDs") OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH) EACH FOR CASH AGGREGATING UPTO RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORE ONLY) DIVIDED BETWEEN TWO SERIES OF 2,500 NCDS *(SERIES I)* AND 5,000 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 2,500 NCDS AGGREGATING TO 7,500 NCDS *(SERIES II)*.

TRANCHE BU DEBENTURE APPLICATION FORM SERIAL NO.			0	0	1

TRANCHE BU **Opens on: May 29, 2023**	**TRANCHE BU** **Closes on: May 29, 2023**	
Series Applied	**I**	**II**

Received from _____

Address _____

_____

_____

Cheque/Draft # _____ Drawn on (Bank & Branch) _____

/ Electronic Fund Transfer from (Bank & Branch) _____

for Rs. _____ (Rupees _____only)

on account of application for _____ Tranche BU Debentures.

INSTRUCTIONS

1. Application must be completed entirely in English, using BLOCK LETTERS.
2. A signature can be made either in English or in any other Indian language.
3. Application forms duly completed in all respects, together with Electronic Fund Transfer Instructions, must be lodged at the Company's Registered Office.
4. As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, the applicant is requested to mention the full particulars of the bank account, as specified in the Application Form.
5. The applicant should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the Application Form in the space provided.
6. The application would be accepted as per the terms of the Issue outlined in the Disclosure Documents.
7. The application form is to be filled along with the FATCA/CRS Declaration, which is enclosed herewith.

APPLICATION FORM – TRANCHE BU

JM FINANCIAL CREDIT SOLUTIONS LIMITED

CIN - U74140MH1980PLC022644
LEI - 2549006BN92R4G13MM66
(Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)
Tel : (022) 6630 3030 Fax : (022) 6630 3223
Email: hemant.pandya@jmfl.com / investorrelations.csl@jmfl.com
Contact Person: Mr. Hemant Pandya, Company Secretary

PRIVATE PLACEMENT OF UPTO 10,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BU NCDs") OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH) EACH FOR CASH AGGREGATING UPTO RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORE ONLY) DIVIDED BETWEEN TWO SERIES OF 2,500 NCDS *(SERIES I)* AND 5,000 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 2,500 NCDS AGGREGATING TO 7,500 NCDS *(SERIES II)*.

TRANCHE BU DEBENTURE APPLICATION FORM SERIAL NO.			0	0	2

TRANCHE BU Opens on: May 29, 2023	**TRANCHE BU Closes on: May 29, 2023**	
Series Applied	**I**	**II**

Dear Sirs,

I/We have read and understood the terms and conditions of the issue of Tranche BU Debentures and all the information contained in the DD ("**Disclosure Documents**") including in particular the Risk Factors described in the DD and have considered these in making my/our decision to apply. I/We bind myself/ourselves to the said terms and conditions and wish to apply for allotment of the Tranche BU Debentures. I/We request you to please place my/our name(s) on the Register of Tranche BU Debenture holders. The amount payable on application as shown below is remitted herewith and is paid from my own (first/sole applicant) bank account. I/We note that the Company is entitled in its absolute discretion, to accept or reject this application in whole, or in part, without assigning any reason whatsoever.

(PLEASE READ THE INSTRUCTIONS ON THE LAST PAGE CAREFULLY BEFORE FILLING THIS APPLICATION FORM)

All capitalized terms used in this application form which are not defined shall have the meaning attributed to them in the Disclosure Documents.

