

DOCUMENT CONTAINING DISCLOSURE AS PER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AND SECTION 42 OF THE COMPANIES ACT, 2013 AS AMENDED FROM TIME TO TIME



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

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DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UPTO 3750 SECURED, RATED, LISTED, REDEEMABLE, PRINCIPAL PROTECTED MARKET LINKED NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE XXXI NCDs") OF THE FACE VALUE OF ₹ 2,00,000/- (RUPEES TWO LAKH ONLY) EACH AGGREGATING UPTO 75,00,00,000/- (RUPEES SEVENTY FIVE CRORE ONLY) ("THE ISSUE" OR "THIS ISSUE")

JM Financial Asset Reconstruction Company Limited (the Company), was incorporated as a private company limited by shares under the Companies Act, 1956 on September 19, 2007 in the State of Maharashtra with the registration number 11-174287. The Company has become a subsidiary company of JM Financial Limited w.e.f. September 30, 2016 and hence become a public company pursuant to the provisions of Section 2(71) of the Companies Act, 2013. The name of the Company was changed to JM Financial Asset Reconstruction Company Limited w.e.f. April 12, 2017. The Corporate Identity Number (CIN) of the Company is U67190MH2007PLC174287

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 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 the 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

ICRA Limited has assigned a "PP-MLD [ICRA] AA- / stable" ("pronounced "P P ICRA Double A Minus / stable") rating to the captioned Issue. As per ICRA's rating letter, instruments with this rating are considered to have high degree of safety regarding timely payment of financial obligations and such instruments carry very low credit risk. 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.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Disclosure Document contains all information as required under Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended, and the Reserve Bank of India Guidelines, that the information contained in this Disclosure Document is true and fair in all material respects 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 makes this Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of The National Stock Exchange of India Ltd. (NSE) and/or BSE Ltd.

This Disclosure Document shall be read in conjunction with the Debenture Trust Deed(s) and other Transaction Document(s) and in case of any ambiguity or inconsistency or differences, the Debenture Trust Deed(s) shall prevail.

This Disclosure Document is dated November 26, 2020

REGISTRAR TO THE ISSUE
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DEBENTURE TRUSTEE
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 122, Dinshaw Wachha Road,
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 Tel: + 91 22 4302 5555
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 Contact Person: Mr. Prashant Joshi

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 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 Act. 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 Companies Act, 2013 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 Registrar of Companies or the Securities and Exchange Board of India or the Reserve Bank of India. Furthermore, a copy of this Disclosure Document has not been filed or submitted with the Securities and Exchange Board of India for its review and/or approval.

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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. This Disclosure Document has not been submitted to or approved by the Securities and Exchange Board of India (“SEBI”) and has been prepared by the Company in conformity with the extant SEBI Regulations. This Issue of NCDs which is to be listed on the WDM segment of the BSE Limited and NSE 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.

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 authorized 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 allottee(s) 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 Debt Securities) Regulations, 2008 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 draft copy of this DD has been filed with BSE Limited and NSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended. It is to be distinctly understood that submission of this DD to or BSE and NSE should not in any way be deemed or construed to mean that this DD has been reviewed, cleared or approved by BSE and NSE, nor does BSE and NSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DD. BSE and NSE does not warrant that the NCDs will be listed or will continue to be listed on BSE and NSE nor does BSE and NSE take any responsibility for the soundness of the financial and other conditions of the Company, its sponsors, its management or any activities of the Company.

DISCLAIMER CLAUSE OF RBI

The Company has obtained a certificate of registration dated September 23, 2008 bearing no. 11 issued by the Reserve Bank of India (RBI) to carry on the business of securitisation and asset reconstruction under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. However, a copy of this DD has not been reviewed, cleared or approved by the RBI. RBI does not accept any responsibility or 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 discharge of liability by the Company. By issuing the aforesaid certificate of registration dated September 23, 2008 to the Company, RBI neither accepts any responsibility nor guarantee for the payment of any amount due to any investor in respect of the NCDs.

DISCLAIMER CLAUSE OF THE COMPANY

The Company has certified that the disclosures made in this DD are adequate and in conformity with the 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 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, 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 Asset Reconstruction Company Limited/ JMFARC / the Company / the Issuer	JM Financial Asset Reconstruction Company Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India and registered as an Asset Reconstruction Company with the Reserve Bank of India

Company related terms

Term	Description
Auditor	Deloitte Haskins & Sells 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 for the time being on the Board of the Company, 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 the Reserve Bank of India Act, 1934, as amended from time to time
Registered Office	The registered office of the Company located at 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India

Issue related terms

Term	Description
Act	shall mean provisions of the Companies Act, 1956 and the Companies Act, 2013, which are in effect from time to time
Allotment/Allot	The allotment of the NCDs or Debentures under this Issue
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, 1996
BSE	BSE Limited
Business Day	Any day of the week excluding Saturdays, Sundays, any day which is a public holiday for the purpose of the Negotiable Instruments Act, 1881 in Mumbai and any other day on which banks are closed for customer business in Mumbai, India
CDSL	Central Depository Services (India) Limited

Term	Description
Deemed Date of Allotment	The deemed date of allotment of NCDs being November 27, 2020
Debenture(s)	Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Non-Convertible Debenture(s) of the face value of ₹ 2,00,000/- (Rupees Two Lakh only) each aggregating upto ₹ 75,00,00,000 /- (Rupees Seventy Five Crore Only) 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
Debenture Trustee	Trustee for the Debenture Holders, in this case being SBICAP Trustee Company Limited
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) 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 and which contains the disclosures as per Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time
DP-ID	Depository Participant Identification Number
ECS	Electronic clearing system
Equity Shares	Equity shares of the Company of the face value of ₹10 each
Interest/Coupon Rate	The rate of interest, if any, payable on the NCDs for the period specified in the DD
Issue	Private Placement of the Debentures under this DD
Market Lot	The minimum lot size for trading of the Debentures on the Stock Exchange
Moveable Property	Moveable Property shall mean the specific identified movable properties of the Company provided as security in relation to this issue, including the Receivables and Cash/Bank balances of the Company, the Priority Loan(s) and the Security Receipts.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
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
Priority Loan(s)	Means additional loan(s) to borrower(s) given by the Company which has a priority in cash flows over the cash flows from Security Receipts (i.e., the underlying dues acquired in Trusts) of the same borrower.
Rating Agency	ICRA Limited
RBI	The Reserve Bank of India

Term	Description
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
RTGS	Real Time Gross Settlement
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, gross of service tax (if any) arising out of any of loans and advances, investments, stock in trade and other current assets of the Company
Redemption Date	With respect to any Debenture 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 Private Limited
SARFAESI	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
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 Debt Securities) Regulations, 2008, as amended from time to time
Security	Means the security created or caused to be created by the Company to secure its obligations in respect of the Debentures and includes movable properties of the Company
Security Receipts	Security Receipts issued by SC/RC in accordance with the provisions of SARFAESI
Stock Exchange(s)	NSE and/or BSE
Tranche XXXI NCDs	Shall mean all 3750 NCDs issued under this DD
WDM	Wholesale Debt market Segment of the BSE and NSE

DISCLOSURES AND INFORMATION RELATING TO THE REFERENCE STOCK / UNDERLYING**1. DEFINITIONS**

- 1.1. De-listing** has the meaning given to it in Clause 3;
- 1.2. Disrupted Day** means any Scheduled Trading Day on which the BSE and/or NSE fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;
- 1.3. Early Closure** means, in respect of a Stock, the closure on an Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day;
- 1.4. Early Redemption Amount** means the amount payable by the Issuer to the Debenture Holder on an Early Redemption Date. This amount will be the fair value of the Debentures on such Early Redemption Date.
- 1.5. Exchange** means, in respect of a Stock, the BSE Limited and/or National Stock Exchange of India Limited or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Stocks has temporarily relocated (provided that there is comparable liquidity relative to such Stock on such temporary substitute exchange or quotation system as on the original Exchange);
- 1.6. Exchange Business Day** means any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time;
- 1.7. Exchange Disruption** means, in respect of a Stock, any event (other than an Early Closure) that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, (i) the Stock on the Exchange, or (ii) futures or options relating to the Stock on the relevant Exchange;
- 1.8. Extraordinary Dividend** means, in respect of a Stock, an amount per Stock paid as dividend for a particular reason, and not paid in regular course of time;
- 1.9. Market Disruption Event** means, in respect of a Stock, the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption at any time during the one hour period that ends at the Valuation/Observation Time, (ii) an Exchange Disruption at any time during the one hour period that ends at the Valuation/Observation Time or (iii) an Early Closure, which in either case is material. For the avoidance of doubt, a limitation on the hours and number of days of trading resulting from a change in the regular business hours of the Exchange will not constitute a Market Disruption Event; The Company shall, as soon as reasonably practicable, notify the Debenture Holders of the existence or occurrence of a Disrupted Day on any day that but for the occurrence or existence of a Disrupted Day would have been an Observation Date;
- 1.10. Merger Date** means, in respect of a Merger Event of a Stock Issuer, the closing date of such Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Company;

- 1.11. Merger Event** means, in respect of the Stock, any (i) reclassification or change of the Stock that results in a transfer of or an irrevocable commitment to transfer the Stock outstanding, to another entity or person, (ii) consolidation, amalgamation, merger or binding Stock exchange of the Stock Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding Stock exchange in which the Stock Issuer is the continuing entity and which does not result in reclassification or change of all of the Stock outstanding) or (iii) consolidation, amalgamation, merger or binding Stock exchange of the relevant Stock Issuer or its subsidiaries with or into another entity in which such Stock Issuer is the continuing entity and which does not result in a reclassification or change of all such Reference Stocks outstanding but results in the outstanding Stocks (other than Stocks owned or controlled by such other entity) immediately prior to such event collectively representing less than such percentage of the outstanding Stocks immediately following such event (a "Reverse Merger"), in each case if the Merger Date is on or before the relevant Valuation Date.
- 1.12. Observation Date** shall mean each Date as specified in the Summary Term Sheet, provided that if such day is not a Scheduled Trading Day then, as per Modified Following Business Day Convention or if the day which would otherwise be the Observation Date, is a Disrupted Day, then the relevant Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Observation Date is a Disrupted Day. In that case (a) that the eighth Scheduled Trading Day shall be deemed to be the relevant Observation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Company shall determine the level of the Reference Stocks as of the Observation Time on that eighth Scheduled Trading Day last in effect prior to the occurrence of the first Disrupted Day using the quoted price as of the Observation Time on that eighth Scheduled Trading Day of the Reference Stocks (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); provided always that the final Observation Date will not be later than the eighth Business Day after the Final Valuation Date and if the eighth Scheduled Trading Day would be later than the eighth Business Day after the Final Valuation Date, references to the eighth Scheduled Trading Day shall be deemed to be the eighth Business Day after the Final Valuation Date. In the event, the underlying security is not traded on the final observation date, the final observation date shall be the date on which the underlying security was last traded immediately preceding the final observation date.
- 1.13. Observation Time** means Scheduled Closing Time on an Observation Date;
- 1.14. Potential Adjustment Event** has the meaning given to it in paragraph 2.1.
- 1.15. Scheduled Closing Time** means, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after-hours or any other trading outside of the regular trading session hours;
- 1.16. Scheduled Trading Day** means, in respect of a Stock, any day on which the relevant Exchange is scheduled to be open for trading for its respective regular trading sessions;
- 1.17. Reference Stock/ Stock** shall mean and include IGB 5.77 08/03/30 Corp as specified in table for Terms and Conditions of Debentures/NCDs.
- 1.18. Tender Offer** means, in respect of any Stock, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means,

such percentage of the outstanding voting Stocks of the relevant Stock Issuer which requires a public announcement to be made of such acquisition under the SEBI (Substantial Acquisition of Stocks and Takeovers) Regulations, 2011 (if applicable), based upon the making of filings with governmental or self-regulatory agencies or such relevant other information;

1.19. Tender Offer Date means, in respect of a Tender Offer, the date on which the percentage of voting Stocks are actually purchased or otherwise obtained;

1.20. Trading Disruption means, in respect of a Stock, any suspension of or limitation imposed on trading by the Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise: (i) relating to the Stock on the Exchange or (ii) in futures or options contracts relating to the Stock on the Exchange;

1.21. Valuation Time means, the Scheduled Closing Time on the relevant Exchange. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

2. ADJUSTMENTS TO THE STOCKS

2.1. Event requiring Adjustments

- a) The occurrence of a Merger Event, Tender Offer, Realisation Disruption Event and Potential Adjustment Event (as defined hereinafter) shall each constitute an Adjustment Event:
- b) For the purposes of this DD, Potential Adjustment Event, shall mean, with respect to the Stock, any of the following:
 - (i) a subdivision, consolidation or reclassification of the Stock (unless resulting in a Merger Event), or a free distribution or dividend of the Stock to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution, issue or dividend to existing holders of the Stock of (1) such Stock or (2) other Stock capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of such Stock Issuer equally or proportionately with such payments to holders of such Stock, or (3) Stock capital or other securities of another issuer acquired or owned (directly or indirectly) by such Stock Issuer as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price;
- c) An Extraordinary Dividend;
- d) A call by the Stock Issuer in respect of Stocks that are not fully paid;
- e) A repurchase by the Stock Issuer whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- f) An event that results in any Stockholder rights being distributed or becoming separated from Stocks of common stock or other Stocks of the capital stock of the Stock Issuer pursuant to a Stockholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or

stock rights at a price below their market value, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

- g) Any other event that may have a diluting or concentrating effect on the theoretical value of the relevant Stock.
- h) **"Realisation Disruption Event"** shall have occurred if any restrictions, taxes, charges or other deductions have been imposed by any applicable governmental, taxation, judicial or regulatory body on (a) any dealing by the Issuer or any of its affiliates in any relevant instruments listed or traded on any Exchange or Related Exchange and held by the Issuer or any of its affiliates for hedging purposes such that the Issuer or any of its affiliates (1) is unable to continue to purchase, sell or otherwise deal in relevant instruments, (2) is unable to perform its obligations under the Debenture or in respect of any relevant hedging arrangements in connection therewith or (3) will incur a materially increased cost (as compared with circumstances existing at the Issue Opening Date) in performing its obligations under the Debenture or in respect of any relevant hedging arrangements in connection therewith;

2.2. Adjustment

On or at any time after the occurrence of an Adjustment Event,

- a) upon determination by the Company that a Merger Event/Tender Offer has occurred, then, on or after the relevant Merger Date/Tender Offer Date, the Company shall make such adjustment to the relevant terms of the Debentures which is appropriate to account for the economic effect on the Debentures of such Merger Event/Tender offer (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Stock), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event/Tender offer by any exchange on which options on the Stock traded and determine the effective date of that adjustment.
- b) if the Adjustment Event is a Potential Adjustment Event, then following the declaration by any Stock Issuer of an event which is a Potential Adjustment Event or following any adjustment to the settlement terms of listed contracts of the relevant Stock, the Company shall determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Stock and, if so, a. will make the corresponding adjustment, if any, to the calculation of the Coupon Amount and/or the Final Redemption Amount and/or the Contingent Early Redemption Amount and/or any other relevant terms of the Debentures as the Company, in its sole and absolute discretion (which discretion is not subject to any challenge or dispute), appropriate to account for that diluting or concentrative effect or, b. determine the effective date(s) of the adjustment(s); provided that no adjustment shall be made to the date of maturity of the Debentures. Such adjustments shall be deemed to be so made from such effective date(s).
- c) if the Adjustment Event is a Realisation Disruption Event, on or before any Valuation Date, the Company may, in good faith and in a commercially reasonable manner, make such consequential adjustments to any of the terms of the Debentures (including any payment obligations) as it determines appropriate in order to reflect the particular Realisation Disruption Event. Such adjustments may include (but are not limited to) (1) deduction of the applicable charge, tax or deduction from the Redemption Amount or Early Redemption Amount, as the case may be, and/or (2) non-payment of the Redemption Amount or Early Redemption Amount and the retention of such amount, as the case may be, until the relevant restrictions are lifted. Any such adjustments will be effective as of the date determined by the Company. The Company may (but need not) in its absolute discretion determine the appropriate adjustments by reference to the adjustment(s) in respect of such Adjustment Event made by any Exchange to listed contracts of the relevant Stock

traded on such Exchange.

If the Company is unable to make such adjustment, then it shall have the sole discretion to redeem the Debentures in the manner provided below, describing the process for Early Redemption.

The Issuer shall, as soon as reasonably practicable, provide notice to the Debenture-Holder and Trustee of any consequential adjustments to be made to the terms of the Debentures as determined appropriate by it which notice shall be irrevocable, provided that any failure to give, or non-receipt of such notice will not affect the validity of the Adjustment Event.

3. EARLY REDEMPTION FOR EXTRAORDINARY REASON, ILLEGALITY AND FORCE MAJEURE

If, for reasons beyond the control of the Issuer, the performance of the Issuer's obligation(s) under the Debentures is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Issuer, occurring after such obligation(s) is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Issuer may at its discretion and without obligation redeem all but not some of the Debentures, by giving notice of not less than five (5) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the "**Early Redemption Date**"). If the Debentures are so cancelled, the Issuer will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each Debenture held by such holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability as determined by the Company in its sole and absolute discretion.

Nationalisation or De-listing Event shall have occurred if at any time in respect of the Stock Issuer, (A) all the Stocks of the Stock Issuer or all the assets or substantially all the assets of such Stock Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof ("**Nationalisation**") or (B) the relevant Exchange announces that pursuant to the rules of such Exchange, such Stocks cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in India or such Stocks are no longer listed on an Exchange acceptable to the Issuer ("**De-listing**")

Insolvency Event shall have occurred If at any time, by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or analogous proceeding affecting the Stock Issuer (i) all the Stocks of the Stock Issuer are required to be transferred to any trustee, liquidator or other similar official or (ii) holders of the Stocks of such Stock Issuer become legally prohibited from transferring them, Insolvency Filing Event shall have occurred if an Insolvency Filing shall have occurred.

"Insolvency Filing" means, in respect of the Stock, that the Stock Issuer has instituted, or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or its consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the relevant Stock Issuer shall not be deemed an insolvency filing. The Issuer shall, as soon as reasonably practicable, provide notice to the Debenture-Holder and Trustee of determination of any event to be made to the terms of the Debentures as determined appropriate by it and which shall consequent Early Redemption. Such notice shall be irrevocable and shall specify the date of such redemption.

4. DETERMINATIONS

Whenever any matter falls to be determined, considered or otherwise decided upon by the Issuer, or any other person (including where a matter is to be decided by reference to the Issuer's, or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Issuer or such other person, as the case may be, in good faith and in its sole and absolute discretion.

5. CORRECTION OF STOCK PRICES

In the event that any price or level published on the Exchange or Related Exchange and which is utilised for any calculation or determination made in respect of the Debentures is subsequently corrected and the correction is published by the Exchange or Related Exchange within two Business Days after the original publication (and at least two Business Days prior to the Maturity Date), the Issuer will determine the amount that is payable or deliverable as a result of the correction and, to the extent necessary, adjust the terms of the Debentures to account for such correction.

CERTAIN IMPORTANT DISCLAIMERS, INCLUDING IN RELATION TO THE REFERENCE STOCKS

- A. This DD in relation to the Debentures is made available by the Issuer to the applicant on the further strict understanding that (i) in providing this DD to the applicant, there will be no violation of rules, regulations and byelaws issued by any applicable authority including those issued by the Securities and Exchange Board of India; (ii) the applicant has sufficient knowledge, experience, and professional advice to make its own evaluation of the merits and risks of a transaction of the type under this DD and (iii) the applicant is not relying on the Issuer nor on any of the affiliates of the Issuer for information, advice or recommendations of any sort except for the accuracy of specific factual information about the possible terms of the transaction.

The Issuer is not acting as the advisor or agent of the applicant. This DD does not purport to identify for the applicant, the risks (direct or indirect) or other material considerations, which may be associated with the applicant entering into the proposed transaction. Prior to entering into any proposed transaction, the applicant should independently determine, without reliance upon the Issuer or the affiliates of the Issuer, the economic risks and merits, as well as the legal, tax, and accounting characterizations and consequences of the transaction and including that the applicant is able to assume these risks. The Issuer, and/or the affiliates of the Issuer, may act as principal or agent in similar transactions and/or in transactions with respect to instruments underlying a proposed transaction. The Issuer, and/or the affiliates of the Issuer may, from time to time, have a long or short proprietary position/s and/or actively trade, by making markets to its clients, in financial products identical to or economically related to those financial products described in this DD. The Issuer may also undertake hedging transactions related to the initiation or termination of a transaction, that may adversely affect the market price, rate, index or other market factors(s) underlying the financial product and consequently its value. The Issuer may have a commercial relationship with and access to information of reference securities, financial products, or other interests underlying a transaction. This DD and the contents herein are the Issuer's property, and are to be considered proprietary information and may not be reproduced or otherwise disseminated in whole or in part without the Issuer's written consent unless required to by judicial or administrative proceeding, and then with prior notice to the Issuer. Applicants must understand that while the Debentures would be listed, in view of the nature and complexity of the Debentures, marketability may be impacted in a manner that cannot be determined. Past performance is not indicative of future performance. Investment in the Debentures may be subject to the risk of loss, meaning the allottee may lose some or all of its investment especially where changes in the value of the transaction may be accentuated by leverage. There is a risk that the occurrence of a force majeure or illegality, may result in the loss of part of the investment. No liability whatsoever is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this communication. The Issuer undertakes no obligation to effect any updates on

information. Any prices used herein, other than in relation to term sheet, are indicative. Any opinions attributed to the Issuer, and/or the affiliates of the Issuer constitute the Issuer's judgment as of the date of the material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given. Commissions and other transaction costs may not have been taken into consideration. Any scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment. The return on the Debentures is dependent on the Reference Stocks. The Company has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to the Debentures have occurred, and (ii) to determine any resulting adjustments and calculations as described in such conditions. Prospective purchasers should be aware that any determination made by the Company may have an impact on the value and financial return of the Debentures.

- B.** Notwithstanding anything herein contained the Issuer shall not bear responsibility or liability for any losses arising out of any delay in or interruptions of performance of the Exchange with regard to the Stock or the Issuer's obligations under this DD due to any Force Majeure Event, act of God, act of governmental authority, act of the public enemy or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, insurrection, labour difficulty (including, without limitation, any strike, or other work stoppage or slow down), severe or adverse weather conditions, communications line failure, or other similar cause beyond the reasonable control of the Issuer.

"Force Majeure Event" for the purposes of the clause above, means any war, strike, lock-out, national disaster, act of terrorism, an act of Issuer occurring after such obligation is entered into, or such obligation has become illegal or impossible in whole or in part, or any breakdown, failure or malfunction beyond the control of the Issuer of any telecommunication or computer system including, without limitation unavailability of any communication system, systems outages breakdowns, breach or virus in the processes or payment and delivery mechanism, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, acts of government, computer hacking unauthorised access to computer data and storage devices, computer crashes, etc.

No review of the Reference Stock or the Stock Issuer, including without limitation, any public filings made by the Stock Issuer have been made for the purposes of forming a view as to the merits of an investment linked to the Reference Stock. Nor is any guarantee or express or implied warranty in respect of the selection of the Reference Stock made nor is any assurance or guarantee as to the performance of the Reference Stock given. Investors should not conclude that the sale by the Issuer is any form of investment recommendation by it or any of its affiliates, or agents acting on any of their behalf.

- C.** The Issuer accepts no responsibility for the accurate extraction, reproduction and summary of any information relating to Reference Stock. No further or other responsibility in respect of such information is accepted by the Issuer. No representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by the Issuer as to the accuracy or completeness of the information contained in this DD. Purchasers of the Debentures should ensure that they understand the nature of the Debentures and the extent of their exposure to risk and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition. The performance of the Reference Stock will therefore affect the nature and value of the investment return on the Debentures. Also a relatively small movement in the value of the Reference Stock can result in a disproportionately large movement in the price of the Debentures. Purchasers should conduct their own investigations and, in deciding whether or not to purchase Debentures, purchasers of the Debentures should form their own views of the merits of an investment related to the Reference Stock based on such investigations and not in reliance on any information given in this DD.

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. Investors should carefully consider all the risk factors in this DD for evaluating the Company, 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. COVID-19

The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.

2. Credit Risk

Any lending and investment activity by the Company is exposed to credit risk arising from interest/repayment default by borrowers and other counterparties. Being an asset reconstruction company, the Company has invested in Security Receipts having underlying assets being Non-performing assets (NPAs) and has also lent money to borrowers having high credit risks. The Company is also exposed to the risk of borrowers who owe money, securities or other dues and does not meet their obligations due to various reasons.

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 the security over the assets. 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. Although the Company regularly reviews its credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee.

3. Repayment of principal is subject to the credit risk of the Company

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. 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 in respect of the Debentures may be substantially reduced or delayed.

4. Access to Capital Markets and Commercial Borrowings

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 have adequate funds to meet the requirements of the business. This may adversely impact its business results and its future financial performance.