The application shall be for a minimum of 10 (Ten) Tranche BU NCDs and in multiples of 1 (one) thereafter	
No. of Tranche BU NCDs applied for (in figures)	
No. of Tranche BU NCDs applied for (in words)	
Amount (Rs.) (in figures)	
Amount (Rs.) (in words)	
Sources of funds	
Latest Net worth	

DETAILS OF PAYMENT:

Funds transferred to JM FINANCIAL CREDIT SOLUTIONS LIMITED

Mode of Transfer (RTGS / NEFT / ECS / NACH / Direct Credit etc.): _____

Date of Transfer:_____

Total Amount Transferred:

(Rs. in figures) _____

(Rs. in words) _____

The payment is to be made through any electronic mode of payment such as RTGS / NEFT, the funds have to be credited to the any of Designated Bank Accounts of ICCL, the details of which are as follows:

Bank	**ICICI Bank**	**YES Bank**	**HDFC Bank**
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Beneficiary Account No.	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060

I/We confirm that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

FIRST/SOLE APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

PAN / GIR No. / NOT ALLOTTED	**IT Circle / Ward / District**

SECOND APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

PAN / GIR No. / NOT ALLOTTED	**IT Circle / Ward / District**

THIRD APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

PAN / GIR No. / NOT ALLOTTED	**IT Circle / Ward / District**

FIRST/SOLE APPLICANT'S COMPLETE ADDRESS (Post Box No. alone is not sufficient)

PIN		**PHONE**		**FAX**	

FIRST/SOLE APPLICANT'S BANK DETAILS

Bank Name	
Bank Branch	
Branch City	
Nature of Account	
Account No.	
MICR Code	
RTGS Code	
IFSC Code	
Email id	

I/WE ARE APPLYING AS: (✔) COMPANY ( ) INDIVIDUAL ( ) MUTUAL FUND
( ) OTHERS SPECIFY _____

I/WE CONFIRM RESIDENTIAL STATUS AS **INDIAN**

TAX STATUS: NON EXEMPT (✔) EXEMPT ( ) (IF EXEMPT PLEASE SPECIFY) _____
(IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)

I / WE CONFIRM that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING SOCIETY)

	Name of the Authorised Signatory(ies)	Designation	Signature
1			
2			
3			

I/We, the undersigned, are agreeable to holding the Tranche BU NCDs of the Company in dematerialised form. Details of my/our Beneficiary Account are given below:

DEPOSITORY	
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY CLIENT ID	
NAME OF THE APPLICANT(S)	

I/We understand that: i) in case of allotment of Tranche BU Debentures to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Tranche BU Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with the Depository Participant, iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Tranche BU Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application.

I/We confirm that I/We have for the purpose of investing in these Tranche BU Debentures carried out my/our own due diligence and made my/our own decisions with respect to investment in these Tranche BU Debentures and have not relied on any representations made by anyone other than those contained in the Disclosure Documents. I/We confirm that we have not been debarred from accessing the capital market or have been restrained by any regulatory authority from directly or indirectly acquiring the said securities.

I / We understand that the Company may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier. I / We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), I / We shall convey all the terms and conditions contained herein and in the Disclosure Documents to such Transferee. I / We shall indemnify the Company for all claims arising out of or as a consequence of us not conveying to the Transferee all the terms and conditions contained herein and in the Disclosure Documents.

Sole/First Applicant's	Second Applicant's	Third Applicant's
_____	_____	_____
Signature	Signature	Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

ACKNOWLEDGMENT SLIP

JM FINANCIAL CREDIT SOLUTIONS LIMITED

CIN - U74140MH1980PLC022644

LEI - 2549006BN92R4G13MM66

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

Tel : (022) 6630 3030 Fax : (022) 6630 3223

Email: hemant.pandya@jmfl.com / investorrelations.csl@jmfl.com

Contact Person: Mr. Hemant Pandya, Company Secretary

PRIVATE PLACEMENT OF UPTO 10,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BU NCDs") OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH) EACH FOR CASH AGGREGATING UPTO RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORE ONLY) DIVIDED BETWEEN TWO SERIES OF 2,500 NCDS *(SERIES I)* AND 5,000 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 2,500 NCDS AGGREGATING TO 7,500 NCDS *(SERIES II)*.

TRANCHE BU DEBENTURE APPLICATION FORM SERIAL NO.			0	0	2

TRANCHE BU Opens on: May 29, 2023	**TRANCHE BU Closes on: May 29, 2023**	
Series Applied	**I**	**II**

Received from _____

Address _____

_____

_____

Cheque/Draft # _____ Drawn on (Bank & Branch) _____

/ Electronic Fund Transfer from (Bank & Branch) _____

for Rs. _____ (Rupees _____only)

on account of application for _____ Tranche BU Debentures.

INSTRUCTIONS

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2. A signature can be made either in English or in any other Indian language.
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4. As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, the applicant is requested to mention the full particulars of the bank account, as specified in the Application Form.
5. The applicant should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the Application Form in the space provided.
6. The application would be accepted as per the terms of the Issue outlined in the Disclosure Documents.
7. The application form is to be filled along with the FATCA/CRS Declaration, which is enclosed herewith.

JM FINANCIAL

FATCA/CRS DECLARATION FOR NON-INDIVIDUAL ACCOUNTS

(To be filled along with Application Form)

Note – The information in this section is being collected in order to fully comply with Foreign Account Tax Compliance Act (FATCA) requirements and the Common Reporting Standards (CRS) requirements.

For more information refer:

http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA

http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-financial-account-information-common-reporting-standard.pdf

FATCA / CRS declaration and details for entities

(We are unable to provide advice about your FATCA classification or interpretation of any terms. Please therefore seek advice from a tax professional on any FATCA aspects)

Part A – Preliminary details (All fields mandatory)

Sr. No	Particulars	Details of Applicant	
1	**Name of the Entity**		
2	**Entity PAN**		
3	**Address for Tax Residence (including city, state, country and pin code)**		
4	**Address Type (Business or registered office)**		
5	**Entity Constitution Type.** (Refer Instruction "6" in Annexure)		
6	**Do you satisfy any of the criteria mentioned below?**		
	a. Is the entity a U.S. person (Please refer 'Other Definitions' in the Instructions)	Yes □ (Please answer 'b")	No □ (Please go to 'c")
	b. Is the entity a Specified US Person	Yes □	No □ Entity's Exemption Code: _____ (Refer Instruction "5" in the Annexure)
	c. Is the entity formed/incorporated outside India	Yes □ No □	< If yes, please specify city and country of incorporation / formation> City: _____ Country: _____
	d. Is the entity having Tax Residency in any country(ies) other than India	Yes □ No □	<< If yes, please provide the following details>> Country of Tax Residency / PAN/ Tax Identification No. (TIN equivalent) of / Identification Type# — #In case Tax Identification Number is not available, kindly provide functional equivalent or Company Identification Number or Global Entity Identification Number.
7	Is the entity a Financial Institution (FI) {including an Foreign Financial Institution} (Refer Instruction "1" in the Annexure)	Yes □ (Please fill Part 'B")	No □ (Go to next question)
	Is the entity a Direct Reporting NFFE (Refer 'Other Definitions' in the Annexure)	Yes □ (Please fill Part 'B")	No □ (Go to next question)
8	Is the entity a publicly traded corporation/a related entity of a publicly traded corporation/ Active NFFE	Yes □ (Please fill Part 'C")	No □ (Go to next question)
9	The entity is a Passive NFFE	□ (Please fill Part "D")	**Please specify nature of business**

Part B – If your answer to question 7 in Part A is a YES, please provide details in relation to Financial Institutions/ Foreign Financial Institutions or Direct Reporting NFFEs:

Particulars	Details of Applicant
The entity is: **1) Financial Institution** □ **2) Direct Reporting NFFE** □	**Global Intermediary Identification Number (GIIN)** _____ Note: If you do not have a GIIN but you are sponsored by another entity, please provide your sponsor's GIIN and name below: Name of sponsoring entity: _____ (For clarification, refer 'Other Definitions' in the Annexure) Sponsoring Entity's GIIN: _____ (If GIIN provided, please go directly to "Declaration and Acknowledgment".)
If GIIN not available [tick any one]: (Not applicable to Direct Reporting NFFE)	**a. Not obtained:** □ **b. Applied for:** □ [_____] [insert application date] **c. GIIN not required:** □ **Please insert code:**_____ (Mention Code – For clarification, refer Instruction "2" in the Annexure) (Please go to "Declaration and Acknowledgment".)