5. Commercial Papers and Short term borrowings

The Company, being an asset reconstruction company, does not have access to public deposits. A major portion of the Company's funding requirements is currently met through short term funding sources such as commercial papers and short term loans from banks and other bodies corporate. Potential funding mismatches may arise if short term funding sources are not available to the Company. This could have a negative impact on the business and future financial performance of the Company.

6. Operational and System Risk

The Company faces operational and system risks, which may arise as a result of various factors, viz., improper authorizations, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper policies, frauds, inadequate training and employee errors. Further, there can also be a security risk in terms of handling information technology related products such as system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security.

If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of Company's businesses, regulatory intervention and/or damage to its reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

7. Any inability of the Company to attract or retain talented professionals may impact its business operations

The business in which the Company operates is very competitive and ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose many business opportunities and business would suffer if such required manpower is not available on time. The

inability of the Company to replace manpower in a satisfactory and timely manner may adversely affect its business and future financial performance.

8. Employee Misconduct

Any kind of employee misconduct may impair the Company's ability to service its clients. It is not always possible to deter employee misconduct and the precautions the Company takes to detect and prevent this activity may not be effective in all cases.

9. Downgrading in credit rating

ICRA Limited has assigned "PP-MLD [ICRA] AA- / stable" rating for this NCD issue of ₹ 75 Crore. 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, 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.

10. No guarantee

JM Financial Limited, the Principal Sponsor of the 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.

11. Decisions may be made on behalf of all Debenture Holders that may be adverse to the interest of individual Debenture Holders

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.

12. Security may be insufficient to redeem the Debentures

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 Trust 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, and (ii) finding a willing buyer for such security at a price sufficient to repay the investors' amounts outstanding under the Debentures.

13. Tax and other Considerations

Special tax, accounting and legal considerations may apply to certain types of investors. 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.

14. Company's indebtedness and covenants imposed by its financing arrangements may restrict its ability to conduct its business or operations

The 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.

15. The business of the Company is dependent on the successful acquisition of financial assets from the banks/financial institutions and the resolution of such acquired assets within the realisation time frame.

Any failure in realisation of the assets acquired by the Company due to recession, inflation, economy, change in regulations, etc. could adversely affect the business of the Company. Failure in acquisition of financial assets may also impact the financial performance of the Company.

B. EXTERNAL RISK FACTORS

1. Any adverse impact of COVID 19 may impact the business of the Company to suffer.

2. The Debentures may be illiquid

The Company intends to list the Debentures on the WDM segment of the BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Company may, but is not obliged to, at any time purchase the Debentures at any price in the market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to settlement of the Debentures.

Further, the Company may not be able to issue any further Debentures, in case of any disruptions in the securities market.

3. Future legal and regulatory impact

Future government policies and changes in laws and regulations in India (including their interpretation and application to the operations of the Company) and comments, statements or policy changes by any regulator, including but not limited to SEBI or RBI, may adversely affect the Debentures, and restrict the Company's ability to do business. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, financial results and/or operations.

Further, SEBI, the relevant Stock Exchange(s) or other regulatory authorities may require clarifications on this DD, which may cause a delay in the issuance of Debentures or may result in the Debentures being materially affected or even rejected.

4. Material changes in regulations to which the Company is subject

Asset reconstruction companies (ARCs) in India are subject to detailed supervision and regulation by the RBI. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. Any changes in the regulatory framework affecting ARCs could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise.

5. **A slowdown in economic growth in India**

The Company's performance and the recovery from the assets acquired are necessarily dependent on the health of the overall Indian economy.

6. **Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally**

If there was to be any slowdown in the economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the Company's business. Financial difficulties and other problems in certain financial institutions in India could cause the Company's business to suffer. The Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties, trends and other problems faced by certain Indian financial institutions. The problems faced by such Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create an adverse market perception about Indian financial institutions, banks, NBFCs and ARCs. This in turn could adversely affect the Company's business, its future financial performance and its shareholders' funds.

7. **Acts of God, terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Company's business**

Acts of God, terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a perception that investment in Indian companies involves a higher degree of risk which could have an adverse impact on the Company's business.

8. **The Company's business may be adversely impacted by natural calamities or unfavourable climatic changes**

India has experienced natural calamities such as earthquakes, floods, droughts and tsunamis in recent years. India has also experienced pandemics, including the outbreak of avian flu and swine flu. The extent and severity of these natural disasters and pandemics determine their impact on the economy and in turn their effect on the financial services sector of which the Company is a part cannot be ascertained or predicted but could adversely affect the Company. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economy which in turn could adversely affect the financial results and/or operations of the Company.

C. ASSUMPTIONS IN RESPECT OF INVESTMENT IN NCDs BY INVESTORS

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 assume 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 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 investment in the NCDs;
- 4) has not relied on either the Company or any of its affiliate, associate 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 members, directors 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 company, 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; and
 - (c) investment in the NCDs does not contravene any provisions of its 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.

ADDITIONAL RISK FACTORS THAT ARE SPECIFIC TO ISSUE OF MARKET LINKED DEBENTURES:

- 1) The NCDs proposed to be issued are subject to model risk, i.e., the securities are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.
- 2) The NCDs proposed to be issued being principal/capital protected, the principal amount is subject to the credit risk of the issuer whereby the investor may or may not recover all or part of the funds in case of default by the issuer. Thus the investments in such NCDs may also result in a loss.
- 3) The valuations as may be provided by the Valuation Agency, on the website of the Issuer and the Valuation Agency or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agency's computation of the valuation which may in turn be based on several assumptions. A Debenture Holder understands and is aware that the valuation is not in any manner reflective of the actual returns that can be obtained by such Investor on the Debentures.
- 4) The return on an investment in the Debentures (which are linked with shares) may differ from the return an investor might earn on a direct investment in the shares over a similar period.
- 5) The terms of the instrument specify that the payments to investors will not be fixed, and will be linked to an external variable i.e. IGB 5.77 08/03/30 Corp. This could result in variability in payments - because of adverse movement in value of the external variable. The risk of such adverse movement in price / value is not addressed by any rating.
- 6) Investors considering borrowing capital to leverage their investment in the Debentures should obtain further detailed information as to the applicable risks from their lender. Any statement on the potential risks and return on the Debentures does not take into account the effect of any leveraging.
- 7) Investors are exposed to the factors like movement of interest rate volatility, time value etc. whenever their Debentures are redeemed, tendered or sold prior to maturity.
- 8) An investment in the Debentures involves multiple risks and such investment should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the applicable reference securities, indices, interest rates, etc.

SECTION - III**DISCLOSURES AS PER SCHEDULE I OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008****A. ISSUER INFORMATION****a. Name and Address of the following:**

Sr. No.	Particulars	Details
1.	Name of the Issuer	JM Financial Asset Reconstruction Company Limited
2.	Registered Office of the Issuer	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Tel. No. +91 22 6630 3030 Fax: +91 22 6630 3223 Website: www.jmfinancialarc.com
3.	Corporate Office of the Issuer	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Tel. No. +91 22 - 6630 3030 Fax: +91 22 - 6630 3223
4.	Company Secretary and Compliance Officer of the Issuer	Mr. Vineet Singh 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Tel. No. +91 22 - 6630 3165 Fax: +91 22 - 6630 3223 Email: vineet.singh@jmfl.com
5.	Chief Financial Officer of the Issuer	Mr. Sabyasachi Ray 7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 Tel. No. +91 22 - 6630 3496 Fax: +91 22 - 6630 3223 Email: sabyasachi.ray@jmfl.com
6.	Trustee of the Issue	SBICAP Trustee Company Limited 6 th Floor, Apeejay House, 3, Dinshaw Wachha Road, Churchgate, Mumbai 400 020 Tel: +91 22 43025555; Fax: +91 22 22040465 E-mail: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person: Mr. Prashant Joshi
7.	Registrar of the Issue	KFin Technologies Private Limited Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032 Telephone : (040) 6716 2222 Fax : (040) 2343 1551 Email id : venu.sp@kfintech.com Website: www.kfintech.com Contact Person : Mr. S P Venugopal
8.	Credit Rating agency of the Issue	ICRA Limited 3 rd Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 Tel: +91 22 6169 3300; Fax: +91 22 2433 1390 website: www.icra.in
9.	Auditors of the Issuer	Deloitte Haskins & Sells LLP Indiabulls Finance Centre Tower 3, 27 th – 32 nd Floor Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013 website: www2.deloitte.com

Investors can contact the compliance officer in case of any pre-issue or post-issue related matters.

b. Brief summary of the business / activities of the Issuer and its line of business:**i. Overview:**

JM Financial Asset Reconstruction Company Limited (the Company) is an asset reconstruction company registered with the Reserve Bank of India under the provisions of SARFAESI. The Company is engaged in the business of acquisition of financial assets from banks / financial institutions and implementing resolution strategies for the acquired assets.

The Company is a leading player in the asset reconstruction business. As on September 30, 2020, the Company had acquired financial assets (cumulative) valued at ₹ 60,401 Crore at an acquisition cost (cumulative) of ₹ 17,079 Crore. The total assets under management of the Company as on September 31, 2020 were ₹ 11,429 Crore.

ii. Corporate Structure:

The shareholding pattern of the Company as on September 30, 2020 is as follows:

Name of the shareholder	Number of shares held	Percentage of shareholding as on Record date (%)
Sponsor Shareholders		
JM Financial Limited along with its nominees (Principal Sponsor)	20,41,97,279	59.249
Mr. Narotam Sekhsaria	5,68,66,072	16.500
Radhakrishna Bimalkumar Private Limited	1,20,62,500	3.500
Non –Sponsor Shareholders		
Indian Overseas Bank	2,10,00,000	6.093
UCO Bank	1,14,88,095	3.333
Union Bank of India	1,00,00,000	2.902
Valiant Mauritius Partners FDI Limited	2,90,28,911	8.423
Total	34,46,42,857	100.00

Note: The shareholding pattern excludes Compulsorily Convertible Debentures.

ii. Key Operational and Financial Parameters for the last three Audited years:

The Key Operational and Financial Parameters (Consolidated) for the last three Audited Financial (INDAS) years are as under:

(₹ in Lakh)

Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
For Financial Entities				
Networth	1,47,061.31	1,45,001.66	1,26,522.75	1,10,602.63
Total Debt	1,72,890.64	2,05,824.63	2,09,913.99	1,05,232.67
Total Borrowings other than Debt	92,492.37	50,822.14	41,996.37	35,829.65
- Current maturities of Total Debt	83,727.81	51,103.35	80,973.99	42,525.67
-Current maturities of Total Borrowings	74,448.70	28,047.66	21,975.37	13,076.65
Net Fixed Assets	2,175.72	2,327.68	168.74	170.87
Cash and bank balances	4,649.29	26,667.46	16,141.64	4,393.31
Loans	57,602.33	52,593.24	48,571.01	26,150.06
Investments	1,11,106.30	1,16,421.65	1,42,833.97	1,25,266.96
Financial Assets under Distressed Credit Business	2,28,101.55	1,96,515.91	2,24,187.48	1,45,481.36
Asset Under Management	11,42,931.99	11,48,908.14	14,04,382.64	12,96,480.82
Revenue from operations	18,172.30	40,664.21	49,998.83	31,872.82
Finance costs	13,454.60	26,938.99	21,575.11	11,910.19
PAT	2,098.40	4,767.84	13,160.10	207.05
Capital Adequacy Ratio (%)*	34.34%	37.16%	29.64%	39.62%

The Key Operational and Financial Parameters (Standalone) for the last two Audited Financial (Ind AS) years are as under:

(₹ in Lakh)

Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 31.03.2019 (Restated and Audited)	As at 31.03.2018 (Audited)
Net Worth	1,46,850.32	1,44,804.03	1,24,628.54	98,084.55
Total Debt	1,72,890.64	2,05,824.63	2,09,913.99	1,05,232.67
Total Borrowings other than Debt	92,492.37	50,822.14	41,996.37	35,829.65
- Current maturities of Total Debt	83,727.81	51,103.35	80,973.99	42,525.67
-Current maturities of Total Borrowings	74,448.70	28,047.66	21,975.37	13,076.65
Net Fixed Assets	2,175.72	2,327.68	168.74	170.87
Non Current Assets	2,96,385.78	2,83,078.90	1,73,859.17	1,87,097.74
Cash and cash equivalents	3,341.70	25,320.13	15,458.81	1,350.98
Current Investment	80,384.89	63,994.32	1,69,486.27	39,332.22
Current Assets	1,23,032.90	1,25,430.81	2,27,232.25	57,224.73
Current Liabilities	1,63,133.73	83,061.33	1,24,080.14	59,171.62
Asset Under Management (held in Trust)	11,42,931.99	11,48,908.14	14,04,382.64	12,96,480.82
Off Balance Sheet Assets	-	-	-	-
Total Income	18,030.23	41,568.61	53,743.48	33,205.18
Total expenses (other than interest)	1,842.14	3,456.77	5,292.80	4,591.60
Interest Expenses	13,454.60	26,938.99	21,575.11	11,910.19
Provisioning & write-offs	88.38	3,167.88	2,844.00	15,422.93
Profit After Tax	1,990.16	5,922.81	16,217.20	102.40
Capital Adequacy Ratio (%)	34.34%	37.16%	29.64%	39.62%

Note: During the financial year 2019-20, the Company changed its policy to value the investment in security receipts of subsidiaries at fair value instead of carrying the same at cost. The principal activity of the Company includes investing in and managing distressed assets and hence fair valuation of the SRs in standalone financial statements would be a better representation of the underlying business of the Company as against carrying the same at cost. Accordingly, as per para 14 (b) of IND AS 8, the Company has retrospectively changed the policy to fair value the investments in SRs in subsidiary as the change results in the financial statements providing reliable and more relevant information about the Company's financial position, financial performance or cash flows. Financial results for financial year 2018-19 has been restated as per the change in accounting policy.

Abridged Consolidated Balance Sheet as per Ind AS:

(₹ in Lakh)

Sr. No.	Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
A	ASSETS				
1	Financial Assets				
(a)	Cash and cash equivalents	4,649.29	26,667.46	16,141.64	4,393.31
(b)	Other Bank Balances	75.66	75.66	148.59	75.66
(c)	Trade Receivables	18,406.25	15,373.90	14,180.87	12,386.19
(d)	Loans	57,602.33	52,593.24	48,571.01	26,150.06
(d)	Investments	1,11,106.30	1,16,421.65	1,42,833.97	1,25,266.96
(e)	Other Financial assets	2,32,153.37	2,01,615.58	2,27,088.04	1,46,278.67
	Total Financial Assets	4,23,993.20	4,12,747.49	4,48,964.12	3,14,550.85
2	Non-Financial Assets				
(a)	Current tax Assets (Net)	3,098.29	2,679.30	526.43	466.09
(b)	Deferred tax assets (net)	535.57	1,017.01	-	-
(c)	Property, Plant and Equipment	2,171.30	2,320.20	154.96	152.42
(d)	Intangible assets under development	4.42	7.48	13.78	18.45
(e)	Other non-financial assets	249.62	181.73	348.07	87.68
	Total Non-Financial Assets	6,059.20	6,205.72	1,043.24	724.64
	TOTAL	4,30,052.40	4,18,953.21	4,50,007.36	3,15,275.49
B	EQUITY AND LIABILITIES				
1	Financial Liabilities				
(a)	Trade Payables – other than micro and small enterprises	208.07	280.24	207.61	79.95
(b)	Debt Securities	1,72,890.64	2,05,824.63	2,09,913.99	1,05,232.67
(c)	Borrowings (Other than Debt Securities)	92,492.37	50,822.14	41,996.37	35,829.65
(d)	Other financial liabilities	5,247.02	6,464.85	19,109.88	2,666.73
	Total Financial Liabilities	2,70,838.10	2,63,391.86	2,71,227.85	1,43,809.00
2	Non-Financial Liabilities				
(a)	Current tax liabilities (Net)	-	624.76	2,256.39	664.78
(b)	Provisions	466.86	199.91	198.16	165.83
(c)	Deferred tax liabilities (Net)	-	-	730.24	5,102.72
(d)	Other non-financial liabilities	2,339.45	858.13	666.75	2,626.49
	Total Non-Financial Liabilities	2,806.31	1,682.80	3,851.54	8,559.82
3	EQUITY				
(a)	Equity Share capital	34,464.29	34,464.29	34,464.29	34,464.29
(b)	Other Equity	1,12,597.02	1,10,537.37	92,058.46	76,138.34
	Equity attributable to owners of the Company	1,47,061.31	1,45,001.66	1,26,522.75	1,10,602.63
(c)	Non-controlling interests	9,346.68	8,876.89	48,405.22	52,304.04
	Total Equity	1,56,407.99	1,53,878.55	1,74,927.97	1,62,906.67
	Total Liabilities and Equity	4,30,052.40	4,18,953.21	4,50,007.36	3,15,275.49

Note: Figures in respect of the previous year(s) / periods have been rearranged wherever necessary to correspond with the figures of the current year.

Abridged Consolidated Statement of Profit & Loss as per Ind AS:

(₹ in Lakh)

Sr. No.	Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
	INCOME				
(I)	Revenue from operations				
1	Interest Income	5,998.31	18,067.28	12,866.71	4,940.41
2	Fees and Incentives	7,881.81	20,875.34	22,570.91	24,323.55
3	Net gain on derecognition of financial assets carried at FVTPL/Net gain on fair value changes	4,292.18	1,721.59	14,561.21	2,608.86
	Total Revenue from operations	18,172.30	40,664.21	49,998.83	31,872.82
(II)	Other Income				
1	Interest on Fixed Deposits with Banks and Others	140.59	685.94	60.45	67.75
	Total Other Income	140.59	685.94	60.45	67.75
	Total Income (I+II)	18,312.89	41,350.15	50,059.28	31,940.57
(III)	Expenses				
1	Finance Costs	13,454.60	26,938.99	21,575.11	11,910.19
2	Net Loss on fair value changes	-	-	-	15,229.25
3	Impairment of financial instruments	103.55	1,675.25	2,224.00	(176.06)
4	Employee benefits expenses	1,219.92	1,970.80	3,590.88	3,008.56
5	Depreciation and amortization	151.96	323.63	91.93	112.07
6	Operating and other expenses	593.39	2,364.28	2,431.92	2,100.58
	Total Expenses	15,523.42	33,272.95	29,913.84	32,184.59
	Profit / (loss) before exceptional items and tax	2,789.47	8,077.20	20,145.44	(244.02)
(IV)	Tax Expense				
1	Current tax	242.74	5,033.37	10,581.37	6,221.42
2	Deferred tax	448.33	(1,724.01)	(3,596.03)	(6,672.49)
	Total Tax expenses	691.07	3,309.36	6,985.34	(451.07)
	Profit after tax	2,098.40	4,767.84	13,160.10	207.05
(V)	Other Comprehensive Income				
	Items that will not be reclassified to profit or loss				
	- Remeasurment of employee defined benefit obligation	(0.37)	(1.16)	(18.81)	(0.34)
	- Income tax on above	0.09	0.40	6.51	0.12
	Other Comprehensive Income	(0.28)	(0.76)	(12.30)	(0.22)
	Total Comprehensive Income for the period	2,098.12	4,767.08	13,147.80	206.83
	Net profit attributed to:				
	Owners of Parents	2,004.48	4,225.77	16,593.45	219.44
	Non- Controlling Interests	93.92	542.07	(3,433.35)	(12.39)

	Other Comprehensive income attributed to:				
	Owners of Parents	(0.28)	(0.76)	(12.30)	(0.22)
	Non- Controlling Interests	-	-	-	-
	Total Comprehensive income attributed to:				
	Owners of Parents	2,004.20	4,225.01	16,581.15	219.22
	Non- Controlling Interests	93.92	542.07	(3,433.35)	(12.39)
	Earning per share				
	Basic EPS (in Re.) (Not annualised)	0.50	1.23	4.81	0.09
	Diluted EPS (in Re.) (Not annualised)	0.50	1.23	4.81	0.09

Note: Figures in respect of the previous year(s) / periods have been rearranged wherever necessary to correspond with the figures of the current year.

Abridged Consolidated Statement of Cash flow as per Ind AS:

(₹ in Lakh)

	Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
A	Cash flow from operating activities				
	Profit before income tax	2,789.47	8,077.20	20,145.44	(244.02)
	Adjustment for				
	Depreciation and amortisation of expenses	151.96	323.63	91.83	112.07
	Interest on finance lease	104.61	218.12	-	-
	Interest income on fixed deposit	(133.74)	(669.46)	(59.37)	(65.91)
	Interest on compulsory convertible debenture	335.99	385.29	-	-
	Gain on sale of Property, Plant and Equipment	-	(1.74)	(0.27)	-
	Provision for Corporate Social Responsibility	219.72	-	-	-
	Net (Gain)/Loss on fair value change	(2,861.37)	4,969.17	5,947.21	15,229.25
	Loss on derecognition of subsidiary and change in controlling interest	-	10.06	-	-
	Employee Benefit Expenses (ESOP)	56.46	-	-	-
	Impairment of financial assets	103.55	1,675.25	2,224.00	(176.06)
	Operating profit before working capital changes	766.65	14,987.52	28,348.84	14,855.33
	Change in operating assets and liabilities				
	(Increase)/decrease in security receipts and financial assets of trusts	(23,000.38)	8,122.50	(1,04,135.57)	(32,762.58)
	(Increase)/decrease in trade receivables	(3,153.81)	(1,924.50)	(3,435.12)	3,635.06
	Decrease/(Increase) in long term loans and advances	(5,058.92)	(4,668.44)	(23,004.51)	(20,292.15)
	(Increase)/decrease in other financial assets	1,116.36	(2,496.09)	(2,103.24)	1,415.92
	(Increase)/decrease in non financial assets	(67.88)	3.46	(260.39)	(64.98)
	Increase/(decrease) in trade payables	(71.86)	965.21	127.66	(9.82)
	Increase/(decrease) in financial liabilities	(1,157.62)	(14,863.90)	15,066.34	624.76
	Increase/(decrease) in non financial liabilities	1,400.33	59.33	(582.97)	65.89
	Increase in provisions	47.30	1.76	32.32	26.46
	(Increase)/decrease in other bank balances	-	72.93	(72.93)	-
	Cash generated from operations	(29,179.83)	259.78	(90,019.57)	(32,506.11)
	Income tax paid	(1,286.49)	(8,817.87)	(9,050.09)	(5,915.92)
	Net cash inflow/(outflow) from operating	(30,466.32)	(8,558.09)	(99,069.66)	(38,422.03)

	activities				
B	Cash flow from investing activities				
	Payments for purchase of investment in equity instruments	-	-	-	(9,750.10)
	Sale of Property, Plant and Equipment	-	3.56	0.27	-
	Payments for purchase of Property, Plant and Equipments and Intangibles	-	(3.31)	(89.70)	(36.98)
	Interest Income	133.74	669.46	59.37	65.91
	Net cash inflow/(outflow) from investment activities	133.74	669.71	(30.06)	(9,721.17)
C	Cash flow from financing activities				
	Proceeds from issue of share capital (including securities premium)	-	-	-	27,901.12
	Proceed from issue of Compulsory Convertible Debentures	-	20,023.64	-	-
	Repayment of Compulsory Convertible Debenture (including interest)	(2,190.18)	-	-	-
	Proceeds from debt securities	-	93,819.03	1,04,681.33	18,151.75
	Repayment of debt securities	(30,999.82)	(1,03,933.56)	-	(6,285.00)
	Repayment of lease liabilities (including interest)	(165.32)	(315.09)	-	-
	Proceeds from borrowing	62,100.00	37,500.00	11,816.72	33,399.94
	Repayment of borrowing	(20,430.27)	(28,673.74)	(5,650.00)	(23,979.53)
	Net cash from inflow/(outflow) financing activities	8,314.41	18,420.28	1,10,848.05	49,188.28
	Net increase/(decrease) in cash and cash equivalents	(22,018.17)	10,531.90	11,748.33	1,045.08
	Effect of loss of control in subsidiary	-	(6.08)	-	-
	Cash and cash equivalents at the beginning of the financial year	26,667.46	16,141.64	4,393.31	3,348.23
	Cash and cash equivalents at the end of the year	4,649.29	26,667.46	16,141.64	4,393.31

Abridged Standalone Balance Sheet as per Ind AS:

(₹ in Lakh)