Part C– If your answer to question 8 in Part A is a YES, please provide following details:

Sr No	Particulars	Details of Applicant	
1	**a. Are you a publicly traded company?** (Refer Instruction "3" in the Annexure)	Yes □ [Please fill "C1(b)"]	No □ (Please fill "C2")
	b. Are your shares regularly traded on a recognized stock exchange	Yes □	No □ (Please fill "C2")
		If yes, please provide name of the stock exchange where the shares are regularly traded: 1. _____ 2. _____ (Please go to "Declaration and Acknowledgment")	
2	**Are you a related entity# of a listed company mentioned in Part C (1) above** # Related entity – An entity is a related entity of another entity if either entity controls the other entity or the two entities are under common control. For this purpose, control includes direct or indirect ownership of more than 50% of the votes and value in an entity.	Yes □ Nature of relation with the related entity: □ Subsidiary of the listed company. □ Controlled by the listed company.	No □ (Please fill "C3")
		If yes, please provide name of the related entity that is listed : _____ **Name of the stock exchange where the shares of the related listed entity are regularly traded:** 1. _____ (Please go to "Declaration and Acknowledgement".)	
3	**Entity is an Active NFFE**	Please specify nature of business:_____ Active NFFE Code:_____ (Refer codes in Instruction "3" in the Annexure)	

Part D – Controlling Person/Ultimate Beneficial Owner (UBO) Declaration

Provide details of all UBO/s or Controlling person/s, [natural persons as per PMLA] (including Owner Documented FFI's[For clarification, refer 'Other Definitions' in the Annexure]) **in the table below**

Are you an Owner-documented FFI's - Yes □ **No** □

If ' Yes', <u>in addition to the below details</u> , please provide a duly filled form W8BEN E along with FFI Owner Reporting Statement and Auditor's Letter.
If 'No', Please provide below details only.

	Controlling Person 1	Controlling Person 2	Controlling Person 3	Controlling Person 4	Controlling Person 5
Name (#)					
Country of Birth					
City of birth (Please mention only if the Country of Birth is other than India)					
Birth Date					
Address (include City State, Country & Pin code)					
Address type for address mentioned above	□ Residential or Business	□ Residential or Business	□ Residential or Business	□ Residential or Business	□ Residential or Business
	□ Residential	□ Residential	□ Residential	□ Residential	□ Residential
	□ Business	□ Business	□ Business	□ Business	□ Business
	□ Registered Office	□ Registered Office	□ Registered Office	□ Registered Office	□ Registered Office
Nationality					
Father's Name (if PAN not available)					
Spouse's name (optional)					
Telephone/mobile number with ISD code					
PAN					
Identification No.					
Identification Type (TIN or Other, please specify	□ Passport	□ Passport	□ Passport	□ Passport	□ Passport
	□ PAN	□ PAN	□ PAN	□ PAN	□ PAN