Sr. No.	Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 31.03.2019 (Restated and Audited)	As at 31.03.2018 (Audited)
A	ASSETS				
1	Financial Assets				
(a)	Cash and cash equivalents	3,341.70	25,320.13	15,458.81	1,350.98
(b)	Other Bank Balances	75.66	75.66	148.59	75.66
(c)	Trade Receivables	18,406.75	15,411.60	13,538.48	11,417.49
(d)	Loans	57,602.33	52,593.24	48,571.01	26,150.06
(d)	Investments	3,29,169.40	3,03,701.90	3,18,406.47	2,02,735.89
(e)	Other Financial assets	5,298.59	6,011.67	3,925.48	1,866.18
	Total Financial Assets	4,13,894.43	4,03,114.20	4,00,048.84	2,43,596.26
2	Non-Financial Assets				
(a)	Current tax Assets (Net)	3,098.29	2,679.30	526.43	466.09
(b)	Deferred tax assets (net)	-	206.22	-	-
(c)	Property, Plant and Equipment	2,171.30	2,320.20	154.96	152.42
(d)	Intangible assets under development	4.42	7.48	13.78	18.45
(e)	Other non-financial assets	249.62	181.73	348.07	87.68
	Total Non-Financial Assets	5,523.63	5,394.93	1,043.24	724.64
	TOTAL	4,19,418.06	4,08,509.13	4,01,092.08	2,44,320.90
B	EQUITY AND LIABILITIES				
1	Financial Liabilities				
(a)	Trade Payables – other than micro and small enterprises	203.05	270.40	193.01	69.60
(b)	Debt Securities	1,72,890.64	2,05,824.63	2,09,913.99	1,05,232.67
(c)	Borrowings (Other than Debt Securities)	92,492.37	50,822.14	41,996.37	35,829.65
(d)	Other financial liabilities	4,008.74	5,226.57	18,543.27	1,770.35
	Total Financial Liabilities	2,69,594.80	2,62,143.74	2,70,646.64	1,42,902.27
2	Non-Financial Liabilities				
(a)	Current tax liabilities (Net)	-	624.76	2,256.39	664.78
(b)	Provisions	466.86	199.91	198.16	165.83
(c)	Deferred tax liabilities (Net)	204.57	-	2,743.73	38.78
(d)	Other non-financial liabilities	2,301.51	736.69	617.61	2,463.68
	Total Non-Financial Liabilities	2,972.94	1,561.36	5,815.89	3,333.07
3	EQUITY				
(a)	Equity Share capital	34,464.29	34,464.29	34,464.29	34,464.29
(b)	Other Equity	1,12,386.03	1,10,339.74	90,165.26	63,621.27
	Total Equity	1,46,850.32	1,44,804.03	1,24,629.55	98,085.56
	Total Liabilities and Equity	4,19,418.06	4,08,509.13	4,01,092.08	2,44,320.90

Abridged Standalone Statement of Profit & Loss as per Ind AS:

(₹ in Lakh)

Sr. No.	Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 31.03.2019 (Restated and Audited)	As at 31.03.2018 (Audited)
	INCOME				
(I)	Revenue from operations				
1	Interest Income	5,999.15	18,742.01	12,877.40	4,491.47
2	Fees and Incentives	7,884.31	22,055.85	24,397.83	26,020.92
3	Net gain on derecognition of financial assets carried at FVTPL/Net gain on fair value changes	4,005.69	204.16	16,407.52	2,624.62
	Total Revenue from operations	17,889.15	41,002.02	53,682.75	33,137.01
(II)	Other Income				
1	Interest on Fixed Deposits with Banks and Others	140.59	567.19	60.45	67.75
	Total Other Income	140.59	567.19	60.45	67.75
	Total Income (I+II)	18,029.74	41,569.21	53,743.20	33,204.76
(III)	Expenses				
1	Finance Costs	13,454.60	26,938.99	21,575.11	11,910.19
2	Net Loss on fair value changes	-	1,136.00	-	9,814.43
3	Impairment of financial instruments	88.38	2,031.88	2,844.00	5,608.50
4	Employee benefits expenses	1,219.92	1,970.80	3,590.88	3,008.56
5	Depreciation and amortization	151.96	323.63	91.93	112.07
6	Operating and other expenses	469.96	1,162.34	1,610.44	1,470.71
	Total Expenses	15,384.82	33,563.64	29,712.36	31,924.46
	Profit / (loss) before exceptional items and tax	2,644.92	8,005.57	24,030.84	1,280.30
(IV)	Tax Expense				
1	Current tax	242.74	5,033.37	10,581.37	6,221.42
2	Deferred tax	411.72	(2,950.50)	(2,767.55)	(5,042.46)
	Total Tax expenses	654.46	2,082.87	7,813.82	1,178.96
	Profit after tax	1,990.46	5,922.70	16,217.02	101.34
(V)	Other Comprehensive Income				
	Items that will not be reclassified to profit or loss				
	- Remeasurment of employee defined benefit obligation	(0.37)	(1.16)	(18.81)	(0.34)
	- Income tax on above	0.09	0.40	6.51	0.12
	Other Comprehensive Income	(0.28)	(0.76)	(12.30)	(0.22)
	Total Comprehensive Income for the period	1,990.18	5,921.94	16,204.72	101.12

	Earning per share				
	Basic EPS (in Re.) (Not annualised)	0.50	1.72	4.71	0.04
	Diluted EPS (in Re.) (Not annualised)	0.50	1.69	4.71	0.04

Abridged Standalone Statement of Cash flow as per Ind AS:

(₹ in Lakh)

	Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)	As at 31.03.2018 (Audited)
A	Cash flow from operating activities				
	Profit before income tax	2,644.92	8,005.57	24,030.84	1,280.30
	Adjustment for				
	Depreciation and amortisation of expenses	151.96	323.63	91.93	112.07
	Interest on finance lease	104.61	218.12	-	-
	Interest income on fixed deposit	(133.74)	(550.71)	(60.43)	(65.32)
	Interest on compulsory convertible debenture	335.99	385.29	-	-
	Gain on sale of Property, Plant and Equipment	-	(1.74)	(0.27)	-
	Provision for Corporate Social Responsibility	219.72	-	-	-
	Net (Gain)/Loss on fair value change	(2,303.15)	7,680.38	5,452.43	9,812.89
	Loss on derecognition of subsidiary and change in controlling interest	-	-	-	-
	Employee Benefit Expenses (ESOP)	56.46	-	-	-
	Impairment of financial assets	88.38	2,031.88	2,844.00	5,608.50
	Operating profit before working capital changes	1,165.15	18,092.42	32,358.50	16,748.44
	Change in operating assets and liabilities				
	(Increase)/decrease in security receipts	(23,167.04)	7,027.15	(1,05,930.43)	(39,064.52)
	(Increase)/decrease in trade receivables	(3,115.89)	(916.20)	(3,486.27)	6,328.06
	Decrease/(Increase) in long term loans and advances	(5,058.92)	(4,668.44)	(23,004.51)	(20,292.15)
	(Increase)/decrease in other financial assets	797.26	(4,429.92)	(2,333.43)	1,231.93
	(Increase)/decrease in non financial assets	(67.88)	3.46	(260.39)	(64.98)
	Increase/(decrease) in trade payables	(67.36)	69.01	123.41	(12.69)
	Increase/(decrease) in financial liabilities	(1,157.55)	(15,532.48)	15,174.84	718.10
	Increase/(decrease) in non financial liabilities	1,484.84	(11.74)	(262.24)	465.73
	Increase in provisions	47.30	1.76	32.32	26.46
	(Increase)/decrease in other bank balances	-	72.93	(72.93)	-
	Cash generated from operations	(29,140.09)	(292.05)	(87,661.13)	(33,915.62)
	Income tax paid	(1,286.49)	(8,817.87)	(9,050.09)	(5,915.92)
	Net cash inflow/(outflow) from operating activities	(30,426.58)	(9,109.92)	(96,711.22)	(39,831.54)
B	Cash flow from investing activities				
	Payments for purchase of investment in equity instruments	-	-	-	(9,750.10)
	Sale of Property, Plant and Equipment	-	3.56	0.27	-
	Payments for purchase of Property, Plant and	-	(3.31)	(89.70)	(36.98)

	Equipments and Intangibles				
	Interest Income	133.74	550.71	60.43	65.32
C	Net cash inflow/(outflow) from investment activities	133.74	550.96	(29.00)	(9,721.76)
	Cash flow from financing activities				
	Proceeds from issue of share capital (including securities premium)	-	-	-	27,901.12
	Proceed from issue of Compulsory Convertible Debentures	-	20,023.64	-	-
	Repayment of Compulsory Convertible Debenture (including interest)	(2,190.18)	-	-	-
	Proceeds from debt securities	-	93,819.03	1,04,681.33	18,151.75
	Repayment of debt securities	(30,999.82)	(1,03,933.56)	-	(6,285.00)
	Repayment of lease liabilities (including interest)	(165.32)	(315.09)	-	-
	Proceeds from borrowing	62,100.00	37,500.00	11,816.72	33,399.94
	Repayment of borrowing	(20,430.27)	(28,673.74)	(5,650.00)	(23,979.53)
	Net cash from inflow/(outflow) financing activities	8,314.41	18,420.28	1,10,848.05	49,188.28
	Net increase/(decrease) in cash and cash equivalents	(21,978.43)	9,861.32	14,107.83	(365.02)
	Cash and cash equivalents at the beginning of the financial year	25,320.13	15,458.81	1,350.98	1,716.00
	Cash and cash equivalents at the end of the year	3,341.70	25,320.13	15,458.81	1,350.98

Gross Debt: Equity Ratio of the Company

Before the issue of NCDs#	1.58
After the issue of NCDs^#	1.63

^ Assuming issue of NCDs of Rs. 75 Crore.

Gross debt equity ratio without netting off cash / cash equivalents

iv. 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.

c. Brief history of the Issuer since its incorporation giving details of its following activities:
Brief History of the Company

The Company was incorporated on September 19, 2007 as a private limited company under the provisions of the Companies Act, 1956. The Company has become a subsidiary company of JM Financial Limited w.e.f. September 30, 2016 and hence become a public company pursuant to the provisions of Section 2(71) of the Companies Act, 2013. The name of the Company was changed to JM Financial Asset Reconstruction Company Limited w.e.f. April 12, 2017. The Company has obtained a certificate of registration dated September 23, 2008 bearing no. 11 issued by the Reserve Bank of India to carry on the business of asset reconstruction under the provisions of SARFAESI.

i. Details of Share Capital as on September 30, 2020:

Share Capital	Particulars
Authorised Share Capital	₹2000 Crore divided into 185,00,00,000 Equity Shares of ₹10/- each and 15,00,00,000 Preference Shares of ₹10/- each
Issued, Subscribed and Paid up Share Capital	₹344.64 Crore divided into 34,46,42,857 Equity Shares of ₹10/- each

ii. Changes in its capital structure as on September 30, 2020:

The changes in Authorised Share Capital of the Company for the last five years are as under:

Date of change (Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM))	In ₹	Particulars
EGM held on February 23, 2018	2000 Crore	Increase in authorised share capital of the Company from ₹450 Crore to ₹2000 Crore divided into 185 Crore equity shares of ₹10/- each and 15 Crore preference shares of ₹10/- each

EGM held on September 30, 2014	450 Crore	Increase in authorised share capital of the Company from ₹260 Crore to ₹450 Crore divided into 30 Crore equity shares of ₹10/- each and 15 Crore preference shares of ₹10/- each
EGM held on April 28, 2014	260 Crore	Increase in authorised share capital of the Company from ₹210 Crore to ₹260 Crore divided into 26 Crore equity shares of ₹10/- each

iii. Equity Share Capital History of the Company as on September 30, 2020:

The details of equity share capital raised by the Company for the last five years are as under:

Date of Allotment	No. of equity shares	Face value (₹)	Issue Price (₹)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (₹)	Equity Share premium (₹)
October 27, 2014	3,12,50,000	10	16	Cash	Rights Issue	24,12,50,000	241,25,00,000	18,75,00,000
March 13, 2018	10,33,92,857	10	27	Cash	Rights Issue	34,46,42,857	344,64,28,570	194,51,78,569

Note: The above details excludes Compulsorily Convertible Debentures issued by the Company.

iv. Details of any Acquisition or Amalgamation in the last one year:

None

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

None

d. Details of the shareholding of the Company as on September 30, 2020:

i. Shareholding pattern of the Company:

Name of the shareholder	Number of shares held	Percentage of shareholding as on Record date (%)
Sponsor Shareholders		
JM Financial Limited along with its nominees (Principal Sponsor)	20,41,97,279	59.249
Mr. Narotam Sekhsaria	5,68,66,072	16.500
Radhakrishna Bimalkumar Private Limited	1,20,62,500	3.500
Non –Sponsor Shareholders		
Indian Overseas Bank	2,10,00,000	6.093
UCO Bank	1,14,88,095	3.333

Union Bank of India	1,00,00,000	2.902
Valiant Mauritius Partners FDI Limited	2,90,28,911	8.423
Total	34,46,42,857	100.00

Note: The shareholding pattern excludes Compulsorily Convertible Debentures.

ii. Compulsorily Convertible Debentures of face value of ₹ 373/- each:

Name of the CCD holder	Number of CCDs held
JM Financial Limited	49,16,104
Valiant Mauritius Partners FDI Limited	4,52,164

ii. List of top 10 holders of equity shares of the Company as on September 30, 2020:

The list of top 10 holders of equity shares of the Company is as under:

Name of the shareholder	Number of shares held	Percentage of shareholding as on Record date (%)
JM Financial Limited along with its nominees (Principal Sponsor)	20,41,97,279	59.249
Mr. Narotam Sekhsaria	5,68,66,072	16.500
Radhakrishna Bimalkumar Private Limited	1,20,62,500	3.500
Indian Overseas Bank	2,10,00,000	6.093
UCO Bank	1,14,88,095	3.333
Union Bank of India	1,00,00,000	2.902
Valiant Mauritius Partners FDI Limited	2,90,28,911	8.423
Total	34,46,42,857	100.00

e. Following details regarding the directors of the Company:

i. Details of the current directors of the Company:

Sr. No.	Name, Designation in the Company, Occupation	DIN	Age	Address	Director of the Company since
1.	Mr. V P Shetty, Chairman Occupation: Professional	00021773	73	Ansal Heights, B-1802, 18th Floor, G.M. Bhosale Marg, Worli Naka, Worli, Mumbai – 400018	November 28, 2007
2.	Mr. Narotam Sekhsaria, Non - Executive Director Occupation: Business	00276351	67	Bhagwati Bhavan, 31 B, Carmichael Road, Behind Jaslok Hospital, Cumballa Hill Mumbai – 400026	April 10, 2008
3.	Mr. Pulkit Sekhsaria, Non - Executive	00046409	47	Flat no. 2, Kamal Mahal 17, M.L. Dahanukar Marg, Mumbai 400026	November 26, 2014

Sr. No.	Name, Designation in the Company, Occupation	DIN	Age	Address	Director of the Company since
	Director Occupation: Business				
4.	Ms. Rupa Vora Non - Executive & Independent Director Occupation: Professional	01831916	57	8, Hyde Park 227 Sher E Punjab Soc, Mahakali Caves Road, Mumbai – 400093	March 31, 2015
5.	Mr. Adi Patel Non-Executive Director Occupation: Service	02307863	50	1801, 18 th Floor, Celesta Planet Godrej, K.K. Marg, Byculla (West) Mumbai - 400 011.	December 5, 2017
6.	Dr. Vijay Kelkar Non - Executive & Independent Director Occupation: Professional	00011991	77	A-701, Blossom Boulevard, Plot No 421, South Main Road, Koregaon Park, Pune - 411 001	September 21, 2018
7.	Mr. Ameet Desai Non - Executive & Independent Director Occupation: Professional	00007116	55	D-48, Aryaman Bungalow, Nr. Shilaj Railway Crossing, Thalej, Ahmedabad - 380 059 Gujarat	January 9, 2019
8.	Mr. Satish Chand Mathur Non - Executive & Independent Director Occupation: Professional	03641285	61	Flat No. 81, 8 th Floor, Jupiter Apartment, 41 Cuffe Parade, Near Taj Vivanta, Mumbai – 400005	April 15, 2019
9.	Mr. Vishal Kampani Director Occupation: Service	00009079	43	123, Maker Tower 'B', Cuffe Parade, Colaba, Mumbai 400005	November 8, 2019

Details of other directorship of the directors of the Company:

Sr. No.	Name of the Director	Details of other directorship
1.	Mr. V P Shetty	JM Financial Asset Management Ltd. JM Financial Products Limited JM Financial Credit Solutions Limited JM Financial Home Loans Limited
2.	Mr. Narotam Sekhsaria	ACC Limited Ambuja Cements Limited Everest Industries Limited Radha Madhav Investments Private Limited Ambuja Cement Foundation

Sr. No.	Name of the Director	Details of other directorship
		Narotam Sekhsaria Foundation
3.	Mr. Pulkit Sekhsaria	Satyanarayan Sekhsaria Private Limited Indus Securities Limited
4.	Ms. Rupa Vora	Cravatex Brands Limited SS Inclusive Development Finance Private Limited Incred Financial Services Limited SS Human Development Foundation Volkswagen Finance Private Limited
5.	Mr. Adi Patel	NIL
6.	Dr. Vijay Kelkar	JM Financial Limited Sembcorp Green Infra Limited Go Airlines (India) Limited National Bulk Handling Corporation Private Limited Avanti Finance Private Limited Avanti Microfinance Private Limited Indian Institute for Human Settlements
7.	Mr. Ameet Desai	Adani Aerospace and Defence Limited Adani Finserve Private Limited Adani Infrastructure Private Limited Adani Defence Systems And Technologies Limited Adani Naval Defence Systems and Technologies Limited Adani Land Defence Systems and Technologies Limited
8.	Mr. Satish Chand Mathur	Tilaknagar Industries Limited Indiabulls Housing Finance Limited Topsgroup Service (India Limited) JM Financial Credit Solutions Limited
9.	Mr. Vishal Kampani	JM Financial Limited JM Financial Capital Limited JM Financial Institutional Securities Limited JM Financial Home Loans Limited JM Financial and Investment Consultancy Services Private Limited JM Financial Services Limited JM Financial Credit Solutions Limited JM Financial Products Limited Infinite India Investment Management Limited Capital Market Publishers India Private Limited

ii. 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. GM Ramamurthy	00064358	March 31, 2020	April 10, 2008	Resigned as a Director
2.	Mr. Anil Bhatia	01310959	November 8, 2019	-	Ceased to be Director. Mr. Bhatia continues to serve as

Sr. No.	Name and Designation	DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
					CEO of the Company
3.	Mr. Vishal Kampani	00009079	November 8, 2019	-	Appointed as Nominee Director
4.	Mr. Satish Chand Mathur	03641285	April 15, 2019 (Date of appointment)	-	Appointed as Independent Director
5.	Mr. Ameet Desai	00007116	January 9, 2019 (Date of appointment)	-	Appointed as Independent Director
6.	Dr. Anil Khandelwal	00005619	October 27, 2018 (Date of cessation)	September 11, 2013	Resigned as a Director
7.	Mr. Hoshang Sinor	00074905	October 25, 2018 (Date of cessation)	April 10, 2008	Resigned as a Director
8.	Dr. Vijay Kelkar	00011991	September 21, 2018 (Date of appointment)	-	Appointed as Independent Director
9.	Mr. Shailesh Haribhakti	00007347	April 20, 2018 (Date of Cessation)	September 15, 2008	Resigned as a Director
10.	Mr. Adi Patel	02307863	December 5, 2017 (Date of appointment)	-	Appointed as Non-Executive Director

f. Following details regarding the auditors of the Company:

i. Details of the auditor of the Company:

Name	Address	Auditor since
Deloitte Haskins & Sells LLP	Indiabulls Finance Centre Tower 3, 27th – 32nd Floor Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013 website: www2.deloitte.com	June 29, 2017

ii. Details of change in auditor since last three years:

Name	Address	Date of Appointment / Resignation	Auditor since (in case of resignation)	Remarks
M/s. Khimji Kunverji & Co.0	Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013	June 30, 2014	October 16, 2007	Cessation due to expiry of term

g. Details of Borrowings of the Company, as on September 30, 2020:

Details of Secured Loan Facilities as on September 30, 2020

(₹ in Crore)

Lender's Name	Type of Facility	Amount Sanctioned (₹ in Crore)	Principal Amount Outstanding (₹ in Crore)	Repayment Date / Schedule	Security
Franklin Templeton Mutual Fund	NCD	-	150.00	29-03-2022	Secured by way of pledge of security receipts
Franklin Templeton Mutual Fund	NCD	-	150.00	29-05-2022	Secured by way of pledge of security receipts
JM Financial Capital Limited	MLD	-	30.00	06-11-2020	Secured by way of hypothecation of security receipts
JM Financial Services Limited	MLD	-	20.00	06-11-2020	Secured by way of hypothecation of security receipts
UTI Mutual Fund	NCD	-	20.00	15-09-2021	Secured by way of hypothecation of security receipts
UTI Mutual Fund	NCD	-	10.00	27-09-2021	Secured by way of hypothecation of security receipts
HDFC Mutual Fund	NCD	-	50.00	29-09-2022	Secured by way of hypothecation of security receipts
HDFC Mutual Fund	NCD	-	20.00	27-09-2021	Secured by way of hypothecation of security receipts
Franklin Templeton Mutual Fund	NCD	-	25.00	31-08-2021	Secured by way of hypothecation of security receipts
UTI Mutual Fund	NCD	-	19.50	12-08-2021	Secured by way of hypothecation of security receipts
AK Capital	NCD	-	100.00	15-09-2021	Secured by way of hypothecation of security receipts
HDFC Mutual Fund	NCD	-	100.00	27-09-2021	Secured by way of hypothecation of security receipts
UTI Mutual Fund	NCD	-	20.00	27-09-2021	Secured by way of hypothecation of security receipts
Mahindra Credit Risk Yojana	NCD	-	10.00	27-09-2021	Secured by way of hypothecation of security receipts
Tata Mutual Fund	NCD	-	11.50	12-08-2021	Secured by way of hypothecation of security receipts
HDFC Mutual Fund	NCD	-	50.00	15-09-2021	Secured by way of hypothecation of security

					receipts
Tata Mutual Fund	NCD	-	10.00	15-07-2021	Secured by way of hypothecation of security receipts
UTI Mutual Fund	NCD	-	19.00	12-08-2021	Secured by way of hypothecation of security receipts
UTI Mutual Fund	NCD	-	28.00	15-07-2021	Secured by way of hypothecation of security receipts
UTI Mutual Fund	NCD	-	5.00	25-05-2021	Secured by way of hypothecation of security receipts
UTI Mutual Fund	NCD	-	21.00	25-05-2021	Secured by way of hypothecation of security receipts
UTI Mutual Fund	NCD	-	14.00	25-05-2021	Secured by way of hypothecation of security receipts
JM Financial Capital Limited	MLD	-	35.00	11-01-2021	Secured by way of hypothecation of security receipts
JM Financial Services Limited	MLD	-	15.00	11-01-2021	Secured by way of hypothecation of security receipts
Franklin Templeton Mutual Fund	NCD	-	100.00	02-08-2021	Secured by way of pledge of security receipts and/or priority loans
Franklin Templeton Mutual Fund	NCD	-	250.00	02-02-2022	Secured by way of pledge of security receipts and/or priority loans
Franklin Templeton Mutual Fund	NCD	-	150.00	02-08-2022	Secured by way of pledge of security receipts and/or priority loans
JM Financial Services Limited	MLD	-	88.30	09-12-2021	Secured by way of hypothecation of security receipts
Jennifer Mistry	MLD	-	1.70	09-12-2021	Secured by way of hypothecation of security receipts
Antoinette Gomes	MLD	-	1.00	09-12-2021	Secured by way of hypothecation of security receipts
Shobna Malladi	MLD	-	1.00	09-12-2021	Secured by way of hypothecation of security receipts
Pradeep Kapoor	MLD	-	1.00	09-12-2021	Secured by way of hypothecation of security receipts
Akshay Gandhi	MLD	-	1.00	09-12-2021	Secured by way of hypothecation of security receipts
Metropolitan	MLD	-	1.00	09-12-2021	Secured by way of

Exichem					hypothecation of security receipts
Smita Anil Divan	MLD	-	1.00	09-12-2021	Secured by way of hypothecation of security receipts
Ashadeep Trading LLP	MLD	-	2.00	09-12-2021	Secured by way of hypothecation of security receipts
V J Share Enterprises LLP	MLD	-	2.00	09-12-2021	Secured by way of hypothecation of security receipts
RBL Bank Ltd	Working Capital Facility	75.00	71.51	-	Secured by way of pledge of investments in security receipts
Indian Overseas Bank	Working Capital Facility	100.00	40.22	-	Secured by way of pledge of investments in security receipts
IDBI Bank	WCDL/OD	60.00	30.00		Secured by way of pledge of investments in security receipts
PNB	Term Loan	25.00	25.00	-	Secured by way of pledge of investments in security receipts
KVB	Term Loan	12.50	12.50	-	Secured by way of pledge of investments in security receipts
RBL Bank Ltd	Short Term Loan/WCDL	75.00	45.00	-	Secured by way of pledge of investments in security receipts
Hero FinCorp Ltd	Term Loan	75.00	75.00	-	Secured by way of pledge of investments in security receipts

Repayment schedule of secured loans from banks / FIs

Lender Name	Repayment date	Rs (₹ in Crore)
Punjab National Bank		
Instalment VII	31-12-2020	12.50
Instalment VIII	31-03-2021	12.50
Karur Vysya Bank		
Instalment VII	30-11-2020	6.25
Instalment VIII	28-02-2021	6.25
Hero FinCorp Ltd		
Instalment I	23-05-2022	75
RBL Bank Ltd (Short term loan/WCDL)		
Instalment I	03.10.2020	35.00
Instalment II	13.11.2020	10.00

ii. Details of Unsecured Loan Facilities (Inter Corporate Loans) as on September 30, 2020:

Lender's Name	Principal Amount Outstanding (₹ in Crore)	Repayment Date
JM Financial Limited	188.00	On Call after 30 days
JM Financial Properties and Holdings Ltd	25.00	On or before 01-12- 2020
Teesta Retail Private Limited	100.00	11-03-2022
Corporate ICD	300.00	19-11-2020

iii. Details of Non-Convertible Debentures as on September 30, 2020:

Debenture Series	Tenor/ Period of maturity	Coupon	Amount (₹ in Crore)	Date of Allotment	Redemption	Credit rating	Secured/ unsecured	Security
Tranche XIV – Option B	1126 days	9.35%	14.00	April 25, 2018	May 25, 2021			
Tranche XVI	1098 days	9.50%	21.00	May 23, 2018	May 25, 2021			
Tranche XVII	1069 days	9.75%	5.00	June 21, 2018	May 25, 2021			
Tranche XVIII	1092 days	9.80%	28.00	July 19, 2018	July 15, 2021			
Tranche XIX	1114 days	9.80%	19.00	July 25, 2018	August 12, 2021			
Tranche XX – Option A	1142 days	10.25%	50.00	July 31, 2018	September 15, 2021			
Tranche XX – Option B	1080 days	10.20%	10.00	July 31, 2018	July 15, 2021			
Tranche XXI – Option B	1127 days	10.25%	130.00	August 27, 2018	September 27, 2021			
Tranche XXI – Option C	1081 days	10.25%	11.50	August 27, 2018	August 12, 2021			
Tranche XXII – Option A	1123 days	10.25%	20.00	August 31, 2018	September 27, 2021			
Tranche XXII – Option B	1096 days	10.25%	25.00	August 31, 2018	August 31, 2021			
Tranche XXII – Option C	1077 days	10.25%	19.50	August 31, 2018	August 12, 2021			
Tranche XXII – Option D	1111 days	10.25%	100.00	August 31, 2018	September 15, 2021			
Tranche XXIII	1462 days	10.48%	50.00	September 28, 2018	September 29, 2022			
Tranche XXIV – Option A	1070 days	10.38%	20.00	October 11, 2018	September 15, 2021			
Tranche XXIV – Option B	1082 days	10.38%	10.00	October 11, 2018	September 27, 2021			
Tranche XXVI – Option A	1096 days	11.50%	150.00	March 29, 2019	March 29, 2022			
Tranche XXVI – Option B	1157 days	11.50%	150.00	March 29, 2019	May 29, 2022			

Tranche XXVII	549 days	Minimum – 9.95% p.a. (annualised return calculated on XIRR basis), Maximum – 10.00% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	50.00	May 7, 2019	November 6, 2020			
Tranche XXVIII	550 days	Minimum – 9.95% p.a. (annualised return calculated on XIRR basis), Maximum – 10.00% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid.	50.00	July 11, 2019	January 11, 2021			
Tranche XXIX – Option A	24 months	12.40%	100.00	August 2, 2019	August 2, 2021			
Tranche XXIX – Option B	30 months	12.40%	250.00	August 2, 2019	February 2, 2022			
Tranche XXIX – Option C	36 months	12.50%	150.00	August 2, 2019	August 2, 2022			
Tranche XXX	672 days	Minimum – 9.95% p.a. (annualised return calculated on XIRR basis), Maximum – 10.00% p.a. (annualised return calculated on XIRR basis). However, in extreme situation no coupon amount will be paid	100.00	February 6, 2020	December 9, 2021			

iv. List of top 10 Debenture Holders as on September 30, 2020:

Lender's Name	Principal Amount Outstanding (₹ in Crore)
Franklin India Low Duration Fund	150.00
	130.00
Franklin India Short Term Income Plan	118.00
	76.00
Franklin India Dynamic Accrual Fund	100.00
HDFC Trustee Company Ltd A/C HDFC Credit Risk Debt Fund	76.00
	50.00
	50.00
Franklin India Income Opportunities Fund	70.00
Franklin India Credit Risk Fund	62.00
	50.00
HDFC Trustee Co. Ltd. A/C HDFC FMP 1487D August 2018 (1)	35.00
UTI - Fixed Term Income Fund - Series XXIX- IX (1109 Days)	28.00
Franklin India Equity Hybrid fund	25.00
HDFC Trustee Co. Ltd. A/C HDFC FMP 1141D August 2018 (1)	24.00
Total	1044.00

v. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued:

None

vi. Details of Commercial Paper:

None

vii. Details of rest of the borrowing (if any including hybrid debt like FCCB, optionally convertible debentures/preference shares) as on September 30, 2020:

None

viii. 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 5 years:

None

ix. 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

h. Details of Sponsor of the Company / management:

JM Financial Limited, Mr. Narotam Sekhsaria and Radhakrishna Bimalkumar Private Limited are the Sponsors of the Company.

Details of Sponsor's holding in the Company:

Sr. No.	Name of the shareholders	Total no. of Equity shares	% of total no. of equity shares
1.	JM Financial Limited along with its Nominees (Principal Sponsor)	20,41,97,279	59.249
2.	Mr. Narotam Sekhsaria	5,68,66,072	16.500
3.	Radhakrishna Bimalkumar Private Limited	1,20,62,500	3.500

Key management of the Company

Mr. Anil Bhatia	-	Chief Executive Officer
Mr. Vivek Grover	-	Chief Operating Officer
Mr. Harish Kumar Lalchandani	-	Head - Legal
Mr. Sabyasachi Ray	-	Chief Financial Officer
Mr. Vineet Singh	-	Company Secretary & Compliance Officer

i. & j. Abridged version of audited financial information for the last three years:

As provided under A.b.iii above. There was no auditors' qualification during the previous three years.

k. 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:

Save as stated elsewhere in this DD, since the date of the last published audited financial accounts, to the best of the Company's knowledge and belief, no material developments have taken place that will materially affect the performance or prospects of the Company.

I. Name of the Debenture Trustee:

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

SBICAP Trustee Company Limited

6th Floor, Apeejay House,
3, Dinshaw Wachha Road,
Churchgate, Mumbai 400 020
Tel: +91 22 43025555; Fax: +91 22 22040465
E-mail: corporate@sbicaptrustee.com
Website: www.sbicaptrustee.com
Contact Person: Mr. Prashant Joshi

SBICAP Trustee Company Limited has given its consent to the Company vide letter dated November 23, 2020 under the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Companies Act, 2013 to be appointed as the Debenture Trustee for this Issue.

All the rights and remedies of the Debenture Holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture Holders (other than to the extent as will be set out in the relevant Debenture Trust Deed(s)). All Debenture Holders shall without any further act or deed be deemed to have irrevocably given their authority and consent to SBICap Trustee Company Limited to act as their Debenture Trustee and authorized the Debenture Trustee or any of its agents or authorised officials to do, inter alia, acts, deeds and things necessary in respect of or relating to their duty in such capacity including accepting the security to be created by the Company in terms of this DD. No Debenture Holder shall be entitled to proceed directly against the Company unless the Debenture Trustee having become so bound to proceed, fails to do so.

Any payment by the Company to the Debenture Trustee on behalf of the Debenture Holders shall discharge the Company pro tanto to the Debenture Holders. The Debenture Trustee shall carry out its duties and shall perform its functions as per the SEBI Regulations, the Companies Act, 2013 and this DD, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the Debenture trust deed(s) entered into between the Company and the Debenture Trustee and a notice in writing to the Debenture Holders shall be provided for the same.

The Debenture Trustee will protect the interest of the Debenture Holders on the occurrence of an event of default by the Company in regard to timely payment of interest and repayment of principal and it will take necessary action at the Company's cost as provided in the Debenture Trust Deed.

m. The detailed rating rationale(s) adopted / credit rating letter issued by the rating agencies shall be disclosed:

ICRA Limited has assigned "PP-MLD [ICRA] AA- / stable" (pronounced "ICRA Double A minus Stable rating" with stable outlook) rating to the captioned Issue. As per ICRA's rating letter, instruments with this rating are considered to have high degree of safety regarding timely payment of financial obligations and such instruments carry very low credit risk. 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.

A copy of the ICRA rating letter is enclosed as Annexure A.

n. Details/Copy of Guarantee or Letter of Comfort or any other Document / Letter with similar intent, if any:

None

o. Copy of Consent Letter from the Trustee:

A copy of the consent letter of SBICAP Trustee Company Limited dated November 23, 2020 is enclosed as Annexure B.

p. Name of the recognised stock exchange where the debt securities are proposed to be listed clearly indicating the designated stock exchange:

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

The Company shall forward the listing application to BSE and NSE within 15 days from the date of allotment(s).

In case of delay in listing of the NCDs beyond 20 days from the date of allotment, the Company will pay penal interest, of 1 % p.a. over the interest/coupon rate from the expiry of 30 days from the date of allotment till the listing of such NCDs to the investor.

q. Other Details:

i. Debenture Redemption Reserve:

In accordance with Rule the (18) (7)(b)(ii) of Companies (Share Capital and Debentures) Rules 2014 the Company is not required to create Debenture Redemption Reserve for privately placed debentures.

ii. 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 Companies Act, 2013, 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, Disclosure document, Debenture Trust Deed, Debenture Trustee Appointment Agreement and other Transaction / Security documents.

iii. 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 by the investors. Application Form must be accompanied by either a demand draft or cheque drawn or made payable in favour of "JM Financial Asset Reconstruction Company Limited" only and should be crossed "Account Payee only". Demand Draft(s)/ cheque(s) may be drawn on any bank including a co-operative bank, which is a member or sub-member of the Banker's clearing house located at Mumbai.

In case the payment is made through any electronic mode of payment such as RTGS / NEFT, 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/cheques/demand drafts 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 Companies Act. This 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, inter-alia include the following:

- a. Banks;
- b. Financial Institutions;
- c. Non-Banking Financial Companies;
- d. Companies;
- 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, in case of other than individuals;
- 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. Specimen signatures of authorised persons;
- g. Certified true copy of PAN card;
- h. Registered / communication address;
- i. KYC of the signatories (Identity and address proof);
- j. Any other document sought by the Company, from time to time.

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 organisations 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.

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) business days from the date of allotment. The Depository Participant's name, DPID 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.

B. ISSUE DETAILS

The Company proposes to issue up to 3750 Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Non-Convertible Debentures of the face value of ₹ 2,00,000/- (Rupees Two Lakh only) each aggregating upto ₹ 75,00,00,000 (Rupees Seventy Five Crore only) to be issued pursuant to this issue on a private placement basis.

Pursuant to a resolution passed by the Company's shareholders at their meeting held on July 22, 2020 in accordance with provisions of the Companies Act, 2013, the Board has been authorised to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to ₹ 7000 Crore. The present issue of NCDs in terms of this Disclosure Document is within the overall powers of the Board as per the above resolution.

This present issue of NCDs is being made pursuant to the resolution of the Board of Directors passed at its meeting held on January 15, 2018, which has approved the issue of the Non-Convertible Debentures of up to ₹ 7000 Crore.

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

SUMMARY TERM SHEET – TRANCHE XXXI NCDs

Private placement of up to 3750 Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Non-Convertible Debentures ("Debentures" or "NCDs") of the face value of ₹ 2,00,000/- (Rupees Two Lakh only) each issued at par for cash aggregating upto ₹ 75,00,00,000/- (Rupees Seventy Five Crore only) ("The Issue" OR "This Issue").

Security Name	JMFARC 25.11.2022 MLD
Issuer	JM Financial Asset Reconstruction Company Limited
Underlying/Reference Index	10-year Government security price (Issue date August 3, 2020) Bloomberg Ticker - IGB 5.77 08/03/30 Corp (Bloomberg ID – BK6864213 Corp, Pricing source – Reserve Bank of India)
Arranger	JM Financial Services Limited
Type of Instrument	Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Non-Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Please refer paragraph "Who can apply" of the Disclosure Document.
Listing	<p>The NCDs are proposed to be listed on WDM segment BSE Limited and NSE. BSE and NSE has given its in-principle approval to list the NCDs to be issued and allotted in terms of the DD vide its letter dated November 26, 2020.</p> <p>The Company shall forward the listing application to the BSE Limited and NSE along with the applicable disclosures within 15 days from the deemed date of allotment of NCDs.</p> <p>In case of delay in listing of the NCDs beyond 20 days from the deemed date of allotment, the Company will pay penal interest, of 1% p.a. over the interest/coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such NCDs.</p>
Rating of the Instrument	ICRA Limited has assigned a rating of "PP-MLD [ICRA] AA –"with "Stable" outlook to the NCD issue programme of the Company. Instruments with this

	rating are considered to have high degree of safety regarding timely payment of financial obligations. Such instruments carry very low credit risk.
Number of Debentures	3750
Issue Size	₹ 75 Crore
Valuation agency	<p>ICRA Analytics Limited</p> <p>The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency at https://www.icraanalytics.com</p> <p>The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on the website of the Issuer at https://www.jmfinancialarc.com/</p> <p>The cost of valuation shall be in the range of 0.01% to 1.00% of issue size and shall be borne by the Issuer.</p> <p>The latest and historical valuations for these Debentures/NCDs will be published on the website of the Issuer at https://www.jmfinancialarc.com/ and the website of the Valuation Agency at https://www.icraanalytics.com</p> <p>Upon request by any Debenture/NCD Holder for the valuation of these Debentures/NCDs, the Issuer shall provide them with the latest valuation.</p>
Option to retain oversubscription (Amount)	Not Applicable
Objects of the Issue	The object of the Issue is to augment the long term resources of the Company and to increase the average maturity period of its borrowings.
Details of the utilization of the Proceeds	The proceeds of the Issue would be utilised to meet working capital requirements of the Company including repayment / pre-payment, in full or in part, of certain loans availed by the Company in its ordinary course of business, finance the acquisition of financial assets to be acquired by the Company's and for general corporate purposes.
Discount at which security is issued	None
Implicit yield	Not Applicable
Step Up/Step Down Coupon Rate	None
Coupon Payment Frequency	On Redemption date
Coupon payment dates	On Redemption date
Coupon Type	Coupon linked to underlying index
Coupon reset process	Not Applicable
Tenor	728 days
Redemption Date	Friday, November 25, 2022
Redemption Premium	None
Redemption Amount	₹ 2,00,000/- (Rupees Two Lakh only) per NCD plus coupon amount
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable

Interest on Application Money	Not Applicable
Default Interest Rate	In case of default in payment of principal redemption on the due dates, additional interest @ 2% p.a. over the applicable interest / coupon rate will be payable by the Company for the defaulting period.
Initial level	Closing price of 10-year Government security price (Issue date August 3, 2020) on Initial Observation Date Bloomberg Ticker - IGB 5.77 08/03/30 Corp (Bloomberg ID – BK6864213 Corp, Pricing source – Reserve Bank of India)
Initial Observation Date	Friday, November 27, 2020
Final Level	Closing price of 10 year Government security price (Issue date August 3, 2020) on Final Observation Date Bloomberg Ticker - IGB 5.77 08/03/20 Corp (Bloomberg ID – BK6864213 Corp, Pricing source – Reserve Bank of India)
Final Observation Date	Wednesday, October 26, 2022
Issue Price	Rs. 2,00,000/- (Rupees Two Lakh only) per NCD
Payoff	If IGB 5.77 08/03/30 Corp price on final observation date \geq 75% of Digital level, then Payoff = Principal + Maximum Coupon OR If IGB 5.77 08/03/30 Corp price on final observation date $<$ 75% of Digital level but \geq 25% of Digital level, then Payoff = Principal + Minimum Coupon OR If IGB 5.77 08/03/30 Corp price on final observation date $<$ 25% of Digital level, then Payoff = Principal
Digital level	100% of IGB 5.77 08/03/30 Corp price at Initial Observation Date.
Interest/Coupon Rate	Minimum – 8.45% p.a. (annualised return calculated on XIRR basis) Maximum – 8.50% p.a. (annualised return calculated on XIRR basis) However, in extreme situation no coupon amount will be paid.
Day Count Basis	Actual/ Actual
Contingent Early Redemption Date	Nil
Face Value	₹ 2,00,000/- (Rupees Two Lakh only) per NCD
Minimum Application and in multiples of Debt securities thereafter	Minimum 50 Debenture and in multiples of 1 thereafter
Issue Timing - Issue Opening date - Issue Closing Date - Pay in date - Deemed date of allotment	November 27, 2020 November 27, 2020 November 27, 2020 November 27, 2020
Bid Book Type	Not Applicable
Allocation Option	Not Applicable
Mechanism of Settlement	Not Applicable
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque / Demand Draft / NEFT / RTGS / other permitted mechanisms
Depository(ies)	NSDL and/or CDSL
Business Day Convention	Any day of the week excluding Saturdays, Sundays and any other day which is a public holiday for the purpose of Section 25 of the Negotiable

	Instruments Act, 1881 (26 of 1881) in Mumbai and any other day on which banks are closed for customer business in Mumbai, India.
Record Date	15 days prior to Redemption Date
All covenants of the issue (including side letters, accelerated payment clause, etc.)	All covenants of this issue are covered in this Disclosure Document and the Debenture Trust Deed including any amendment, from time to time.
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.]	<p>The NCDs being issued under this Disclosure Document shall be secured by way of Hypothecation and/or pledge on first exclusive basis on the movable property including Security Receipts (SRs) and/or Priority Loans and other receivables of the Company.</p> <p>The Company may provide or cause to be provided (without being obliged to) such further security for securing its obligations in respect of the Debentures as may be decided by the Company.</p> <p>The Security Cover for NCDs under this Issue shall be as per Note 2.</p>
Transaction Documents	<p>Disclosure Document, Debenture Trust Deed, Debenture Trustee Appointment Agreement, Deed of Hypothecation (if required/applicable) and any other document that may be designated by the Debenture Trustee as a Transaction Document.</p> <p>Debenture Trust Deed would prevail over other transaction document(s) in case of inconsistency.</p>
Conditions Precedent to Disbursement	As mentioned in the debenture trust deed.
Condition Subsequent to Disbursement	As mentioned in the debenture trust deed.
Events of Default (including manner of voting/ Conditions of joining Inter Creditor Agreement)	As per the Note 4 below.
Creation of recovery expense fund	The Company shall create such fund in the manner as may be specified by SEBI from time to time, if required.
Conditions for breach of covenants	All conditions for breach of covenants of this issue are covered in Debenture Trust Deed dated including any amendment, from time to time.
Provisions related to Cross Default Clause	As mentioned in the debenture trust deed, if any.

Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations as amended from time to time.
Risk Factors pertaining to this Issue	As per Section II of this Disclosure Document.
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 Companies 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.
Placement Fee	For each of this Debentures/NCDs applied for, a Placement Fee of up to 1.407% p.a. of the Issue Price may be payable to the Distributor (if any) by the Issuer over and above the Issue Price.
Early Redemption	If, for reasons beyond the control of the Company, the performance of the Company's obligations under this Issue is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Company, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Company may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures/NCDs, by giving notice of not less than 5 (five) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures/NCDs shall be redeemed (such date on which the Debentures/NCDs become immediately due and payable, the "Early Redemption Date"). Provided however if the Company believes or is advised that it is necessary to only redeem and/or arrange for the purchase of the Debentures/NCDs held by only certain class of Debenture Holders to overcome or mitigate any such force majeure, then the Company may without obligation to do so, redeem and/or arrange for the purchase of only such number of the Debentures/NCDs actually held by such class of Debenture Holders at the relevant time. If the Debentures/NCDs are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each of the Debentures/NCDs held by such Debenture Holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in its sole and absolute discretion. Early Redemption Amount means fair market value minus associated costs.
Premature Exit	At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback ("Premature Exit") of such number of Debentures as the Investor shall request. Such Premature Exit shall occur at a price: (a) which shall take into consideration the market value of the Debentures, all costs incurred by the Company (including costs of unwinding any hedge); and (b) the price computed under (a) above shall be further reduced by such amount not exceeding 10.00% of the face value of the Debentures/NCDs to be determined by the Company at its sole discretion. A request for Premature Exit by an Investor shall not be considered if made within 12 (twelve) months from the Deemed Date of

Allotment.

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Cash flows for the above NCDs shall be as follows:

Cash flows	Date	Amount (in ₹) (per NCD)
Redemption amount and coupon payment	Friday, November 25, 2022	Rs. 2,00,000/- plus the Coupon Amount

Note 1: The Company reserves the right to amend the Tranche XXXI timetable. The Issue Close Date / Pay-in Date / Deemed Date of Allotment may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date / Deemed Date of Allotment shall be communicated to each investor in the acknowledgement of the Application Form.

Scenario Analysis

This is merely an illustration and it does not display all the payoff scenarios.

Scenario		Price of 10 year Gsec at Initial Level	Current YTM	Assumed price of 10 year Gsec at final observation date	Indicative YTM range at final observation price	Return (XIRR)	Investment amount (Rs.)	Maturity amount (Rs.)
Moderately falling to rising	If IGB 5.77 08/03/30 Corp price on final observation date \geq 75% of Digital level, then Payoff = Principal + Maximum Coupon	99.2100	5.88%	\geq 74.4075	\leq 11.1119%	8.50%	10,00,000	11,76,699
	OR							
Substantially falling	If IGB 5.77 08/03/30 Corp price on final observation date $<$ 75% of Digital level but \geq 25% of Digital level, then Payoff = Principal + Minimum Coupon	99.2100	5.88%	$<$ 74.4075 but \geq 24.8025	$>$ 11.1119% but upto 36.8001%	8.45%	10,00,000	11,75,618.00
	OR							
Extreme falling	If IGB 5.77 08/03/30 Corp price on final observation date $<$ 25% of Digital level, then Payoff = Principal	99.2100	5.88%	$<$ 24.8025	$>$ 36.8001%	0.00%	10,00,000	10,00,000

This is merely an illustration and it does not display all the payoff scenarios.

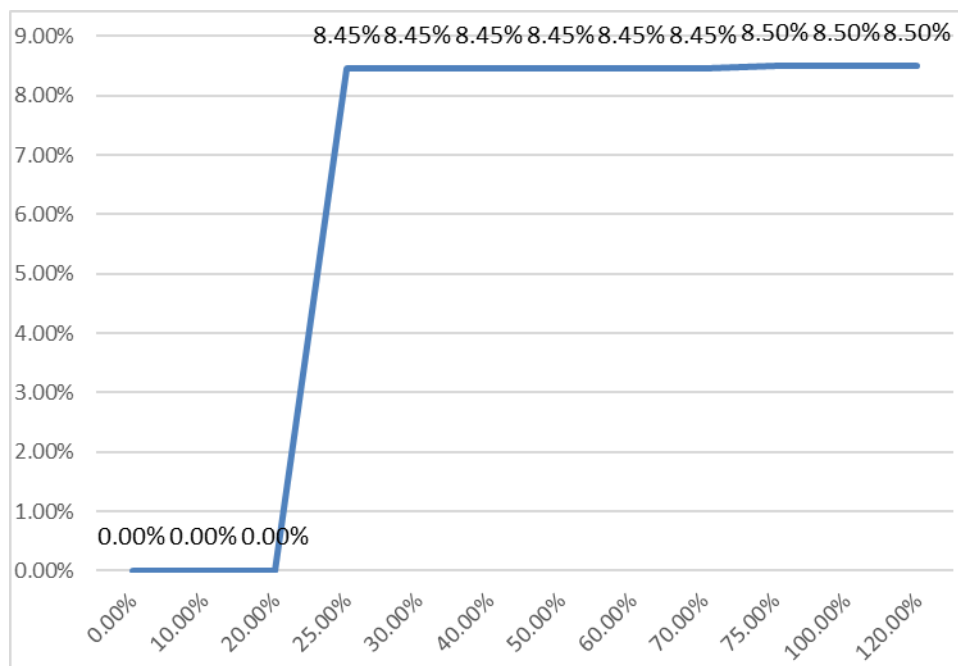
The following table shows the value of the Debenture at maturity under different market conditions

Underlying Performance	Investment Amount	Annualized Pre-Tax Return	Maturity Value
0.00%	10,00,000	0%	10,00,000
10.00%	10,00,000	0%	10,00,000
20.00%	10,00,000	0%	10,00,000
25.00%	10,00,000	8.45%	11,75,618
30.00%	10,00,000	8.45%	11,75,618
40.00%	10,00,000	8.45%	11,75,618
50.00%	10,00,000	8.45%	11,75,618
60.00%	10,00,000	8.45%	11,75,618
70.00%	10,00,000	8.45%	11,75,618
75.00%	10,00,000	8.50%	11,76,699
100.00%	10,00,000	8.50%	11,76,699
120.00%	10,00,000	8.50%	11,76,699

*The return on debenture (annualised) is calculated on the basis of the Issue date and Issue price of the debenture.

Note: Principal amount = (Face value per debenture) * (No. of Debentures subscribed)

Graphical Representation



*Effective yield is calculated on the basis of Issue Price of the debentures (on XIRR Basis).

This scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment.