the name of document for above)	□ Election / Voter's ID card	□ Election / Voter's ID card	□ Election / Voter's ID card	□ Election/ Voter's ID card	□ Election / Voter's ID card
	□ Driving License	□ Driving License	□ Driving License	□ Driving License	□ Driving License
	□ Aadhaar card/ letter	□ Aadhaar card/ letter	□ Aadhaar card/ letter	□ Aadhaar card/ letter	□ Aadhaar card/ letter
	□ NREGA Card	□ NREGA Card	□ NREGA Card	□ NREGA Card	□ NREGA Card
	□ Govt ID Card	□ Govt ID Card	□ Govt ID Card	□ Govt ID Card	□ Govt ID Card
	□ Others (pls specify) _____	□ Others (pls specify) _____	□ Others (pls specify) _____	□ Others (pls specify) _____	□ Others (pls specify) _____
% of beneficial interest / Ownership /Capital / Profits.					
Controlling Person Type (#) (Refer Instruction"7" of the Annexure.)					
Gender	□ Male □ Female □ Other_____	□ Male □ Female □ Other_____	□ Male □ Female □ Other_____	□ Male □ Female □ Other_____	□ Male □ Female □ Other_____
Occupation Type	□ Service □ Business □ Others	□ Service □ Business □ Others	□ Service □ Business □ Others	□ Service □ Business □ Others	□ Service □ Business □ Others
Country of tax residency* (#)					

Additional details to be filled below ONLY by controlling persons having tax residency/permanent residency/citizenship in any country other than India including green card					
	Controlling Person 1	**Controlling Person 2**	**Controlling Person 3**	**Controlling Person 4**	**Controlling Person 5**
Tax Identification Number (TIN) (or functional equivalent) of Controlling Person for each country identified in relation to him/her (#)					
Identification Type (TIN or Other, please specify) (#)					

Note:

A. Submit documentary proof like shareholding pattern duly self-attested by Authorized Signatory / Company Secretary.
B. If number of UBOs are greater than 5 or the space required is insufficient, information in the given format can be given in additional sheets.
C. In case of a multiple intermediaries, please provide the shareholding / controlling structure of each such intermediary/ies.
These details are mandatory for Passive NFFES.
(*) To include US, where Controlling Person is a US citizen or Green Card holder.

FATCA – CRS Terms and Conditions

The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income-tax Rules, 1962, which Rules require Indian Financial Institutions to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In relevant cases, information will have to be reported to tax authorities / appointed agencies. Towards compliance, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto.

Towards compliance with tax information sharing laws, such as FATCA and CRS, we would be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from our account holders. Such information may be sought either at the time of account opening or any time subsequently. As may be required by domestic or overseas regulators/ tax authorities, we may also be constrained to withhold and pay out any sums from your account or close or suspend your account(s).

Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days from the date of change in such information.

If you have any questions about your tax residency, please contact your tax advisor. If any controlling person of the entity is a US citizen or resident or green card holder, please include United States in the foreign country information field along with the US Tax Identification Number.

Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010.

Declaration & Acknowledgement	I/We have understood the information requirements of this Form (read along with the FATCA-CRS Instructions & Definitions) and hereby confirm that the information provided by us on this Form is True, Correct, Complete and updated, and the submitted documents are genuine and duly executed. I/We also confirm that I/We have read and understood the FATCA-CRS Terms and Conditions above and hereby accept the same. I/We certify that (i) I/We am/are taxable as a ("U.S.") person under the laws of the United States of America or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the U.S., (ii) an estate the income of which is subject to U.S. federal income tax regardless of the source thereof (This clause is applicable only if the account holder is identified as a U.S. person); or The applicant is an applicant taxable as a tax resident under the laws of country outside India (This clause is applicable only if the account holder is a tax resident outside India) I/We acknowledge that towards compliance with tax information sharing laws, such as FATCA / CRS, Financial Institution (FI) may be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from the account holder. Such information may be sought either at the time of account opening or any time subsequently. In certain circumstances (including if FI does not receive a valid self-certification from me) the FI may be obliged to share information on my account with relevant tax authorities. Should there be any change in any information provided by me, I ensure that I will advise FI promptly, i.e., within 30 days. Towards compliance with such laws, Financial Institutions may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto. As may be required by domestic or overseas regulators/ tax authorities, Financial Institutions may also be constrained to withhold and pay out any sums from my/our account or close or suspend my/our account(s).