Disclosures related to wilful default as per SEBI as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008

- 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**

Note 2 – Security Cover:

- i. **1.10 times** of the nominal amount of the Debentures outstanding under the Disclosure Document, in case Hypothecation and / or pledge on Movable Property being SRs having a minimum rating of R1 (read as R One) and or any such equivalent rating issued by any Rating Agency;
- ii. In any other case, the Security Cover shall be maintained as follows:

Nature of Mortgaged Properties	Security Cover
Movable Property being SRs having a rating of R2 (read as R Two) or equivalent	1.4 times of the nominal amount of the Debentures
Movable Property being SRs having a rating of R3 (read as R Three) or equivalent	1.75 times of the nominal amount of the Debentures
Movable Property being cash and/or bank balance of the Company	1.0 time of the nominal amount of the Debentures together with the premium due thereon
Movable Property being SRs and/or Priority Loans having ratings of R1 (read as R One), R2 (read as R Two) and R3 (read as R Three) together	1.1 times of the nominal amount of the Debentures to the extent of SRs and/or Priority Loans having ratings of R1(read as R One) 1.4 times of the nominal amount of the Debentures to the extent of SRs having ratings of R2 (read as R Two) 1.75 times of the nominal amount of the Debentures to the extent of SRs having ratings of R3 (read as R Three)
Movable Property being SRs and/or Priority Loans having a rating of R1 (read as R One) and cash and/or bank balance	1.0 time of the nominal amount of the Debentures together with premium due thereon to the extent of cash and bank balance 1.10 times of the nominal amount of the Debentures to the extent of SRs and/or Priority

	Loans having a rating of R1 (read as R One)
Movable Property being SRs having a rating of R2 (read as R Two) and R3 (read as R Three) and cash and/or bank balance	<p>1.0 time of the nominal amount of the Debentures together with premium due thereon to the extent of cash and bank balance</p> <p>1.4 times of the nominal amount of the Debentures to the extent of SRs having a rating of R2 (read as R Two)</p> <p>1.75 times of the nominal amount of the Debentures to the extent of SRs having a rating of R3 (read as R Three)</p>
Movable Property being SRs and/or Priority Loans having ratings of R1 (read as R One), R2 (read as R Two) and R3 (read as R Three) together and cash and/or bank balance	<p>1.0 time of the nominal amount of the Debentures together with premium due thereon to the extent of cash and bank balance</p> <p>1.1 times of the nominal amount of the Debentures to the extent of SRs and/or Priority Loans having ratings of R1 (read as R One)</p> <p>1.4 times of the nominal amount of Debentures to the extent of SRs having ratings of R2 (read as R Two)</p> <p>1.75 times of the nominal amount of Debentures to the extent of SRs having ratings of R3 (read as R Three)</p>

Note 3 - Effect on holidays:

Should any of the maturity date(s), as defined above or elsewhere in this DD, fall on a non-business day, the payment will be made on the preceding business day along with the premium accrued on the NCDs.

Note 4 - Event of Default:

In the event of:

- a) the Company failing to promptly pay any amount now or hereafter owing to the Debenture Holder(s) or the Debenture Trustee as and when the same shall become due and payable under the Transaction Documents;
- b) the value of the Mortgage Properties not being sufficient to maintain the Security Cover, and the Company having failed to cure such default:
 - i. if the Security Cover is 1 time or above , within a maximum period of 25 (Twenty Five) Business Days from the date on which the Security Cover went below 1.10 or 1.40 or 1.75 times as the case may be;
 - ii. if the Security Cover is below 1 time, within a maximum period of 5 (Five) Business from the date on which the Security Cover went below 1 time.

- c) There being an event of default under the terms and conditions of any of the Company's issuances / obligations (including any kind of hybrid borrowing like foreign currency convertible bonds, optionally convertible preference shares or optionally convertible debentures) as a borrower other than the debentures for an amount exceeding ₹ 10 Crore and the same not being cured as per terms therein or are not waived by those lenders / investors;
- d) If the Mortgage Properties (which are capable of being insured) offered as security in favour of the Debenture Trustee (acting on behalf of and for the benefit of Debenture Holders) are not insured or are kept under-insured by the Company;
- e) Any representation or warranty being found to be false, misleading or incorrect in any material respect, as on the date on which the same was made or deemed to have been made;
- f) Material non-compliance with any covenant, condition or agreement on the part of the Company under any Transaction Documents;
- g) Security becoming unenforceable, illegal or invalid or any restriction, claim, imposition or attachment or any event leading to Security becoming unenforceable, illegal or invalid or any restriction, imposition or attachment has occurred other than as permitted under the Transaction Documents or loss of lien on the collateral;
- h) It becoming unlawful for the Company to perform any of its obligations under the Transaction Documents, or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;
- i) The Company repudiating any of the Transaction Documents to which it is a party or evidences an intention to repudiate a Transaction Document to which it is a party;
- j) Non-execution of any of the Transaction Documents to the satisfaction of the Debenture Trustee within 3 (three) months from the earlier of Deemed Date of Allotment or date of closure of issue of the Debentures;
- k) Failure to file necessary forms with the Registrar of Companies in form and substance required to perfect the Security within 20 (Twenty) Business Days from the date of execution of the Debenture Trust Deed;
- l) The Company having voluntarily or involuntarily become the subject of proceedings under any insolvency laws;
- m) The proceedings for the voluntary or involuntary dissolution of the Company having been commenced;
- n) A petition for winding up of the Company having been admitted or if an order of a Court of competent jurisdiction having been made for the winding up of a Company, otherwise than in pursuance of a scheme of voluntary amalgamation or reconstruction or arrangement previously approved in writing by the Debenture Trustees (acting on behalf of Majority Debenture Holders) and duly carried into effect;
- o) The Company having taken or suffered any action to be taken for its liquidation or dissolution;
- p) A receiver or a liquidator being appointed or allowed to be appointed for all or any part of the

- undertaking of the Company;
- q) The Company having admitted in writing of its inability to pay its debts as they mature;
 - r) The Company being adjudged insolvent or having taken advantage of any law for the relief of insolvent debtors or does material non-compliance with any applicable law/(s) in relation to the NCDs;
 - s) An attachment being levied on the Mortgage Properties or any part thereof other than by co-lenders and/ or certificate proceedings being taken or commenced for recovery of any dues from the Company;
 - t) Any expropriation, sequestration, distress or execution affects any of the Mortgage Properties or any part thereof having a Material Adverse Effect;
 - u) The Company ceasing to carry on its business or giving notice of its intention to do so;
 - v) The Company being declared a sick undertaking under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 or if a reference has been made to the Board for Industrial and Financial Reconstruction ('BIFR') by a creditor under the said Act and the Company has not resolved the complaint or is nationalised or is under the management of Central Government;
 - w) The Company, without the previous consent in writing of the Debenture Trustee (acting on the instructions of Majority Debenture Holders), making any alteration in any Article of the Articles of Association concerning the Debentures or Debenture Holders which might in the opinion of the Debenture Trustee detrimentally affects the interest of the Debenture Holders and upon demand by the Debenture Trustee refusing or neglecting or being unable to rescind such alteration;
 - x) The Company having entered into any arrangement or composition with its creditors or committing any act of insolvency or any other act, the consequence of which may lead to the insolvency or winding up of the Company;
 - y) Company failing to obtain, comply and/or losing any of its operating license, approvals, consents or any other authorization required to carry out its business which would prejudice its ability to perform its obligations under the Transaction Documents and/or to discharge the Debentures;
 - z) BSE delists the Debentures at any point of time due to an act of the Company or failure by the Company to take all necessary actions to ensure continued listing and trading of the Debentures on BSE and the same is not relisted within 15 days.
 - aa) The Company attempting to sell, lease, transfer or otherwise dispose off mortgage property or to create any charge, in addition to the charge created / to be created in favour of the Debenture Trustee under the Transaction Documents, over the Security created in favour of the Debenture Trustee, except as permitted under the Transaction Documents;
 - bb) The Company without obtaining the No Objection Certificate of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) attempting or purporting to create any mortgage, charge, pledge, hypothecation, lien or encumbrance over the Security ranking in priority to or pari passu with or subservient to, the charge created in favour of the Debenture Trustee in terms of the Transaction Documents except as permitted under the Transaction Documents;

- cc) The passing of an order by a court of competent jurisdiction ordering, restraining or otherwise preventing the Company from conducting all or any material part of its business;
- dd) The withdrawal, failure of renewal, or failure to obtain any statutory or regulatory approval in any relevant jurisdiction required, if any, for issuance of the Debentures or creation of the Security;
- ee) Any act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Company's funds or revenues or any other act having a similar effect being committed by the management of the Company;
- ff) Failure on the part of the Company to honor acceleration;
- gg) Principal Sponsor and/or the Executive Directors of the Company who are arrested or convicted in criminal offence and against whom First Information Report (FIR) has been filed involving moral turpitude, dishonesty and bribery.

For the above purpose Principal Sponsor shall mean JM Financial Limited and its individual and/or HUF shareholders detailed under 'Category - A' of 'Category of Shareholder' as per the disclosure in the Shareholding Pattern filed with BSE Limited

- hh) Failure to maintain "JM Financial" as part of the name of the Company at all times during the tenure of debentures without obtaining prior approval in writing from Majority Debenture Holders (75%);
- ii) By or under the authority of any government:
 - (i) The management of the Company is wholly or partially displaced or the authority of the Company to manage and direct its affairs wholly or partially curtailed; or
 - (ii) any of the issued shares of the Company or the whole or any part of its rights or revenues or assets is condemned seized, expropriated or compulsorily acquired; or
 - (iii) custody or control of the business or operations of the Company has been taken over, or any action has been taken for the dissolution of the Company; or
 - (iv) any action has been taken that would prevent the Company, its members, or its officers from carrying on its business or operations or a substantial part thereof
- jj) The Insolvency of the Company or winding-up of the Company (whether voluntarily or compulsorily) or if a receiver is appointed in respect of its assets or if the Company refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking including filing of an application for any insolvency resolution process under the Insolvency Laws against the Company, which is not rejected/dismissed/withdrawn within a period of 10 calendar days.

the above shall constitute an event of default in relation to the Debentures (hereinafter referred to as an "Event of Default") except where Debenture Trustee at its absolute discretion (acting on the instruction of Majority Debenture Holders) gives any cure period through notice thereof in writing to the Company and the Company remedies the default within such cure period;

Nothing contained herein gives any cure period to the Company in case of Event of Default under clause (a) above.

Acceleration Clauses

A. Change in Shareholding:

The Debenture Trustee shall, if so directed by the majority Debenture Holder(s), be entitled to accelerate the redemption of the debentures along with all applicable outstanding dues if at any point of time while the debentures are outstanding, if without the consent (which shall be provided in reasonable time) of the Majority Debenture Holders(s):

- a. the shareholding of JM Financial Limited, either by itself or through its subsidiaries, associates or group companies, in the Company goes below 50.01% on fully diluted basis. However, acceleration shall not be applicable if the shareholding goes below 50.01% but not below 40% pursuant to any primary issuance of securities; and
- b. the promoter or promoter group shareholding in JM Financial Limited goes below 50.01% or promoters or promoter group cease to have Control over JM Financial Limited.

For the purpose of clause (b) above 'Control' means: (i) the right to appoint majority of the directors; and (ii) to control the management or policy decisions; exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. Provided that a director or officer of a company shall not be considered to be in control over such company, merely by virtue of holding such position.

It is further clarified that, if the shareholding of JM Financial Limited goes below 50.01% but not below 40% (taken on fully diluted basis), pursuant to any primary issuance of securities, the same shall not be treated as an event for Acceleration.

B . Acceleration due to Gross Debt/Equity Ratio (Gearing)

The Gross Debt/Equity ratio (gearing) of the Company shall be capped at 3.0 times as on March 31 every year. This covenant shall be tested on a semi-annual basis every year.

The Company shall inform its Gross Debt / Equity Ratio (Gearing) as of March 31 and September 30 of each year, during the tenure of the debentures, by way of a letter to the debenture holder by April 15 and October 15 every year. In case the Gross Debt/Equity Ratio as of March 31 exceeds 3.0 times, the Company shall seek No Objection Certificate (NOC) from the Debenture holder(s) for such higher gearing. The debenture holder(s) may either issue the above NOC or request for acceleration of the redemption of the debentures, as the case may be, within a period of 15 (fifteen) days from the date of the receipt of the Gearing from the Company. Upon such request for acceleration, the debentures shall be redeemed by the Company within a period of 45 (Forty Five) business days from the year end date.

For the purpose of this covenant, Equity = Equity share capital + Reserves & Surplus (but does not include capital reserve, revaluation reserve, redeemable preference share capital with maturity of less than 5 years and premium on redeemable preference share capital with maturity less than 5 years and includes Compulsorily convertible Debentures or Optionally Convertible Debentures. However it would include long term redeemable preference shares with maturity of more than 5 years). For the purpose of this covenant, Debt means financial indebtedness as defined below and excludes borrowings from JM Financial Ltd or its subsidiaries and NCDs issued to shareholders. In the event of default, the borrowing from JM Financial Ltd. or its subsidiaries through loans, NCDs, Inter-Corporate Deposits shall be treated subordinated to other secured NCDs.

Financial Indebtedness” means any indebtedness for or in respect of:

1. moneys borrowed;
 2. any amount availed of by acceptance of any credit facility or dematerialized equivalent;
 3. any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments;
 4. the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease;
 5. receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis);
 6. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
 7. any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
 8. any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
 9. the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance;
 10. any put option, guarantees, keep fit letter(s), letter of comfort, etc. by whatever name called, which gives or may give rise to any financial obligation(s);
 11. any preference shares with less than 5 years maturity (excluding any compulsorily convertible preference shares);
 12. (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (1) to (11) above.
- For clarification sub-debt or non-convertible debentures of any maturity and non-convertible preference shares with maturity less than 5 years shall be considered as Debt. Further any borrowing from JM Financial Ltd or its subsidiaries and NCDs issued to shareholders would be excluded from debt for calculation of debt equity ratio.

C. Acceleration due to rating related action

The happening of any of the following events would accelerate the redemption of the debentures under the Debenture Trust Deed within 45 (Forty Five) days after the Company receiving the request for acceleration by Debenture holders within 15 days:

- 1) Downgrade of long term rating below A and/or short term rating below A1+ by any rating agency [Current rating PP-MLD [ICRA] AA- / stable by ICRA].
- 2) Fresh assignment of long term rating below A to the Company or any debt availed/issued by the Company by any rating agency;
- 3) Withdrawal/suspension of the credit rating of the NCDs.

In case of downgrade in external credit rating of the NCDs from its current rating, the Coupon Rate for the balance period would increase at the rate of 0.25% p.a. for each notch downgrade in rating and the same will be with effect from the rating downgrade date.

In the event of the early redemption, due to the rating action related acceleration clause, interest on the Debentures would be calculated for the period from the preceding Interest Payment Date till the date of such redemption.

Consequence of Event of Default

On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall, if so directed by the Majority Debenture Holder(s), be entitled to:

- i) Accelerate the redemption of the NCDs and the amounts due under this Deed shall become immediately due and payable; and/or
- ii) enforce its charge over the Mortgage Properties in terms of this Deed to recover the Amount Due; 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.

If any 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.

All expenses incurred by the Debenture Trustee after an Event of Default has occurred in connection with:-

- (a) preservation of the Security (whether then or thereafter existing); and
- (b) collection of amounts due under this Agreement;

shall be payable by the Company.

Note 5 - Redemption:

Unless previously redeemed or purchased and cancelled as specified below, the NCDs shall be redeemed at premium, at the expiry of the tenor of respective options.

Note 6 - Payment on Redemption:

The Company's liability to the Debenture Holders in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity of the NCD, 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 liability of the Company in respect of such NCDs shall stand extinguished.

Note 7 - 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. On such payment being made, the Company will inform the Depositories and accordingly the account of the Debenture Holders with Depositories will be adjusted.

Note 8 - Deemed Date of Allotment:

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:

The Company shall ensure that services of 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 premium accrued thereon.

Note 10 - Security:

The NCDs being issued under the DD shall be secured through a first ranking exclusive 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 will create Security for NCDs in accordance with applicable laws in India.

Subject to the provisions of the relevant Debenture Trust Deed, the Company shall be entitled to replace / substitute any of the Moveable Property forming part of Mortgage Properties provided as Security in terms of the relevant debenture trust deed / security documents with other Moveable Property at any time only after obtaining a prior consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holder). 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. The Debenture Holders upon subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to execute such documents, to the satisfaction of Debenture trustee, 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 forming part of Mortgaged Properties provided as Security by the Company is of a value greater than the Security Cover, the Company shall be entitled to require the Debenture Trustee to release the excess Moveable Property at any time after obtaining a prior consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) 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 execute such documents, to the satisfaction of Debenture Trustee, as may be required by 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 shall be maintained post such release.

Subject to the provisions of the Debenture Trust Deed, the Company may provide or cause to be provided (without being obliged to) such additional security for securing its obligations in respect of the Debentures as may be decided by the Company.

In case the actual Security Cover for Debentures falls below 1.10 or 1.40 or 1.75 times as the case may be, the Company shall restore the Security Cover to the stipulated level within the time allowed under the Debenture Trust Deed.

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 of the Company or any part thereof (other than that those comprising the Security to NCDs issued under this Issue) and/or such other assets and properties as may be decided by the Company from time to time without requiring to provide notice to or obtain consent from the Debenture Trustee and/or the Debenture Holders.

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 without requiring to provide notice to or obtain consent from the Debenture Trustee and/or the Debenture Holders.

Note 11 - Time Limit for creation of Security:

The Company shall create the security in respect of the NCDs issued under this DD in favour of the Debenture Trustee within 3 (three) months from the closure date of NCDs under this DD.

Note 12 - Tax Deduction at Source (TDS):

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or reenactment 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 BSE, 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 persons 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 reenactment 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 (Fifteen) 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.

Note 13 - Currency of Payment:

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

Note 14 - 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. Such buy- back of NCDs may be at par or at discount / premium to the face value at the sole discretion of the Company. 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 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 15 - Future Borrowings:

The Company shall be entitled, from time to time, to make further issue of debentures and or such other instruments to the public, members of the Company and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) on the security or otherwise of its assets / properties without the consent of the Debenture Trustee or the Debenture Holders.

Note 16 - 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 17 - 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 Debenture Holders who hold atleast three-fourth 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 18 - Notices:

The Company agrees to send notice of all meetings of the Debenture Holders. 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 or by hand delivery or by electronic transmission 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 19 - 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 20 - Transfers:

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

Note 21 - 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 22 - 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 Appointment Agreement
- b. Debenture Trust Deed
- c. Deed of Hypothecation, if required/applicable

Note 23 – A. 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. The Company 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 Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of BSE, where the debt securities have been listed, within five working days of execution of the same;
- g. The Company undertakes that permission / consent from the prior creditor for a pari passu charge being created, where applicable, in favor of the trustees to the proposed issue would be obtained.

B. Additional covenants:

- a. Security Creation: In case of delay in execution of Trust Deed and Charge documents beyond 3 (three) months from the date of closure of this DD, the Company will refund the subscription with agreed rate of interest or will pay penal interest of atleast 2% p.a. over the interest/coupon rate till these conditions are complied with at the option of the investor;
- b. 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 will be payable by the Company for the defaulting period;
- c. Delay in Listing: In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest, of atleast 1 % p.a. over the interest/coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.

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

Note 24 - 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 for this issue, have been entered into / executed by the Company:

1. Memorandum and Articles of Association of the Company;
2. RBI registration certificate dated September 23, 2008 issued by the Reserve Bank of India;
3. Resolution of the Board of Directors passed at its meeting held on January 15, 2018 approving, inter-alia, the issue of Non-Convertible Debentures aggregating upto ₹ 7000 Crore
4. Resolution passed by the shareholders at the Annual General Meeting of the Company held on June 29, 2017 appointing Deloitte Haskins & Sells LLP as Auditors of the Company
5. Resolution passed by the shareholders of the Company at the Annual General Meeting held on July 12, 2019 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 ₹ 7000 Crore.
6. Annual Reports for the five years ended March 31, 2015 ,2016, 2017, 2018 and 2019 of the Company;
7. Letter from ICRA Limited assigning the credit rating to the NCDs;
8. Consent letter issued by SBICAP Trustee Company Limited dated November 23, 2020 to act as the Debenture Trustee to this Issue.
9. Consent letter issued by KFin Technologies Private Limited dated November 23, 2020 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
10. Letters dated November 26, 2020 from BSE Limited and NSE giving its in-principle approval to the Issue.

Certified true copy of the above documents or such other relevant 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 Issue.

DECLARATION BY THE DIRECTORS THAT –

- a. the company has complied with the provisions of the Act and the rules made thereunder;
- b. the compliance with the Act and the rules do not imply that payment of dividend or interest or repayment of 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 private placement offer cum application letter;

I am authorised by the Board of Directors of the Company vide resolution number 37b dated January 15, 2018 read with board resolution dated July 12, 2019 to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this DD and matters incidental thereto have been complied with.

Whatever is stated in this DD and in the attachments thereto is true, correct and complete and no information material to the subject matter of this DD has been suppressed or concealed and is as per the original records maintained by the shareholders 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 Asset Reconstruction Company Limited



Vineet Singh
Company Secretary

Place: Mumbai

Date: November 26, 2020

DISCLOSURE REQUIREMENTS UNDER FORM PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER (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 as amended from time to time)

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

Sr. No.	Disclosure Requirements	Page No.
1.	GENERAL INFORMATION	
i.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Page 23
ii.	Date of incorporation of the company.	September 19, 2007
iii.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	Page 24
iv.	Brief particulars of the management of the company.	Page 49
v.	Names, addresses, Director Identification Number (DIN) and occupations of the directors.	Page 39-40
vi.	Management's perception of risk factors.	Page 16-22
vii.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of: (a) Statutory dues; (b) Debentures and interest thereon; (c) Deposits and interest thereon; and (d) Loan from any bank or financial institution and interest thereon.	None
viii.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	Page 23
ix.	Any default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder.	None
2.	PARTICULARS OF THE OFFER	
i.	Financial Position of the Company for the last 3 financial years	Page 25-35
ii.	Date of passing of board resolution.	January 15, 2018
iii.	Date of passing of resolution in the general meeting, authorising the offer of securities.	July 22, 2020
iv.	Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued;	Debentures
v.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Page 56
vi.	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at	Not Applicable

	along with report of the registered valuer;	
vii.	Relevant date with reference to which the price has been arrived at. [Relevant Date means a date atleast thirty days prior to the date on which the general meeting of the company is scheduled to be held]	Not Applicable
viii.	The class or classes of persons to whom the allotment is proposed to be made;	Page 52
ix.	The proposed time within which the allotment shall be completed;	Page 56
x.	The change in control, if any, in the company that would occur consequent to the private placement;	Not Applicable
xi.	the number of persons to whom the allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price;	Not Applicable
xii.	the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer;	Not Applicable
xiii.	Amount which the company intends to raise by way of proposed offer of securities;	Page 54
xiv.	Terms of raising of securities: (i)Duration, if applicable; (ii)Rate of dividend; (iii)Rate of interest; (iv)Mode of payment; and (v)Repayment.	Not Applicable Not Applicable Not Applicable Not Applicable
xv.	Proposed time schedule for which the private placement offer cum application letter is valid.	Page 56
xvi.	Purposes and objects of the offer.	Page 55
xvii.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not Applicable
xviii.	Principle terms of assets charged as security, if applicable.	Page 57
xix.	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations;	None
3.	Mode of payment for subscription - Cheque Demand Draft Other Banking Channels	Refer Application form
4.	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	None

	shall be disclosed.	
c.	Remuneration of directors (during the current year and last three financial years).	Refer Annual Reports attached
d.	Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided.	Refer Annual Reports attached
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application 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
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
5.	FINANCIAL POSITION OF THE COMPANY	
A.	The capital structure of the company in the following manner in a tabular form:	Page 36
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	Page 38
(b)	Size of the present offer; and	₹ 75 Crore
(c)	Paid up capital: (I) After the offer; and (II) After conversion of convertible instruments (if applicable);	Not Applicable Not Applicable
(d)	Share 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.	Page 37-39
	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.	Page 37-39

b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter.	Page 29-31
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	None
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter	Page 27-28
e.	Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter	Page 32-35
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)		
		Refer Annexure F
6.	A DECLARATION BY THE DIRECTORS THAT	Page 73

SECTION - IV**ANNEXURES**

A	- ICRA CREDIT RATING LETTER AND RATING RATIONALE
B	- CONSENT LETTER OF THE DEBENTURE TRUSTEE
C	- FINANCIAL STATEMENTS OF THE COMPANY FOR FY 2017-18, FY 2018-19 AND FY 2019-20 AND UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020
D	- BOARD RESOLUTION
E	- SHAREHOLDERS' RESOLUTION
F	- APPLICATION FORM



ICRA Limited

CONFIDENTIAL

Ref: MUM/20-21/2386
Date: November 23, 2020

Mr. Sabyasachi Ray
Chief Financial Officer
JM Financial Asset Reconstruction Company Limited
5B, 5th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

Dear Sir,
Re: ICRA rating for the Rs. 600 crore¹ Principal Protected Market Linked Debenture {MLD (PP)} programme of JM Financial Asset Reconstruction Company Limited

Please refer to your request dated November 23, 2020 for revalidating the rating letter issued for the captioned Rs. 600 crore MLD (PP) programme.

We confirm that the PP-MLD[ICRA]AA- (pronounced as P P M L D ICRA double A minus) rating, with Stable outlook, assigned to your captioned programme and last communicated to you vide our letter dated **September 22, 2020** stands. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The modifier - (minus) indicates the relative position within the rating categories concerned. The letters 'PP' stands for 'principal protected'. According to the terms of the rated instrument, the amount invested, that is the principal, is protected against erosion while the returns on the investment could vary, being linked to movements in one or more variables, such as equity indices, commodity prices, and/or foreign exchange rates. The rating expresses ICRA's current opinion on the credit risk associated with the issuer concerned. The rating does not address the risks associated with variability in returns resulting from adverse movements in the variable(s) concerned. The company has to ensure that it has necessary regulatory approvals for the issuance of such debentures.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same as communicated vide our letters Ref MUM/20-21/1813 and Ref MUM/20-21/1815 dated September 22, 2020.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

Authorised Signatory
KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

¹ Of the rated amount, Rs. 500 crore is unutilised and available for issuance

September 28, 2020

JM Financial Asset Reconstruction Company Limited: [ICRA]AA- (Stable)/PP-MLD[ICRA]AA- (Stable) assigned to fresh borrowing programmes; Ratings reaffirmed and withdrawn for matured borrowing programmes

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture (NCD) Programme	1,371.50	1,371.50	[ICRA]AA- (Stable); reaffirmed
NCD Programme	43.20	-	[ICRA]AA- (Stable); reaffirmed and withdrawn
NCD Programme	-	43.20	[ICRA]AA- (Stable); assigned
Long-term Market Linked Debentures (Principal Protected) {MLD (PP)} Programme	550.00	550.00	PP-MLD[ICRA]AA- (Stable); reaffirmed
MLD (PP) Programme	50.00	-	PP-MLD[ICRA]AA- (Stable); reaffirmed and withdrawn
MLD (PP) Programme	-	50.00	PP-MLD[ICRA]AA- (Stable); assigned
Commercial Paper (CP) Programme	300.00	300.00	[ICRA]A1+; outstanding
Long-term Bank Lines (Cash Credit)	235.00	235.00	[ICRA]AA- (Stable); outstanding
Long-term Bank Lines (Term Loan)	198.00	198.00	[ICRA]AA- (Stable); outstanding
Long-term Bank Lines (Unallocated)	67.00	67.00	[ICRA]AA- (Stable); outstanding
Total	2,814.70	2,814.70	

**Instrument details are provided in Annexure-1*

Rationale

ICRA has withdrawn the ratings assigned to JM Financial Asset Reconstruction Company Limited's (JMFARCL) Rs. 43.20-crore NCD programme and Rs. 50-crore MLD (PP) programme as no amount is outstanding against these rated instruments. The ratings were withdrawn at the request of the company and as per ICRA's policy on the withdrawal and suspension of credit ratings.

The ratings factor in JMFARCL's strong parentage by virtue of being a part of the JM Financial Group (the Group), which has an established franchise in the domestic financial services industry. JMFARCL is a strategically important venture for the Group and has a strong linkage with JM Financial Limited (JMFL; rated [ICRA]AA(Stable)/[ICRA]A1+), the parent company, as evidenced by the shared brand name and demonstrated support at the operational, managerial and financial level. The ratings also factor in JMFARCL's strong position in the asset reconstruction space with sizeable assets under management (AUM), an experienced management team and comfortable capitalisation levels. The company's capital structure is supported by fresh capital infusions of Rs. 279 crore in FY2018 and Rs. 200 crore in FY2020 (in the form of compulsorily convertible debentures; CCDs).

The ratings are, however, constrained by the high-risk profile of the company's asset class given the nature of the underlying assets and the complex resolution process. Moreover, the high gestation period and uncertainty associated with the same result in lumpy cashflows. The ratings also take into account the limited seasoning of the asset reconstruction industry, its evolving nature given the significant changes in the regulatory environment, and the challenges faced by the industry in continuously acquiring assets at reasonable prices. Further, due to the ongoing Covid-19 pandemic and the resulting economic disruption, the resolution process has been impacted across the industry, which might result in slow recoveries and delays in the receipt of cashflows. Going forward, the company's ability to achieve timely resolution for its assets and maintain the profitability and achieve steady cashflows, given the inherent risks associated with the asset reconstruction industry, as well as judiciously acquire assets while maintaining its capital structure would remain critical from the Group's credit perspective.

The ratings of the Group factor in its diversified revenue stream and healthy financial profile with steady profitability and an adequate capitalisation level. The strengths are partially offset by the exposure to the volatility in capital markets, the inherent risk profile of key segments like real estate and promoter funding, and the portfolio concentration in the wholesale lending segment (~90% of the total book as on March 31, 2020), which could result in a sharp deterioration in the asset quality in case of slippages. The real estate sector has been facing a prolonged slowdown due to subdued sales and lack of funding access. The spread of the pandemic and the resulting nationwide lockdown further impacted the real estate sector. While the near-term pressure on the developers was mitigated due to the moratorium offered for their loan instalments under the Covid-19-related regulatory package announced by the Reserve Bank of India (RBI), a slow pickup in sales will impact the cashflows of the developers over the medium term. This could pose challenges in maintaining the asset quality. The asset quality, though healthy at present, moderated in recent quarters with the gross non-performing assets (GNPAs) increasing to 1.65% of the loan book as on March 31, 2020 from 1.27% as on September 30, 2019 and 0.68% as on March 31, 2019 (partly due to the base effect of a declining loan book). The special mention accounts (SMA) 2 also increased to 2.64% of the loan book as on March 31, 2020 from 2.40% as on September 30, 2019 and 1.25% as on March 31, 2019. The presence of adequate collateral, and the Group's conservative underwriting norms, adequate risk management systems and proactive monitoring and resolution process provide comfort.

ICRA has also favourably factored in the Group's healthy capitalisation profile, with the leverage being lower than that of its peers. This provides it with financial flexibility as well as the ability to absorb losses, if needed. JMFL raised equity capital of Rs. 770 crore in June 2020 to shield itself from the uncertainties surrounding the pandemic and its impact on the economy. Supported by the capital raise, the Group's net gearing improved to 0.79 times as on June 30, 2020 from 1.04 times as on March 31, 2020. The capital raise is also expected to support the near-term liquidity, given the moratorium extended to the customers and the stress in the underlying borrower groups. As on June 30, 2020, the Group had cash and cash equivalents of Rs. 3,394 crore (~33% of gross debt) and unutilised credit lines of Rs. 399 crore, covering the short-term debt repayments. The Group made additional provisions (including a fair value loss) of Rs. 175.21 crore in Q4 FY2020 and Rs. 66 crore in Q1 FY2021 towards the potential impact of the pandemic, as assessed by the management, on its business. Going forward, the Group's ability to manage its asset quality and liquidity profile over the near-to-medium-term would remain critical.

Given the prominence of the lending business in the Group's revenue profile, its ability to manage its asset and liability profile, particularly considering the current operating environment, would remain critical. ICRA notes that the Group raised ~Rs. 450 crore from banks in Q1 FY2021 under the targeted long-term repo operations (TLTRO) of the RBI. Following the onset of the liquidity crisis for non-banking financial companies (NBFCs), there has been a change in the Group's debt maturity profile with the share of short-term debt declining to ~9% as on March 31, 2020 from ~27% as on March 31, 2019. ICRA takes comfort from the Group's adequate liquid assets and its ability to raise funds from the market when required, as demonstrated in the past. Going forward, the Group's ability to scale up its operations, while keeping the asset quality under check, maintaining healthy profitability and capitalisation and managing its asset liability profile, would remain critical from a credit perspective.

Key rating drivers and their description

Credit strengths

Established position of the Group in financial services industry – The Group is a diversified financial services entity with a presence in investment banking, retail and institutional equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities-based lending, corporate lending, real estate lending, private equity, and asset reconstruction. It is one of the leading entities in capital markets and related businesses with a key focus on investment banking and merchant banking operations and has been a part of many marquee deals. On a consolidated basis, the Group's revenue stream remains well diversified with the investment banking, wealth management & securities (IWS) business, mortgage lending, distressed credit and asset management businesses contributing 47%, 39%, 12% and 2%, respectively, in FY2020.

Strong linkages with parent coupled with demonstrated track record of support – JMFL, the holding company of the Group, had a 59.25%¹ stake in JMFARCL as on March 31, 2020. The asset reconstruction business is a strategically important venture for the Group. Thus, the Group has allocated significant resources in the form of demonstrated financial (~Rs. 200-crore equity infused in FY2018 and Rs. 183 crore² in FY2020) and management support to the company. The Group has three positions on JMFARCL's nine-member board (including four independent directors).

Strong position in asset reconstruction space and experienced management team – JMFARCL is among the leading players in the asset reconstruction business with AUM of Rs. 11,441 crore as on June 30, 2020 (Rs. 14,191 crore as on June 30, 2019 and Rs. 11,489 crore as on March 31, 2020). The company mainly operates in 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 the promoters. The corporate and SME portfolios, consisting of multiple borrowers, provide some diversification to the AUM. As on June 30, 2020, single assets formed 74% of the total AUM (75% as on March 31, 2020), followed by corporate and SME accounts at 25% (25% as on March 31, 2020) with the balance being retail assets (<1%). After a sharp growth of ~130% in FY2015, the growth in the company's AUM has moderated over the years on account of limited acquisitions and a challenging operating environment. The AUM growth remained

¹ Without considering future conversion of CCDs into equity

² In the form of CCDs

mutated in FY2018 and FY2019 at 9% and 8%, respectively, and declined by ~18% YoY in FY2020. Like most other players in the industry, a substantial portion of JMFARCL's AUM was acquired in FY2014 and FY2015. ICRA takes comfort from the experienced management team with most of them having been with the company since inception.

Adequate profitability indicators despite moderation in FY2020 – JMFARCL's income, which comprises management fees, interest income from restructured accounts and profit on the redemption of security receipts (SRs), declined to Rs. 414 crore in FY2020 from Rs. 501 crore in FY2019 on account of lower profit from the redemption/sale of SRs (net of fair value gain/losses) (~Rs. 34 crore in FY2020 compared to Rs. 197 crore in FY2019). In line with the decline in the total income, the net profit reduced to Rs. 48 crore in FY2020 (return on average net worth (RoNW) of 2.90%) from a net profit of Rs. 132 crore in FY2019 (RoNW of 7.79%). The distressed credit business' profitability tends to be volatile and depends on the company's ability to resolve assets and recover dues.

Comfortable capitalisation profile – The company's net worth (including non-controlling interest) remains adequate at Rs. 1,539 crore as on March 31, 2020 (Rs. 1,749 crore as on March 31, 2019) for the current scale of operations. Despite an increase in borrowings in FY2020 (borrowings increased in FY2018 and FY2019 as well), JMFARCL's gearing remained comfortable at 1.67 times as on March 31, 2020 compared to 1.44 times as on March 31, 2019. The net worth is supported by equity infusions of Rs. 279 crore by the promoters and the investors in FY2018 and Rs. 183 crore (CCDs) by the promoters in FY2020. ICRA takes comfort from the company's strong capitalisation levels and its stated intent to cap the leverage below 2 times. Further, ICRA takes note of JMFARCL's plan to keep fresh acquisitions on hold in the current scenario.

Credit challenges

Exposed to risks inherent in distressed assets space; high concentration risks, given the focus on large ticket size single credit exposures – JMFARCL focusses on the large single borrower segment, an asset class with a high-risk profile on account of its complexity, higher ticket size as well as high degree of engagement with the promoters. This, along with the company's strategy of focussing on resolution through the revival of operations and debt restrictions and the inherent risks in the industry, given the nature of the underlying asset class, can result in a protracted process. Given the lumpy nature of these assets, the inability to achieve resolution as per expectations, in terms of the amount recovered as well as timelines, can have a bearing on the company's profitability. In ICRA's view, JMFARCL faces asset quality related challenges, given its exposure to stressed assets, despite having an adequate asset acquisition and resolution policy framework. In the current economic scenario, marked by the significant pressure on borrowers' cashflows, JMFARCL's ability to achieve timely resolution and healthy recovery from its assets would remain important from a credit perspective.

Moderate recovery performance; mandatory write-off requirements could impact near-term profitability if recoveries fail to pick up – The company's resolution performance was healthy till FY2013 with a recovery ratio (defined as cumulative recovery to cumulative acquisition price) of ~80%. However, due to a sharp increase in AUM from FY2014, the overall pace of resolution declined (recovery ratio of 23% as on March 31, 2018 and 27% as on March 31, 2019). With the resolution of a large asset in FY2020, the recovery ratio improved to 47% as on March 31, 2020 and 48% as on June 30, 2020. JMFARCL has witnessed delays in achieving the planned recoveries

for a few assets over the past couple of years. Further, due to the ongoing pandemic and the resulting economic disruption, the resolution process has been impacted across the industry, which might result in slow recoveries and delays in the receipt of cashflows. It is to be noted that the recovery proceeds are used for the payment of management fees and other expenses and dues while the balance is used for the redemption of the SRs. Thus, the SR redemption ratio trails behind the recovery ratio. Going forward, the pace of resolution of assets and additional recoveries from lumpy assets will remain key rating monitorables.

Limited seasoning of the industry with challenges in acquiring assets at reasonable prices – In ICRA’s view, the seasoning of the asset reconstruction industry remains limited. Also, the ability of asset reconstruction companies (ARCs) to judiciously acquire new assets while maintaining a comfortable capital structure and a competitive cost of borrowings remains a key rating sensitivity. The industry prospects also remain susceptible to regulatory changes.

Liquidity position: Adequate

JMFL Group: As on June 30, 2020, JMFL had cash and cash equivalents of Rs. 3,394 crore. The Group’s liquidity profile is adequate in comparison to its near-term maturities. The Group used the liquidity buffer to buy back its bonds from the secondary market in Q1 FY2021. JMFL also raised equity funds of Rs. 770 crore in June 2020, which strengthened its liquidity profile. While the Group offered moratorium benefits to its customers, it did not avail a moratorium for any of its bank borrowings. As per the asset-liability statements for the key lending entities in the Group as on June 30, 2020, the cumulative cashflow position remains comfortable for the near term.

JMFARCL: As on August 31, 2020, JMFARCL had total liquidity of Rs. 81 crore, comprising Rs. 11-crore cash and liquid investments and Rs. 70-crore undrawn bank lines. Further, JMFL’s shareholders have passed an enabling resolution for transactions with JMFARCL (including providing loans/inter-corporate deposits/investments) up to Rs. 500 crore in a financial year, which can be drawn down if the need arises. The liquidity profile, thus, remains adequate in comparison to the near-term maturities.

Rating sensitivities

Positive triggers – The ratings may be upgraded if there is an improvement in the Group’s credit profile. A significant improvement in recovery from JMFARCL’s distressed credit assets while maintaining its current comfortable leverage profile may also lead to a rating upgrade.

Negative triggers – The ratings could be downgraded if there is a deterioration in the Group’s credit profile. Significant delays in recovery from JMFARCL’s distressed credit assets, coupled with an increase in the leverage level, may lead to a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA’s Credit Rating Methodology for Non-Banking Finance Companies Consolidation and rating approach
Parent/Group Support	Support from JM Financial Group (i.e. JMFL, the parent company)
Consolidation/Standalone	Standalone

About the company

Incorporated in September 2007, JM Financial Asset Reconstruction Company Limited is registered with the Reserve Bank of India (RBI) under the SARFAESI Act, 2002 as a securitisation and asset reconstruction company. It acquires non-performing financial assets from banks/financial institutions and works on the resolution of the same. JMFARCL is a subsidiary of JM Financial Limited (JMFL), which holds a 59.25% stake in the company. As on March 31, 2020, the balance was held by Mr. Narotam Sekhsaria (16.50%), Valiant Mauritius Partners FDI Ltd. (8.42%), Indian Overseas Bank (6.09%) and others (9.74%). As on March 31, 2020, the company operated through six branches (including the head office) – two in Mumbai and one each in Bangalore, Delhi, Kolkata and Hyderabad.

In FY2020, JMFARCL reported a net profit of Rs. 48 crore on a total income of Rs. 414 crore compared to a net profit of Rs. 132 crore on a total income of Rs. 501 crore in FY2019.

Key financial indicators of JMFARCL (audited)

	FY2018	FY2019	FY2020
Total Income	319	501	414
Profit after Tax	2	132	48
Net Worth + Non-controlling Interest	1,629	1,749	1,539
Assets under Management	12,965	14,044	11,489
Total Assets	3,153	4,517	4,214
Return on Average Total Assets	0.1%	3.4%	1.1%
Return on Average Net Worth	0.2%	7.8%	2.9%
Gearing {times; Total Debt/(Net Worth + Non-controlling Interest)}	0.87	1.44	1.67

Source: Company & ICRA research; Amounts in Rs. crore; All ratios are as per ICRA calculations

JM Financial Group

JM Financial is an integrated and diversified financial services group. Its primary businesses include (a) IWS, including fee and fund-based activities for its clients, (b) mortgage lending, which includes both wholesale mortgage lending and retail mortgage lending (home loans, educational institution lending and loan against property), (c) distressed credit, which includes the asset reconstruction business, and (d) asset management, which includes the mutual fund business.

JMFL is the holding company for the operating companies in the Group and is also engaged in investment banking and the management of private equity funds. As on June 30, 2020, the consolidated loan book stood at Rs. 10,833 crore (Rs. 11,531 crore as on March 31, 2020), distressed credit business AUM at Rs. 11,441 crore (Rs. 11,489 crore as on March 31, 2020), wealth management AUM at Rs. 47,579 crore (Rs. 44,883 crore as on March 31, 2020) and mutual fund quarterly average AUM (QAAUM) at Rs. 4,049 crore (Rs. 6,109 crore as on March 31, 2020). The Group is headquartered in Mumbai and has a presence in 456 locations spread across 154 cities in India. JMFL's equity shares are listed in India on the BSE and the NSE.

In FY2020, JMFL reported a consolidated net profit (net of non-controlling interest) of Rs. 545 crore on a total income of Rs. 3,454 crore compared with a consolidated net profit of Rs. 572 crore on a total income of Rs. 3,499 crore in FY2019.

Key financial indicators of JMFL (consolidated)

	FY2018	FY2019	FY2020
	Ind-AS	Ind-AS	Ind-AS
Total Income	3,033	3,499	3,454
Profit after Tax (PAT ³)	601	572	545
Tangible Net Worth ⁴	4,502	5,079	5,586
Non-controlling Interests	1,395	2,150	2,407
Total Loan Book	14,772	14,107	11,531
Total Assets	22,154	22,588	20,693
Return on Average Assets (RoA)	4.0%	3.7%	3.6%
PAT/Average Net Worth (RoE)	15.0%	12.8%	10.2%
Gearing (times)	2.54	1.94	1.47

Source: JM Financial Limited and ICRA research; Amounts in Rs. crore; All ratios are as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

³ Including share in profit of associates and net of minority interest

⁴ Net of goodwill on consolidation

Rating history for last three years

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years						
		Type	Amount Rated	Amount Outstanding	Current Rating		FY2020		FY2019	FY2018		
					28-Sep-2020	10-Jul-2020	20-Jan-2020	1-Apr-2019	10-Jul-2018	5-Feb-2018	8-Sep-2017	6-Jul-2017
1	NCD Programme	Long Term	1,371.50	1,371.50	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)
2	NCD Programme	Long Term	43.20	-	[ICRA]AA-(Stable); Withdrawn	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)
3	NCD Programme	Long Term	43.20	-	[ICRA]AA-(Stable)	-	-	-	-	-	-	-
4	MLD (PP) Programme	Long Term	550	200	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)	PP-MLD[ICRA]AA-(Stable)	PP-MLD[ICRA]AA-(Stable)	-
5	MLD (PP) Programme	Long Term	50	-	PP-MLD[ICRA]AA-(Stable); Withdrawn	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)	PP-MLD[ICRA]AA-(Stable)	-
6	MLD (PP) Programme	Long Term	50	-	PP-MLD[ICRA]AA-(Stable)	-	-	-	-	-	-	-
7	CP Programme	Short Term	300	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
8	Long-term Bank Lines (Cash Credit)	Long Term	235	-	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)
9	Long-term Bank Lines (Term Loan)	Long Term	198	125.50	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)
10	Long-term Bank Lines (Unallocated)	Long Term	67	-	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)	[ICRA]AA-(Stable)

Amount in Rs. crore; * Outstanding as on September 18, 2020

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE265J07258	MLD (PP)	24-Aug-18	9.45%-9.50%	25-Aug-20	25	PP-MLD[ICRA]AA- (Stable); reaffirmed and withdrawn
INE265J07308	MLD (PP)	7-Mar-19	10-year G-Sec linked	4-Sep-20	25	PP-MLD[ICRA]AA- (Stable); reaffirmed and withdrawn
INE265J07332	MLD (PP)	7-May-19	10-year G-Sec linked	6-Nov-20	50	PP-MLD[ICRA]AA-(Stable)
INE265J07340	MLD (PP)	11-Jul-19	10-year G-Sec linked	11-Jan-21	50	PP-MLD[ICRA]AA-(Stable)
INE265J07381	MLD (PP)	6-Feb-20	10-year G-Sec linked	9-Dec-21	100	PP-MLD[ICRA]AA-(Stable)
NA	MLD (PP)*	-	-	-	400	PP-MLD[ICRA]AA-(Stable)
INE265J07159	NCD	20-Jul-17	9.30%	2-Sep-20	43.2	[ICRA]AA- (Stable); reaffirmed and withdrawn
INE265J07191	NCD	25-Apr-18	9.35%	25-May-21	40	[ICRA]AA-(Stable)
INE265J07225	NCD	19-Jul-18	0.00%	15-Jul-21	38	[ICRA]AA-(Stable)
INE265J07233	NCD	25-Jul-18	0.00%	12-Aug-21	88.5	[ICRA]AA-(Stable)
INE265J07241	NCD	31-Jul-18	0.00%	15-Sep-21	50	[ICRA]AA-(Stable)
INE265J07266	NCD	27-Aug-18	0.00%	27-Sep-21	160	[ICRA]AA-(Stable)
INE265J07274	NCD	31-Aug-18	0.00%	15-Sep-21	120	[ICRA]AA-(Stable)
INE265J07282	NCD	31-Aug-18	10.25%	31-Aug-21	25	[ICRA]AA-(Stable)
INE265J07290	NCD	28-Sep-18	0.00%	29-Sep-22	50	[ICRA]AA-(Stable)
INE265J07316	NCD	29-Mar-19	11.50%	29-May-22	150	[ICRA]AA-(Stable)
INE265J07324	NCD	29-Mar-19	11.50%	29-May-22	150	[ICRA]AA-(Stable)
INE265J07357	NCD	2-Aug-19	12.40%	2-Feb-22	250	[ICRA]AA-(Stable)
INE265J07365	NCD	2-Aug-19	12.40%	2-Aug-21	100	[ICRA]AA-(Stable)
INE265J07373	NCD	2-Aug-19	12.50%	2-Aug-22	150	[ICRA]AA-(Stable)
NA	NCD Programme*	-	-	-	43.2	[ICRA]AA-(Stable)
NA	Term Loans	2017-19	-	2020-23	198	[ICRA]AA-(Stable)
NA	Cash Credit/Overdraft	-	-	-	235	[ICRA]AA-(Stable)
NA	Proposed Bank Lines*	-	-	-	67	[ICRA]AA-(Stable)
NA	CP Programme	-	-	7-365 days	300	[ICRA]A1+

*Proposed; Source: JMFARCL

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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.

For more information, visit www.icra.in

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No.0252 /2020-2021/CL - 3102

Date: 23rd November, 2020.