Customer's Authorised Person Name			
Signature			
Designation			
Date			
Place			

Form Type Submitted – W-8 BENE □

ANNEXURE

Instructions for the purposes of FATCA/ CRS

1. **Financial Institution or Foreign Financial Institution (FFI)-** The term FFI means any financial institution that is a:

A. Depository institution:

Accepts deposits in the ordinary course of banking or similar business.

B. Custodial institution:

As a substantial portion of its business, holds financial assets for the account of others

Meaning of Substantial portion:

- An entity holds financial assets for the account of others as a substantial portion of its business if the entity's gross income attributable to holding financial assets and related financial services equals or exceeds 20 percent of the entity's gross income during the shorter of-
  (1) The three financial years preceding the year in which the determination is made;
  (2) The period during which the entity has been in existence before the determination is made.

Meaning of Income attributable to holding financial assets and related financial services:

- Income attributable to holding financial assets and related financial services means custody, account maintenance, and transfer fees; commissions and fees earned from executing and pricing securities transactions; income earned from extending credit to customers with respect to financial assets held in custody by the entity (or acquired through such extension of credit); income earned on the bid-ask spread of financial assets; fees for providing financial advice with respect to financial assets held in (or potentially to be held in) custody by the entity; and fees for clearance and settlement services)

C. Investment entity:

Primarily conducts a business or operates for or on behalf of a customer for any of the following 3 activities-

- Trading in money market instruments, foreign exchange, foreign currency, etc.
- Individual or collective portfolio management
- Investing, administering or managing funds, money or financial asset on behalf of other persons;

Or

- The gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity

Explanation - An entity is treated as primarily conducting as a business one or more of the activities described in sub-clause (A), or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets for purposes of sub-clause (B), if the entity's gross income attributable to the relevant activities equals or exceeds 50 percent of the entity's gross income during the shorter of: (i) the three-year period ending on 31 March of the year preceding the year in which the determination is made; or (ii) the period during which the entity has been in existence.

D. Specified Insurance company:

Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

E. Holding company or treasury company:

Is an entity that is a holding company or treasury center that is a part of an expanded affiliate group that includes a depository, custodial institution, specified insurance company or investment entity.

2. Financial Institutions not required to have a GIIN:

Code	Category
01	Governmental Entity, International Organization or Central Bank
02	Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental Entity, International Organization or Central Bank
03	Non-public fund of the armed forces, an employees' state insurance fund, a gratuity fund or a provident fund
04	Entity is an Indian FI solely because it is an investment entity
05	Qualified credit card issuer
06	Investment Advisors, Investment Managers and Executing Brokers
07	Exempt collective investment vehicle
08	Trustee of an Indian Trust
09	FI with a local client base
10	Non-registering local banks
11	FFI with only Low-Value Accounts

12	Sponsored investment entity and controlled foreign corporation
13	Sponsored, Closely Held Investment Vehicle
14	Owner documented FFI

3. **Non-financial Entity (NFFE) –** Any entity that is not a financial institution (including a territory NFFE)

Types of NFFEs excluded from FATCA reporting are:

A. Publicly traded corporation (listed company)

The stock of such corporation is regularly traded on one or more established securities markets

(Established securities market means an exchange that is officially recognized and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange).

B. Related entity of a listed company

The entity identified is a member of the same expanded affiliate group as an entity the stock of which is regularly traded on an established securities market;