To,

Name of the Company: JM Financial Asset Reconstruction Company Limited

Correspondence Address:

7th Floor, Cnergy Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400025

GST Billing Address:

7th Floor, Cnergy Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400025

Email ID: vineet.singh@jmfl.com

Sub.: Offer to act as Trustee for the proposed Debenture/Bond issue of Rs. 75 Crores by JM Financial Asset Reconstruction Company Limited ("Company")

Dear Sirs,

This has reference to the telecon, and the discussions had on the captioned subject. Pursuant thereto, We SBICAP Trustee Company Limited ("STCL") are pleased to offer our services to act as the Debenture Trustee for the captioned issue on the following terms and conditions (**this letter shall hereinafter be referred to as the "Offer Letter"**):

A. Fee Structure:

i) Base Charges:

Description of the Fees and Charges	Amount Payable (Rs.)	Remarks
Acceptance Fees	40,000.00	i. The Acceptance Charges is payable on one-time basis immediately on the acceptance of this Offer Letter
Annual Charges	40,000.00	i. For the 1st year, the Annual Charges shall be pro-rata till the end of the current Financial year and are payable in advance from the date of acceptance of offer; ii. Annual Charges for subsequent years, shall be payable in advance immediately upon raising of Invoice; iii. The Annual Charges are payable by the Company till the satisfaction of charges or release of all security/ documents, whichever is later

INDEPENDENT AUDITOR'S REPORT

To the Members of JM Financial Asset Reconstruction Company Limited

(Formerly known as JM Financial Asset Reconstruction Company Private Limited)

Report on the Financial Statements

1 We have audited the accompanying financial statements of JM Financial Asset Reconstruction Company Limited (Formerly known as JM Financial Asset Reconstruction Company Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

2 The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. 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; 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

Auditor's Responsibility

3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section

143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

- 6 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 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 March 31, 2017, its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order
- 8 As required by section 143(3) of the Act, we further 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 purpose of our audit;

INDEPENDENT AUDITOR'S REPORT

- | | |
|---|---|
| b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books; | i. The Company does not have any pending litigations which would impact its financial position (Refer Note 2.32) |
| c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account; | ii. The Company does not have any long-term contracts including derivative contracts for which there existed any foreseeable losses |
| d. in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014; | iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise |
| e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act; | iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank notes during the period from November 8, 2016 to December 30, 2016 and as explained to us, the same are in accordance with books of accounts and records maintained by the Company. (Refer Note 2.26) |
| 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 B"; | |
| g. in our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014: | |

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W

Place: Mumbai
Date: April 21, 2017

Hasmukh B Dedhia
Partner (F - 33494)

INDEPENDENT AUDITOR'S REPORT

Annexure A referred to in paragraph 7 Our Report of even date to the members of JM Financial Asset Reconstruction Company Limited (Formerly known as JM Financial Asset Reconstruction Company Private Limited) on the Financial Statements of the Company for the year ended March 31, 2017

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Based on the records of the Company examined by us, fixed assets have been physically verified by the management at regular intervals; as informed to us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, title deed of an immovable property is held in the name of the Company
- ii. The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause 3 (ii) of the Order is not applicable to it
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence the requirement of clause 3 (iii) of the order is not applicable
- iv. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not granted any loans or advances covered under Section 185 and 186 of the Act
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- vii. (a) According to the information and explanations given and based on the records of the Company examined by us, the company is generally regular in depositing

the undisputed statutory dues, including Provident Fund, Income-tax, Value Added Tax, Sales Tax, Service Tax, and other material statutory dues applicable to it. There are no undisputed statutory dues remaining outstanding for the period exceeding six months as at the date of the Balance sheet.

We have been informed that Employees' state insurance, Custom duty and Excise Duty are currently not applicable to the Company for the year under audit

- (b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Service Tax, Value Added Tax, Sales Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any disputes

We have been informed that Custom duty and Excise Duty are currently not applicable to the Company for the year under audit

- viii. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions, Banks, Government or dues to debenture holders
- ix. The Company has raised money by way of issue of listed secured non-convertible debentures and term loans. Based on the records of the company examined in course of our audit, the moneys so raised have been utilized for the purpose of business for which the same were raised
- x. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of our audit nor have we been informed of any such instance by the Management

INDEPENDENT AUDITOR'S REPORT

- xi. According to the information and explanations given and based on the records of the company examined by us, the Company has complied with the provisions of Section 197 read with Schedule V to the Companies Act, 2013 pertaining to Managerial Remuneration paid/provided during the year under audit
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable
- xiii. According to the information and explanations given to us and based on the records examined by us, the Company has complied with the provisions of Section 177 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014. The transactions with related parties entered into by the Company, disclosures whereof are made as per applicable Accounting Standards, do not attract the provisions of Section 188 of the Act
- xiv. The Company has not made any preferential allotment or private placement of preference shares or fully or partly convertible debentures during the year under review. Hence, clause 3(xiv) of the Order is not applicable
- xv. According to the records of the Company examined in course of our audit and as per the information and explanations given to us, the Company has not entered in any non-cash transactions with directors or persons connected with them during the year under audit. Hence, provisions of Section 192 are not applicable to the Company
- xvi. The Company being a Securitisation and Reconstruction Company ('SCRC') under SARFAESI Act 2002, it is not required to be registered under Section 45 IA of the Reserve Bank of India Act 1934

For **Khimji Kunverji & Co**
Chartered Accountants
Firm Registration No 105146W

Place: Mumbai
Date: April 21, 2017

Hasmukh B Dedhia
Partner (F - 33494)

INDEPENDENT AUDITOR'S REPORT

Annexure B referred to in paragraph 8(f) of Our Report of even date to the members of JM Financial Asset Reconstruction Company Limited (Formerly known as JM Financial Asset Reconstruction Company Private Limited) on the Financial Statements of the company for the year ended March 31, 2017

Report on the Internal Financial Controls 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 the company as at 31 March 2017 in conjunction with our audit of 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. 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 are 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 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 auditor's judgment, including the assessment of the risks of material misstatement in 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

Internal financial control over financial reporting is a process designed by the Company to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, 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 authorizations of Management and Board of Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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. Further, 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 owing to changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate or for other reasons

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Khimji Kunverji & Co
Chartered Accountants
Firm Registration No 105146W

Place: Mumbai
Date: April 21, 2017

Hasmukh B Dedhia
Partner (F - 33494)

BALANCE SHEET

as at 31st March 2017

		₹ in crore	
Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a Share Capital	2.01	241.25	241.25
b Reserves and Surplus	2.02	338.52	283.65
		579.77	524.90
2 Non-current liabilities			
a Long-term borrowings	2.03	340.12	350.28
b Other Liabilities	2.04	2.95	-
c Long-term provisions	2.05	0.69	0.50
		343.76	350.78
3 Current liabilities			
a Short-term borrowings	2.06	614.98	383.92
b Trade payables	2.07	0.82	0.17
c Current maturities of long-term borrowings	2.08	200.00	30.00
d Other current liabilities	2.09	70.24	49.70
e Short-term provisions	2.10	0.70	0.55
		886.74	464.34
Total		1,810.27	1,340.02
II. ASSETS			
1 Non-current assets			
a Fixed assets	2.11		
(i) Tangible assets		2.17	2.85
(ii) Intangible assets		0.29	0.50
b Deferred tax assets (net)	2.12	13.35	7.64
c Long-term loans and advances	2.13	4.21	24.91
		20.02	35.90
2 Current assets			
a Current investments	2.14	1,635.40	1,226.24
b Trade receivables	2.15	63.75	33.58
c Cash and bank balances	2.16	17.88	2.34
d Short-term loans and advances	2.17	73.22	41.96
		1,790.25	1,304.12
Total		1,810.27	1,340.02
Significant accounting policies and notes to the financial statements	1 & 2		

As per our attached report of even date
For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No: 105146W

For and on behalf of the Board of Directors

Hasmukh B Dedhia
Partner
Membership No. F-33494

VP Shetty
Executive Chairman
(DIN-00021773)

Rupa Vora
Chairperson- Audit Committee
(DIN-01831916)

Anil Bhatia
Managing Director & Chief Executive Officer
(DIN-01310959)

Date : April 21, 2017
Place : Mumbai

Nikhil Bhandary
Company Secretary

Sabyasachi Ray
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2017

		₹ in crore	
Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I REVENUE FROM OPERATIONS	2.18	223.74	317.79
II OTHER INCOME	2.19	0.12	1.23
III Total Revenue (I + II)		223.86	319.02
IV EXPENSES			
Employee benefits expense	2.20	22.37	27.13
Finance costs	2.21	91.87	97.08
Provision/write off for receivables, loans & investments	2.22	13.23	25.20
Depreciation and amortization expense	2.11	1.20	1.09
Other expenses	2.23	11.40	10.13
Total expenses		140.07	160.63
V Profit before tax		83.79	158.39
Tax expense			
Current tax		34.63	57.14
Deferred tax		(5.71)	(7.06)
Excess provision for tax in respect of earlier year (net)		-	(0.05)
		28.92	50.03
VI Profit after tax		54.87	108.36
VII Earnings per share			
Basic / Diluted		2.27	4.49
Significant accounting policies and notes to the financial statements	1 & 2		

As per our attached report of even date
For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No.: 105146W

For and on behalf of the Board of Directors

Hasmukh B Dedhia
Partner
Membership No. F-33494

VP Shetty
Executive Chairman
(DIN-00021773)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Managing Director & Chief Executive Officer
(DIN-01310959)

Date : April 21, 2017
Place : Mumbai

Nikhil Bhandary
Company Secretary

Sabyasachi Ray
Chief Financial Officer

STATEMENT OF CASH FLOW

for the year ended 31st March 2017

Particulars	₹ in crore	
	For the year ended 31st March 2017	For the year ended 31st March 2016
A Cash flow from operating activities		
Profit before tax	83.79	158.39
Adjustment for:		
Depreciation	1.20	1.09
Write off/reversal of receivables and investments	-	12.82
Provision for receivables, advances and loans	13.23	12.38
Earlier year provision on receivables/advances w/back	(1.68)	(8.29)
Provision for gratuity	0.20	0.18
Provision for/(reversal of) compensated absences	0.13	0.08
Interest expense	91.87	97.08
Operating profit before working capital changes	188.75	273.73
Adjustment for:		
(Increase)/decrease in trade receivables	(30.17)	15.80
(Increase)/decrease in short-term loans and advances	(31.26)	(6.84)
Increase/(decrease) in trade payables	0.66	(0.04)
Increase/(decrease) in other current liabilities	20.52	7.00
Increase/(decrease) in other bank balances	(0.07)	(0.69)
Cash generated from/(used in) operations	148.42	288.97
Direct taxes paid	(33.93)	(59.47)
Net cash from/(used in) operating activities	114.50	229.51
B Cash flow from investing activities		
Purchase of current investments - Others	(491.57)	(352.66)
Sale/redemption of current investments - Others	82.41	586.94
Purchase of fixed assets	(0.30)	(3.07)
Net cash from/(used in) investment activities	(409.46)	231.21
C Cash flow from financing activities		
(Increase) /decrease in other non-current assets	-	8.29
Increase/(decrease) in other non-current liabilities	2.95	-
(Increase)/decrease in long term loans & advances	8.44	(28.48)
Proceeds from long-term borrowings	159.87	-
(Repayment) of long-term borrowings	-	(92.66)
Proceeds from short-term borrowings	231.06	-
(Repayment) of short-term borrowings	-	(255.52)
Interest paid	(91.87)	(97.08)
Net cash from/(used in) financing activities	310.44	(465.44)
Net increase/(decrease) in cash & cash equivalents	15.47	(4.73)
Cash & cash equivalents (opening)	1.65	6.38
Cash & cash equivalents (closing)	17.12	1.65

Notes

- The cash flow statement has been prepared under the 'Indirect Method' set out in AS 3 - "Cash Flow Statement" notified in Companies (Accounting standards) Rules, 2006 (as amended).

STATEMENT OF CASH FLOW

for the year ended 31st March 2017

2 Cash and cash equivalents

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Cash and cash balances as per note 2.16	17.88	2.34
Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 - "Cash Flow Statements")	0.76	0.69
Balance as shown in Cash flow statement (as defined in AS 3 - "Cash Flow Statements")	17.12	1.65

3 Previous year's figures have been regrouped and rearranged wherever necessary

As per our attached report of even date
For Khimji Kunverji & Co.
Chartered Accountants
Firm Registration No.: 105146W

For and on behalf of the Board of Directors

Hasmukh B Dedhia
Partner
Membership No. F-33494

VP Shetty
Executive Chairman
(DIN-00021773)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Managing Director & Chief Executive Officer
(DIN-01310959)

Date : April 21, 2017
Place : Mumbai

Nikhil Bhandary
Company Secretary

Sabyasachi Ray
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES

to Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting convention

“The financial statements have been prepared in compliance with all material aspects of the applicable Accounting Standards notified under Companies (Accounting Standards) Rules 2006 (as amended), the Guidelines issued by the Reserve Bank of India (‘RBI’) from time to time and the provisions of the Companies Act, 2013 (the “Act”) to the extent applicable.

The financial statements are based on historical cost convention and are prepared on accrual basis, except where impairment is made and revaluation is carried out.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Accounting Policies not specifically referred to otherwise, are consistent with generally accepted accounting principles.

b. Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialised.

c. Fixed assets and depreciation

Owned tangible assets

Tangible Fixed Assets are stated at original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Depreciation on tangible fixed assets is provided pro-rata basis for the period of use, on the Straight Line Method (SLM), based on management’s estimate of useful lives of the fixed assets, or at the rates prescribed in Schedule II to the Act whichever is higher, as per the following table:

Asset	Useful Life
Leasehold improvements	10 years or period of lease whichever is lower
Office equipments	5 years
Computers	3 years
Servers & Networks	6 years
Software	5 years
Motor Vehicles	5 years
Furniture and Fixtures	10 years

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

Owned intangible assets

Intangible fixed assets are stated at cost of acquisition or internal generation, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of the intangible assets is allocated over the best estimate of its useful life on a straight line basis.

The Company capitalises software and related implementation costs where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over management estimate of its useful life not exceeding 5 years.

Leased assets

Assets acquired under finance lease are accounted for at the inception of lease at the fair value of the assets or present value of minimum lease payments whichever is lower. At the end of lease term, asset will revert back to the lessor; hence they are fully depreciated on a straight line basis over the lease term or its useful life whichever is shorter.

At the balance sheet date, assets held for disposal are valued at Written Down Value (WDV) or Net Realisable Value (NRV), whichever is lower.

d. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired

SIGNIFICANT ACCOUNTING POLICIES

to Financial Statements

when the carrying cost of the assets exceed its recoverable value. An impairment loss, if any, is charged to the statement of profit and loss in the year, in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

e. Investments

Investments in Security Receipt (SR) are classified as available for sale category under current assets. They are valued at lower of cost or realizable value. Latest available declared Net Asset Value (NAV) is considered to the realizable value of these investments. In cases where NAV is not declared (since investment is within the planning period of 180 days from the date of acquisition of assets or finalization of resolution strategy, whichever is earlier) cost of SR is considered as realizable value.

All these investments are aggregated for the purpose of arriving at net depreciation/ appreciation of investments under the category. Net depreciation, if any shall be provided for and Net appreciation, if any, shall be ignored.

f. Revenue recognition

Accounting Standard 9 as notified by the Rules specifies that the amount of revenue arising on a transaction is usually determined by agreement between the parties involved in the transaction. When uncertainties exist regarding determination of the amount, these uncertainties may influence the timing of revenue recognition.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured with no significant uncertainty as to the ultimate collection. In case of significant uncertainty as to the ultimate collection, revenue recognition is postponed till such uncertainty is removed.

i. Management fee:

- Management fee from trusts is accrued as per terms of the relevant trust deed / offer document.
- Management fee from borrowers/parties is accrued as per the terms of the relevant contract. However in respect of such fees, the ultimate realization

is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such case is recognized only when such uncertainty is removed.

- Unrealised management fees would be reversed/ provided in earlier of the following situations:
 - If the management fees remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of recognition in case of trusts where the planning period is over, or
 - NAV of the SRs of the trust fall below 50% of face value.

In respect of such trusts no further management fees is recognized unless it is realized.

- ii. Any fee income other than (i) above (e.g. advisory fees, etc.) is recognised as per the terms of contract. However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such cases is recognized only when such uncertainty is removed.
- iii. Outstanding management fee/ any other fee from borrowers/ parties remaining unpaid for more than 180 days is provided/ reversed. In respect of such cases, no further fee is recognized unless it is realized.
- iv. Additional realization of assets over acquisition price on redemption of SR is accounted for as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the SRs in the trust.
- v. Income by way of yield on SRs is recognized on actual distribution from the trusts, after redemption of the principal amount of each class of SRs as per the terms of the relevant trust deed / offer document.

SIGNIFICANT ACCOUNTING POLICIES

to Financial Statements

vi. Interest income:

- Interest on bank deposits placed with banks is accounted on accrual basis.
- Interest on expenses incurred on behalf of trust(s) is accounted as per terms of the relevant trust deed and offer document and is accrued where reasonable certainty exists with respect to its recovery. Outstanding expenses would be reversed/provided in earlier of the following situations :
 - If the interest on expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of charging of such interest in case in trusts where the planning period is over, or
 - NAV of the SRs of the trust fall below 50% of face value.
- Interest on restructuring is accrued as per contract, net of the proportionate share of expenses incurred and management fees charged in the trust.
- Interest on loan is accounted for as per the terms of the contract. In case interest/principal is overdue for more than 180 days from the due date specified in the contract, the loan outstanding is classified as Non-Performing Asset and provision is made as per the guidelines issued by the Reserve Bank of India. Unrealized interest on loan is derecognized and further recognition is made only on realisation.

g. Employee Benefits

Defined contribution plan

- The Company makes defined contribution to the provident fund, which is recognized in the statement of profit and loss on an accrual basis.

Defined benefit plan

- The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial

valuation made at the end of each financial year using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss as income or expense respectively. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields on the date of balance sheet on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Short term employee benefits

- Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss of the year in which the related services are rendered.

h. Expenses incurred for financial assets not acquired

Pre-acquisition expenses in case of acquisition of financial assets from banks/ FIs are recognized immediately in the statement of profit and loss for the period in which such costs are incurred. Wherever subsequently the financial assets are acquired in trust, such expenses are charged to the trust.

i. Expenses incurred by the Company on behalf of the trust

- The expenses incurred on behalf of trusts are shown as 'Recoverable from Trusts' and grouped under Advances recoverable in cash or in kind in the balance sheet. These expenses are reimbursed to the Company in terms of the provisions of the relevant trust deed and offer document.
- These expenses would be reversed/ provided in earlier of the following situations:
 - If the expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of incurrence of such expenses in trusts where the planning period is over, or
 - NAV of the SRs of the trust fall below 50% of face value.

j. Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate

SIGNIFICANT ACCOUNTING POLICIES

to Financial Statements

of exchange at the end of the year. The resulting exchange gain/loss is reflected in the statement of profit and loss. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction. Premium / Discount, in respect of forward foreign exchange contract is recognised over the life of the contract. Profit/Loss on cancellation/renewal of forward exchange contract is recognised as income/expense for the year.

k. Taxation

- Tax expense comprises current tax and deferred tax.
- Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.
- Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that apply substantively as on the date of balance sheet. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.
- Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.
- At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

l. Operating leases

Operating lease payments are recognised as expenditure in the statement of profit and loss on a straight line basis, which is representative of the time pattern user's benefit.

m. Provisions, contingent liabilities and contingent assets

Contingent Liabilities are possible but not probable obligations as on the balance sheet date, based on the available evidence. Department appeals, in respect of cases won by the Company, are also considered as Contingent Liabilities. Provisions are recognised when there is a present obligation as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. Contingent assets are not recognized in the financial statements.

NOTES

to Financial Statements

2. Notes to Financial Statements

₹ in crore

	As at 31st March 2017	As at 31st March 2016
2.01 SHARE CAPITAL		
Authorised		
300,000,000 Equity Shares of ₹ 10/- each	300.00	300.00
150,000,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
	450.00	450.00
Issued, Subscribed and Paid-up		
241,250,000 Equity shares of ₹ 10/- each fully paid-up	241.25	241.25
Total	241.25	241.25

Note a.

The Company has only one class of issued shares referred to as equity shares having a Face Value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The preference shares (not issued), forming part of Authorised Capital, have a face value of ₹ 10/-. Each holder of such preference shares would be entitled to one vote per share on resolutions placed which directly affects the rights of such preference shares.

Note b.

Particulars	Equity Shares			
	As at 31st March 2017		As at 31st March 2016	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	241,250,000	241.25	241,250,000	241.25
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	241,250,000	241.25	241,250,000	241.25

Note c.

Out of Equity shares issued by the Company, shares held by each shareholder, holding more than 5 percent shares specifying the number of shares held are as below:

Particulars	Equity Shares			
	As at 31st March 2017		As at 31st March 2016	
	Number	Rupees	Number	Rupees
Equity Shares:				
JM Financial Limited	120,650,000	50.01%	120,625,000	50.00%
Mr Narotam S Sekhsaria	36,187,500	15.00%	36,187,500	15.00%
Indian Overseas Bank	21,000,000	8.70%	21,000,000	8.70%
Valiant Mauritius Partners FDI Ltd.	20,320,238	8.42%	20,320,238	8.42%

₹ in crore

	As at 31st March 2017	As at 31st March 2016
2.02 RESERVES AND SURPLUS		
Surplus / (Deficit) in statement of profit and loss:		
Opening balance	264.93	156.57
(+) Profit for the year	54.87	108.36
Closing balance	319.80	264.93
Securities Premium Account	18.72	18.72
Less: Premium utilized for share issue expenses	-	-
	18.72	18.72
Total	338.52	283.65

NOTES

to Financial Statements

	₹ in crore	
	As at 31st March 2017	As at 31st March 2016
2.03 LONG-TERM BORROWINGS		
Secured:		
Non-Convertible Debentures (Refer note 2.28 & 2.35)	340.00	350.00
(Secured by way of hypothecation of SRs and mortgage of land)		
Long-term maturities of finance lease obligations	0.12	0.28
(Secured by way of hypothecation of vehicles)		
Total	340.12	340.28
	₹ in crore	
	As at 31st March 2017	As at 31st March 2016
2.04 OTHER LIABILITIES		
Employees benefits payable	2.95	-
Total	2.95	-
	₹ in crore	
	As at 31st March 2017	As at 31st March 2016
2.05 LONG-TERM PROVISIONS		
For employee benefits - gratuity	0.69	0.50
Total	0.69	0.50
	₹ in crore	
	As at 31st March 2017	As at 31st March 2016
2.06 SHORT-TERM BORROWINGS		
Secured:		
Working capital facilities from banks	157.62	147.47
(Secured by way of pledge of investments in security receipts)		
Unsecured:		
Other loans & advances		
Commercial Papers	365.00	75.00
Less : Unamortised Interest on commercials papers	(7.99)	(0.55)
	357.01	74.45
Inter Corporate Deposits	100.35	162.00
Total	614.98	383.92
	₹ in crore	
	As at 31st March 2017	As at 31st March 2016
2.07 TRADE PAYABLES		
Total outstanding dues to creditors other than micro & small enterprises	0.82	0.17
	0.82	0.17

NOTES

to Financial Statements

	As at 31st March 2017	As at 31st March 2016
2.08 CURRENT MATURITIES OF LONG TERM BORROWINGS		
Secured Loans		
Term Loans from Bank (Secured by way of pledge of investments in security receipts)	-	30.00
Non-Convertible Debentures (Secured by way of hypothecation of SRs and mortgage of land)	200.00	-
Total	200.00	30.00

	As at 31st March 2017	As at 31st March 2016
2.09 OTHER CURRENT LIABILITIES		
Short term maturities of finance lease obligations (Secured by way of hypothecation of vehicles)	0.26	0.23
Statutory dues	0.75	0.77
Employees benefits payable	7.58	16.73
Amounts collected on behalf of trusts	18.57	2.41
Interest accrued but not due on borrowings	42.41	27.76
Other liabilities	0.67	1.79
Total	70.24	49.70

	As at 31st March 2017	As at 31st March 2016
2.10 SHORT-TERM PROVISIONS		
For employee benefits – gratuity	0.14	0.13
For employee benefits - compensated absences	0.56	0.43
Total	0.70	0.56

2.11 FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 01.04.2016	Additions	Disposals	As at 31.03.2017	Up to 01.04.2016	Additions	Deductions	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
i) TANGIBLE ASSETS:										
Owned Assets:										
Land & Building	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Furniture & Fixtures	0.07	-	-	0.07	0.05	0.01	-	0.06	0.01	0.02
Office Equipment's	0.45	0.01	-	0.47	0.28	0.04	-	0.33	0.14	0.17
Computers	0.95	0.03	-	0.98	0.56	0.19	-	0.76	0.22	0.39
Lease hold Improvements	2.17	0.13	-	2.29	0.37	0.49	-	0.87	1.43	1.79
Leased Assets:										
Vehicles (refer note below)	0.85	0.13	-	0.98	0.39	0.25	-	0.64	0.34	0.46
Total	4.52	0.30	-	4.82	1.67	0.99	-	2.65	2.17	2.85
ii) INTANGIBLE ASSETS:										
Software	1.07	0.00	-	1.07	0.57	0.21	-	0.78	0.29	0.50
Total	1.07	0.00	-	1.07	0.57	0.21	-	0.78	0.29	0.50
Total	5.59	0.30	-	5.89	2.24	1.20	-	3.44	2.46	3.36
Previous Year	2.52	3.08	0.01	5.59	1.14	1.09	-	2.24	3.36	1.37

Note : Vendor has lien over the assets taken on lease.