C. Active NFFE: (is any one of the following):

Code	Sub-category
01	Less than 50 percent of the NFFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 percent of the assets held by the NFFE during the preceding financial year or other appropriate reporting period are assets that produce or are held for the production of passive income;
02	The NFFE is a government (other than the U.S. government), a political subdivision of such government (which, for the avoidance of doubt, includes a state, province, county, or municipality), or a public body performing a function of such government or a political subdivision thereof, a government of a U.S. Territory, an international organization, a non-U.S. central bank of issue, or an Entity wholly owned by one or more of the foregoing;
03	Substantially all of the activities of the NFFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity shall not qualify for NFFE status if the entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
04	The NFFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFFE shall not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFFE;
05	The NFFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution;
06	The NFFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;
07	Any NFFE is a 'non for profit' organization which meets all of the following requirements: o It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare; o It is exempt from income tax in its jurisdiction of residence; o It has no shareholders or members who have a proprietary or beneficial interest in its income or assets; o The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents do not permit any income or assets of the NFFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFFE has purchased; and The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents require that, upon the NFFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFFE's jurisdiction of residence or any political subdivision thereof. Explanation.- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:- (I) an Investor Protection Fund referred to in clause (23EA); (II) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and (III) an Investor Protection Fund referred to in clause (23EC; of section 10 of the Act;

4. Other definitions

(i) **Expanded affiliated group**

Expanded affiliated group is defined to mean one or more chains of members connected through ownership (50% or more, by vote or value, as the case may be) by a common parent entity if the common parent entity directly owns stock or other equity interests meeting the requirements in at least one of the other members. Generally, only a corporation shall be treated as the common parent entity of an expanded affiliated group.

(ii) **Passive NFFE**

The term passive NFFE means any NFFE:

(i) that is not an Active NFFE (including publicly traded entities or their related entities); or

(ii) the gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity; or

(iii) a withholding foreign partnership or withholding foreign trust pursuant to relevant U.S. Treasury Regulations.

(Note: Foreign persons having controlling interest in a passive NFFE are liable to be reported for tax information compliance purposes).

(iii) **Passive income**

The term passive income means the portion of gross income that consists of:

(1) Dividends, including substitute dividend amounts;

(2) Interest

(3) Income equivalent to interest, including substitute interest and amounts received from or with respect to a pool of insurance contracts if the amounts received depend in whole or part upon the performance of the pool;

(4) Rents and royalties, other than rents and royalties derived in the active conduct of a trade or business conducted, at least in part, by employees of the NFFE

(5) Annuities

(6) The excess of gains over losses from the sale or exchange of financial assets that gives rise to passive income described in this section

(7) The excess of gains over losses from transactions (including futures, forwards, and similar transactions) in any financial assets

(8) The excess of foreign currency gains over foreign currency losses

(9) Net income from notional principal contracts

(10) Amounts received under cash value insurance contracts

(11) Amounts earned by an insurance company in connection with its reserves for insurance and annuity contracts

(12) Net income from swaps.

But passive income will not include in case of a non-financial entity that acts as a dealer in financial assets, any income from any transaction entered into in the ordinary course of such dealer's business as a dealer.

(iv) **Controlling persons**

Controlling persons are natural persons who exercise control over an entity.
In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.
The term "Controlling Persons" shall be interpreted in a manner consistent with the Financial Action Task Force recommendations.

Pursuant to guidelines on identification of Beneficial Ownership issued vide RBI circular no. DBOD.AML.BC. No.71/14.01.001/2012- 13 dated January 18, 2013, persons (other than Individuals) are required to provide details of Beneficial Owner(s) ('BO'). Accordingly, the Beneficial Owner means 'Natural Person', who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of / entitlements to:

i. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
ii. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
iii. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

Where the client is a trust, the banking company and financial institution, as the case may be, shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

Where no natural person is identified the identity of the relevant natural person who holds the position of senior managing official.

(v) **U.S. Person**

U.S. Person means a United States of America citizen or resident individual, a partnership or corporation organized in the United States of America or under the laws of the United States of America or any State thereof, a trust if (i) a court within the United States of America would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States of America.

(vi) **Specified U.S. person**

A U.S person **other than** the following:

(i) a corporation the stock of which is regularly traded on one or more established securities markets;
(ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
(iii) the United States or any wholly owned agency or instrumentality thereof;
(iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
(v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
(vi) any bank as defined in section 581 of the U.S. Internal Revenue Code;
(vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
(viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64);
(ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
(x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code;
(xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
(xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or
(xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

(vii) **Direct Reporting NFFE**

Direct reporting NFFE will mean an NFFE that elects to report on Form 8966 directly to the IRS certain information about its direct or indirect substantial U.S. owners, in lieu of providing such information to withholding agents or participating FFIs with which the NFFE holds a financial account

(viii) **Owner documented FFI**

An FFI that meets the following requirements:

(A) The FFI is an FFI solely because it is an investment entity;
(B) The FFI is not owned by or related to any FFI that is a depository institution, custodial institution, or specified insurance company;
(C) The FFI does not maintain a financial account for any non participating FFI;
(D) The FFI provides the designated withholding agent with all of the documentation and agrees to notify the withholding agent if there is a change in circumstances; and
(E) The designated withholding agent agrees to report to the IRS (or, in the case of a reporting Model 1 FFI, to the relevant foreign government or agency thereof) all of the information described in or (as appropriate) with respect to any specified U.S. persons and (2).
Notwithstanding the previous sentence, the designated withholding agent is not required to report information with respect to an indirect owner of the FFI that holds its interest through a participating FFI, a deemed-compliant FFI (other than an owner-documented FFI), an entity that is a U.S. person, an exempt beneficial owner, or an excepted NFFE.

ix) **Sponsoring Entity**

The term sponsoring entity means an entity that registers with the IRS and agrees to perform the due diligence, withholding, and reporting obligations of one or more FFIs pursuant to § 1.1471–5(f)(1)(i)(F) or (2)(iii).

5. Entity Exemption Code for U.S. persons

Code	Sub-category
A	An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
B	The United States or any of its agencies or instrumentalities
C	A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
D	A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
E	A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)

F	A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
G	A real estate investment trust
H	A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
I	A common trust fund as defined in section 584(a)
J	A bank as defined in section 581
K	A broker
L	A trust exempt from tax under section 664 or described in section 4947(a)(1)
M	A tax exempt trust under a section 403(b) plan or section 457(g) plan

6. **Entity Constitution Type**

Code	Category
00	Partnership Firm
01	HUF
02	Private Limited Company
03	Public Company
04	Society
05	AOP /BOI
06	Trust
07	Liquidator
08	LLP
09	Artificial Juridical person
10	Bank
11	Others

7. **Controlling Person (UBO) Type/Code**

Code	Sub-category	Description
C01	CP of legal person-ownership	Controlling ownership interest of more than: • 25% of shares or capital or profits of the juridical person [Investor], where the juridical person is a company; • 15% of the capital or profits of the juridical person [Investor], where the juridical person is a partnership; • 15% of the property or capital or profits of the juridical person [Investor], where the juridical person is an unincorporated association or body of individuals.
C02	CP of legal person-other means	Natural person exercising control over the juridical person through other means exercised through voting rights, agreement, arrangements or in any other manner [In cases where there exists doubt under UBO-1 to UBO - 3 above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests].
C03	CP of legal person-senior managing official	Natural person who holds the position of senior managing official [In case no natural person cannot be identified as above].
C04	CP of legal arrangement-trust-settlor	
C05	CP of legal arrangement--trust-trustee	
C06	CP of legal arrangement--trust-protector	
C07	CP of legal arrangement--trust-beneficiary	The beneficiaries with 15% or more interest in the trust if they are natural person(s).
C08	CP of legal arrangement--trust-other	Natural person(s) exercising ultimate effective control over the Trust through a chain of control or ownership.
C09	CP of legal arrangement—Other-settlor equivalent	
C10	CP of legal arrangement—Other-trustee equivalent	
C11	CP of legal arrangement— Other-protector equivalent	
C12	CP of legal arrangement—Other-beneficiary equivalent	
C13	CP of legal arrangement—Other-other equivalent	
C14	Unknown	