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	₹ in crore	
	As at 31st March 2017	As at 31st March 2016
2.12 DEFERRED TAX ASSETS / (LIABILITIES)		
Provision for receivables	11.51	7.22
Disallowances under Section 43B of the Income Tax Act, 1961	1.02	-
Differences in the tax and books written down value of fixed assets	0.17	(0.14)
Due under finance lease	0.02	0.02
Provision for gratuity	0.29	0.18
Preliminary expenses	0.14	0.21
Compensated absences	0.19	0.15
Share issue expenses	0.01	0.01
Total	13.35	7.64

	₹ in crore	
	As at 31st March 2017	As at 31st March 2016
2.13 LONG TERM LOANS AND ADVANCES		
Other loans and advances		
Secured, considered good:		
Loan funds	9.95	29.95
Unsecured, considered good:		
Staff loans	-	0.02
Advance Tax (Net of provisions)	1.16	1.87
Advances recoverable in cash or in kind or for value to be received	23.31	11.75
Other deposits	3.05	3.03
	37.47	46.61
Less : Provision for advances	23.31	11.75
Less : Provision for loans	9.95	9.95
Total	4.21	24.91

	₹ in crore			
	As at 31st March 2017		As at 31st March 2016	
	No. of SRs	Amount	No. of SRs	Amount
2.14 CURRENT INVESTMENTS				
(a) Other current investments (Unquoted valued at cost)				
Available for sale				
Investment in Security Receipts of the trusts (Face Value ₹ 1,000/- each except otherwise stated)				
1 JMFARC - BOI 2009 - Trust #	48,600	4.86	48,600	4.86
2 JMFARC - BOI 2009 I - Trust* #	36,000	3.60	36,000	3.60
3 JMFARC - DB - ICICI - Trust* #	115,000	11.50	115,000	11.50
4 JMFARC - DB - DCB - Trust* #	7,500	0.75	7,500	0.75
5 JMFARC - DB - SBI - Trust* #	61,000	6.10	61,000	6.10
6 JMFARC - Jord - SUUTI Trust* #	8,000	0.80	8,000	0.80
7 JMFARC - Pasupati - SASF - Trust* #	250,000	4.00	250,000	4.00
(Face value ₹ 160/- each, Previous year ₹ 160/- each)				
8 JMFARC - Central bank - Tube - Trust* #	50,000	5.00	50,000	5.00
9 JMFARC - UTI - Tube - Trust* #	6,000	0.60	6,000	0.60
10 JMFARC - Yarn 2010 - Trust* #	100,000	0.01	100,000	3.27
(Face value ₹ 1/- each, Previous year ₹ 327 /- each)				
11 JMFARC - SASF Tube - Trust* #	62,000	6.20	62,000	6.20
12 JMFARC - SME Retail 2011 - Trust	13,365	0.00	13,365	0.00
(Face value ₹ 1/- each, Previous year ₹ 1/- each)				

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		As at 31st March 2017		As at 31st March 2016	
		No. of SRs	Amount	No. of SRs	Amount
13	JMFARC - IOB March 2011 - Trust*# (Face value - Class A SRs ₹ 669/- each, Class B SRs ₹ 1,000/- each, Previous year ₹ Class A SRs ₹ 703/- each, Class B SRs ₹ 1000/- each)	376,500	28.39	376,500	29.32
14	JMFARC - UCO Bank March 2011 - Trust	16,500	1.65	16,500	1.65
15	JMFARC - IOB II March 2011 - Trust# (Face value - Class A SRs ₹ 982/- each, Class B SRs ₹ 1,000/- each, Previous year ₹ Class A SRs ₹ 982/- each, Class B SRs ₹ 1000/- each)	110,000	10.82	110,000	10.82
16	JMFARC - Central Bank Retail 2011 - Trust (Face value ₹ 380/- each, Previous year ₹ 424/-each)	88,872	3.38	88,872	3.77
17	JMFARC - Retail June 2011 - Trust (Face value - ₹ 1/- each for Series I, II and III respectively, Previous year Face value - Series I SRs ₹ 1/- each, Series II SRs ₹ 1/- each, Series III SRs ₹ 1/- each)	469,884	0.05	469,884	0.05
18	JMFARC - Retail Aug 2011 - Trust (Face value ₹ 1/- each, Previous year ₹ 1/- each)	7,039	0.00	7,039	0.00
19	JMFARC - Swarna 2011 - Trust* # (Face value - Class A ₹ Nil, Class B ₹ 1,000/-, Previous Year Class A Nil-, Class B ₹ 1,000/- each)	72,199	7.22	72,199	7.22
20	JMFARC - Synthetic Rubber 2012 - Trust (Face value ₹ 1/- each, Previous year ₹ 1/- each)	14,962	0.00	14,962	0.00
21	JMFARC - Swarna II 2012 - Trust* # (Face value - Class A ₹ 628/-, Class B ₹ 1,000/-, Previous Year Class A ₹ 628/-, Class B ₹ 1000/- each)	78,700	5.41	78,700	5.41
22	JMFARC - Kruti 2012 - Trust* # (Face value ₹ 1/- each, Previous year ₹ 1/- each)	564,587	0.06	564,587	0.06
23	JMFARC - Green December 2012 - Trust#	23,945	2.39	23,945	2.39
24	JMFARC - Media 2013 - Trust (Face value ₹ 882/- each, Previous year ₹ 1,000/- each)	12,500	1.10	12,500	1.25
25	JMFARC - Kruti II 2013 - Trust* # (Face value ₹ 491/- each, Previous year ₹ 676/- each)	686,600	33.72	686,600	46.44
26	JMFARC - Media II 2013 - Trust*#	34,030	3.40	34,030	3.40
27	JMFARC - Federal Bank March 2013 - Trust (Face value ₹ 775/- each, Previous year ₹ 785/- each)	70,000	5.42	70,000	5.49
28	JMFARC - Textile 2013-Trust # (Face value ₹ 1/- each, Previous year ₹ 1/- each)	91,000	0.01	91,000	0.01
29	JMFARC - Central India 2013 - Trust* #	289,360	28.94	289,360	28.94
30	JMFARC - Corp I 2013 - Trust* # (Face value ₹ 435/- each, Previous year ₹ 435/- each)	93,000	4.05	93,000	4.05
31	JMFARC - Corp II 2013 - Trust* # (Face value ₹ 787/- each, Previous year ₹ 1,000)	58,800	4.63	58,800	5.88
32	JMFARC - Corp Textile 2013 - Trust* #	150,000	15.00	150,000	15.00
33	JMFARC - Corp Apparel 2013 - Trust* # (Face value ₹ 1/- each, Previous year ₹ 1/- each)	120,000	0.01	120,000	0.01
34	JMFARC - Corp Biotech 2013 - Trust* #	114,000	11.40	114,000	11.40
35	JMFARC - Stancy Textile 2013 - Trust (Face value ₹ 1/- each, Previous year ₹ Nil)	1,000	0.00	1,000	0.00
36	JMFARC - Fed Textile 2013 - Trust	8,820	0.88	8,820	0.88
37	JMFARC - BOI Textile 2013 - Trust #	41,000	4.10	41,000	4.10
38	JMFARC - OBC March 2014 - Trust #	34,500	3.45	34,500	3.45

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				₹ in crore	
		As at 31st March 2017		As at 31st March 2016	
		No. of SRs	Amount	No. of SRs	Amount
39	JMFARC - Dena Bank March 2014-Trust*#	67,000	6.70	67,000	6.70
40	JMFARC - UCO March 2014-Trust#	462,500	37.88	462,500	38.71
	(Face value ₹ 819/- each, Previous year ₹ 837/-each)				
41	JMFARC - Gelatine March 2014-Trust*#	628,672	50.90	628,672	51.03
	(Face value ₹ 810/- each, Previous year ₹ 911/-each)				
42	JMFARC - Fed Gelatine March 2014-Trust	17,500	1.75	17,500	1.75
43	JMFARC - SBI March 2014 I-Trust#	173,750	13.32	173,750	16.87
	(Face value ₹ 767/- each, Previous year ₹ 971/-each)				
44	JMFARC - SBI March 2014 II-Trust*#	45,250	4.53	45,250	4.53
45	JMFARC - Cosmos March 2014-Trust#	154,500	12.09	154,500	12.09
	(Face value ₹ 783/- each, Previous year ₹ 783/- each)				
46	JMFARC - Indian Bank March 2014-Trust#	44,500	4.45	44,500	4.45
47	JMFARC - Petro BOB 2014-Trust*#	135,500	5.38	135,500	10.35
	(Face value ₹ 397/- each, Previous year ₹ 764/-each)				
48	JMFARC - Petro UCO 2014-Trust*#	140,000	5.56	140,000	10.69
	(Face value ₹ 397/- each, Previous year ₹ 764/-each)				
49	JMFARC - Petro CBOI 2014-Trust*#	51,500	2.04	51,500	3.93
	(Face value ₹ 397/- each, Previous year ₹ 764/-each)				
50	JMFARC - OBC March 2014 II -Trust	4,760	0.44	4,760	0.46
	(Face value ₹ 930/- each, Previous year ₹ 975/-each)				
51	JMFARC - BOI March 2014 II -Trust#	215,750	21.58	215,750	21.58
52	JMFARC - UBOI March 2014-Trust#	66,750	6.68	66,750	6.68
53	JMFARC - OBC June 2014-Trust	8,915	0.89	8,915	0.89
54	JMFARC - Hotels June 2014-Trust*#	6,528,223	299.41	6,528,223	328.66
	(Face value - Class A ₹ 207/- , Class B ₹ 1000/-, Previous year Class A ₹ 273/-, Class B ₹ 1000/- each)				
55	JMFARC - Vijaya Bank June 2014-Trust	25,360	2.54	25,360	2.54
56	JMFARC - Indian Bank June 2014-Trust#	32,200	3.22	32,200	3.22
57	JMFARC - SBI Ceramics June 2014-Trust#	156,000	15.35	156,000	15.35
	(Face value ₹ 984/- each, Previous year ₹ 984/-)				
58	JMFARC - Central Bank of India June 2014-Trust	32,000	3.20	32,000	3.20
59	JMFARC - UBOI June 2014-Trust#	59,915	5.99	59,915	5.99
60	JMFARC - ICICI Bank July 2014 -Trust*	20,000	0.54	20,000	1.56
	(Face value ₹ 270/- each, Previous year ₹ 779/-)				
61	JMFARC - LVB Ceramics September 2014 -Trust#	27,900	2.79	27,900	2.79
62	JMFARC - CSB Ceramics September 2014 -Trust*	32,625	3.26	32,625	3.26
63	JMFARC - Karnataka Bank December 2014 -Trust*#	172,500	16.26	172,500	17.25
	(Face value ₹ 943/- each, Previous year ₹ 1,000)				
64	JMFARC - SBOP Ceramics December 2014 -Trust#	11,850	1.19	11,850	1.19
65	JMFARC - SBH Ceramics December 2014 -Trust*#	60,000	6.00	60,000	6.00
66	JMFARC - SBT Ceramics March 2015 -Trust*	23,250	2.33	23,250	2.33
67	JMFARC - SBI Steel March 2015 -Trust*#	93,150	9.32	93,150	9.32
68	JMFARC - Axis Bank Cement March 2015 -Trust*	230,000	23.00	230,000	23.00
69	JMFARC - SBM Ceramics March 2015 -Trust*	12,750	1.28	12,750	1.28
70	JMFARC - Karnataka Bank Cement March 15-Trust*	49,500	4.95	49,500	4.95
71	JMFARC - Vijaya Bank Ceramics March 15-Trust*	27,000	2.70	27,000	2.70
72	JMFARC - ICICI Bank Cement June 2015-Trust*	170,500	17.05	170,500	17.05
73	JMFARC - SBH Cement June 2015-Trust*#	66,000	6.60	66,000	6.60
74	JMFARC - United Bank Textile Sept 2015-Trust#	27,075	2.71	27,075	2.71
75	JMFARC - United Bank Cement Sept 2015-Trust#	180,000	18.00	180,000	18.00

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		₹ in crore			
		As at 31st March 2017		As at 31st March 2016	
		No. of SRs	Amount	No. of SRs	Amount
76	JMFARC - CSB September 2015 - Trust* # (Face value ₹ 931/- each, Previous year ₹ 986)	63,000	5.86	63,000	6.21
77	JMFARC - Corp Bank Sept 2015 - Trust #	46,065	4.61	46,065	4.61
78	JMFARC - PNB Ceramics November 2015 - Trust* #	401,640	40.16	401,640	40.16
79	JMFARC - PNB December 2015 - Trust #	24,765	2.48	24,765	2.48
80	JMFARC - SBOP Geometric - Trust #	61,560	6.16	61,560	6.16
81	JMFARC - SBH December 2015-Trust #	73,380	7.34	73,380	7.34
82	JMFARC - Dena Ceramics January 2016 - Trust #	15,750	1.58	15,750	1.58
83	JMFARC - ICICI Geometric - Trust #	61,500	6.15	61,500	6.15
84	JMFARC - Axis Bank February 2016 - Trust *#	87,500	8.75	87,500	8.75
85	JMFARC - OBC March 2016 - Trust *#	72,000	7.20	72,000	7.20
86	JMFARC - OBC Cement 2016 - Trust #	49,700	4.97	49,700	4.97
87	JMFARC - IDBI Ceramics March 2016 - Trust #	57,180	5.72	57,180	5.72
88	JMFARC - Exim Ceramics March 2016 - Trust #	17,101	1.71	17,101	1.71
89	JMFARC - UCO Geometric March 2016 - Trust #	88,965	8.90	88,965	8.90
90	JMFARC - UBOI Steel March 2016 - Trust #	63,000	6.30	63,000	6.30
91	JMFARC - KVB March 2016 - Trust *#	355,095	35.51	355,095	35.51
92	JMFARC - KVB Iris II March 2016 - Trust	37,500	3.75	37,500	3.75
93	JMFARC - Indian Bank March 2016 - Trust #	97,515	9.75	97,515	9.75
94	JMFARC - Indian Bank I March 2016 - Trust # (Face value ₹ 723/- each, Previous year ₹ 1,000)	16,010	1.16	16,010	1.60
95	JMFARC - IOB March 2016 - Trust #	50,250	5.03	50,250	5.03
96	JMFARC - Federal Bank March 2016 - Trust* (Face value ₹ 996/- each, Previous year ₹ 1,000/- each)	73,350	7.31	73,350	7.34
97	JMFARC - Iris March 2016 - Trust #	1,000,165	100.02	1,000,165	100.02
98	JMFARC - Exim Iris March 2016 - Trust #	60,000	6.00	60,000	6.00
99	JMFARC - Axis Iris March 2016 - Trust #	150,000	15.00	150,000	15.00
100	JMFARC - Axis Iris II March 2016 - Trust #	60,000	6.00	60,000	6.00
101	JMFARC - KB Metals September 2016 - Trust #	22,500	2.25	-	-
102	JMFARC - Andhra Resin September 2016 Trust	37,605	3.76	-	-
103	JMFARC - Dena SEZ September 2016 - Trust	7,335	0.73	-	-
104	JMFARC - ICICI Bank September 2016 - Trust *#	855,495	85.55	-	-
105	JMFARC - SBI Geometric October 2016 - Trust	453,000	45.30	-	-
106	JMFARC - PAN India 2016 - Trust*	1,546,908	154.69	-	-
107	JMFARC - IDBI Geometric December 2016 - Trust #	41,250	4.13	-	-
108	JMFARC - IRIS December 2016 - Trust	31,110	3.11	-	-
109	JMFARC - IRIS Cash 2016 - Trust	426,200	42.62	-	-
110	JMFARC - IRIS UBOI December 2016 - Trust	16,005	1.60	-	-
111	JMFARC - Tata Capital December 2016 - Trust (Face value ₹ 668/- each, Previous year ₹ Nil)	130,000	8.69	-	-
112	JMFARC - Iris PNB January 2017 - Trust	41,550	4.16	-	-
113	JMFARC - PNB March 2017 - Trust	222,075	22.21	-	-
114	JMFARC - IOB CHN March 2017 - Trust	37,500	3.75	-	-
115	JMFARC - IDBI March 2017 - Trust	30,000	3.00	-	-
116	JMFARC - IOB Ceramics March 2017 - Trust	33,000	3.30	-	-
117	JMFARC - IRIS United March 2017 - Trust	66,900	6.69	-	-
118	JMFARC - SBP March 2017 - Trust	31,665	3.17	-	-
119	JMFARC - SBT March 2017 - Trust	55,875	5.59	-	-
120	JMFARC - IRIS Uco March 2017 - Trust	38,310	3.83	-	-
121	JMFARC - SBP Retreat March 2017 - Trust	77,600	7.76	-	-

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₹ in crore				
	As at 31st March 2017		As at 31st March 2016	
	No. of SRs	Amount	No. of SRs	Amount
122 JMFARC - Retreat II March 2017 - Trust	394,000	39.40	-	-
123 JMFARC - SBI Retreat March 2017 - Trust	166,800	16.68	-	-
124 JMFARC - SBI Tollways March 2017 - Trust	153,000	15.30	-	-
125 JMFARC - Hospitality 2013 - Trust (Face value ₹ Nil, Previous year ₹ 1,000/- each)	-	-	107,294	10.73
126 JMFARC - BOB 2008 - Trust (Face value ₹ NIL, Previous year ₹ 1/- each)	111,600	-	111,600	0.01
Total		1,635.40		1,226.24

Notes :

	As at 31st March 2017		As at 31st March 2016	
	No. of SRs	Amount	No. of SRs	Amount
1. Aggregate value of Unquoted Investments		1,635.40		1,226.24

* Pledged with banks as security for bank overdraft / cash credit short term loan limits

Hypothecated in favour of debenture trustee as security of NCDs issued

₹ in crore		
	As at 31st March 2017	As at 31st March 2016
2.15 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	12.40	0.72
	12.40	0.72
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	51.35	32.86
	51.35	32.86
Total	63.75	33.58

₹ in crore		
	As at 31st March 2017	As at 31st March 2016
2.16 CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
In Current Accounts	17.12	1.65
	17.12	1.65
Other bank balances	0.76	0.69
Total	17.88	2.34

₹ in crore		
	For the year ended 31st March 2017	For the year ended 31st March 2016
2.17 SHORT-TERM LOANS AND ADVANCES		
Secured, considered good:		
Loan Funds	60.33	37.77
Unsecured considered good:		
Staff Loans	-	0.06
Advances recoverable in cash or in kind or for value to be received	12.66	3.99
Others	0.23	0.15
Total	73.22	41.96

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	₹ in crore	
	For the year ended 31st March 2017	For the year ended 31st March 2016
2.18 REVENUE FROM OPERATIONS		
Operating revenue		
Management and advisory fees (Management fees during the year is net of reversals as per RBI guidelines)	144.36	81.24
Recovery incentive fees	2.10	21.92
Interest income on restructuring	32.05	34.37
Interest income on loans	10.16	5.16
Profit on redemption/sale of security receipts	16.31	166.44
Other operating revenue		
Interest income on funded expenses	1.03	0.36
Earlier year reversal of fees / interest w/back	16.04	-
Earlier year provision on receivables/ advances / investments w/back	1.68	8.29
Total	223.74	317.79
	₹ in crore	
	For the year ended 31st March 2017	For the year ended 31st March 2016
2.19 OTHER INCOME		
Interest income on fixed deposit	0.08	1.16
Other non-operating income	0.04	0.07
Total	0.12	1.23
	₹ in crore	
	For the year ended 31st March 2017	For the year ended 31st March 2016
2.20 EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Allowances	21.64	25.62
Contribution to Provident Fund and Other Funds	0.66	0.48
Staff Welfare	0.07	1.03
Total	22.37	27.13
	₹ in crore	
	For the year ended 31st March 2017	For the year ended 31st March 2016
2.21 FINANCE COSTS		
Interest Expense	91.03	96.87
Other borrowing costs	0.84	0.21
Total	91.87	97.08
	₹ in crore	
	For the year ended 31st March 2017	For the year ended 31st March 2016
2.22 PROVISION/WRITE OFF FOR RECEIVABLES, LOANS & INVESTMENTS		
Provision for receivables and advances	13.23	7.41
Write off /Reversal of interest	-	12.82
Provision for loans	-	4.98
Total	13.23	25.20

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	₹ in crore	
	For the year ended 31st March 2017	For the year ended 31st March 2016
2.23 OTHER EXPENSES		
Space and other related cost	2.84	2.71
Rates & taxes	0.79	0.61
Insurance premium	0.20	0.13
Communication expenses	0.11	0.10
Repairs and maintenance	0.04	0.03
Professional fees	0.72	0.57
Auditors Remuneration		
- as auditor	0.06	0.06
- as tax auditor	0.00	0.00
- for management services (limited review)	0.01	0.01
Support service charges	1.93	1.93
Membership & Subscription	0.04	0.06
Manpower Expenses	0.28	0.22
Travelling expenses	0.12	0.09
Electricity	0.34	0.34
Printing and stationery	0.15	0.12
Information Technology Expenses	0.25	0.38
Director's fees and commission	0.65	0.60
Donation	2.30	1.63
Miscellaneous expenses	0.55	0.54
Total	11.40	10.13

2.24 Earning 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	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit attributable to the equity shareholders for the purpose of basic/diluted earnings per share (Rupees in Crore)	54.87	108.36
Weighted average number of equity shares outstanding during the year for basic/diluted earnings per share (Rupees in Crore)	24.13	24.13
Basic/ diluted earnings per share – (Rupees)	2.27	4.49
Nominal value per share – (Rupees)	10	10

2.25 Expenditure in Foreign Currency

	₹ in crore	
Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Staff welfare expenses	-	0.03

2.26 Specified Bank Notes

Details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 as provided in the Table below :

	Amount in ₹		
Particulars	SBN's	Other Denomination	Total
Closing cash in hand as on 08.11.2016	5,000	386	5,386
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	5,000	386	5,386
Closing cash in hand as on 30.12.2016	-	-	-

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to Financial Statements

2.27 The Company has been sanctioned credit limits of ₹ 370 crores by scheduled banks secured against pledge of investments in security receipts. The Company has issued outstanding Listed Non-Convertible Debentures of ₹ 540 crores which are fully secured against first charge on land and hypothecation of security receipts.

2.28 Maturity profile and rate of interest of Non-Convertible Debentures (NCD) face value of ₹ 10,00,000/- each.

₹ in crore

Particulars	Non-Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
12% Tranche II NCD redeemable in the year 2017-18	-	100.00	100.00	-
13% NCD redeemable in the year 2019-20 #	100.00	100.00	-	-
12% Tranche III NCD redeemable in the year 2017-18	-	100.00	100.00	-
11.50% Tranche IV NCD redeemable in the year 2018-19	50.00	50.00	-	-
9.50% Tranche V NCD redeemable in the year 2020-21	150.00	-	-	-
9.40% Tranche VI NCD redeemable in year 2018-19	40.00	-	-	-
Total	340.00	350.00	200.00	-

Call option to the Company in September 2017

2.29 Maturity profile of Term Loans

₹ in crore

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Financial Year 2016-17	-	30.00

2.30 Segment Reporting

The Company operates in one business segment, viz. asset reconstruction and one geographical segment, hence there are no reportable segments.

2.31 The Company does not have any contracts remaining to be executed on Capital Account.

2.32 The Company does not have any pending litigations which would impact its financial position.

2.33 Leases**a) Finance Lease**

The Company has acquired vehicles under the finance lease agreement. The tenure of lease agreements ranges between 36 and 60 months with an option to prepayments/foreclosure.

The minimum lease rentals outstanding with respect to these assets are as under:

₹ in crore

Particulars	Total minimum lease payment outstanding as at 31st March 2017	Lease finance charges not due	Present value of the minimum lease payment as at 31st March 2017	Total minimum lease payment outstanding as at 31st March 2016	Lease finance charges not due	Present value of the minimum lease payment as at 31st March 2016
Not later than 1 year	0.28	0.04	0.24	0.29	0.06	0.23
Later than 1 year but not later than 5 years	0.15	0.01	0.14	0.31	0.03	0.28
Later than 5 years	-	-	-	-	-	-
Total	0.44	0.05	0.38	0.60	0.09	0.51

b) Operating Lease

The operating leases for premises are executed for a period ranging from 60 months to 86 months with a renewal clause.

₹ in crore

Particulars	Total lease payments outstanding as at 31st March 2017	Total lease payments outstanding as at 31st March 2016
Not later than 1 year	2.58	2.51
Later than 1 year but not later than 5 years	9.25	7.34
Later than 5 years	0.12	0.14
Expenditure debited to profit & loss account	2.84	2.62

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to Financial Statements

2.34 Employee benefits

A - Defined benefit plans

a) Gratuity

₹ in crore

Amount recognised in the balance sheet with respect to gratuity	For the year ended 31st March 2017	For the year ended 31st March 2016
Present value of the defined benefit obligation at the year end	0.84	0.64
Fair value of plan assets	-	-
Net liability	0.84	0.64
Amount recognized in salary, wages and employee benefits in the Statement of profit and loss with respect to gratuity	For the year ended 31st March 2017	For the year ended 31st March 2016
Current service cost	0.08	0.07
Interest on defined benefit obligations	0.05	0.04
Expected return on plan assets	-	-
Net actuarial (gain) loss recognized during the year	0.09	(0.01)
Past service cost	-	-
Net gratuity cost	0.22	0.09
Reconciliation of present value of the obligation and the fair value of the plan assets:	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening defined benefit obligation	0.64	0.46
Current service cost	0.08	0.07
Interest cost	0.05	0.04
Actuarial (gain)/loss	0.09	(0.01)
Past service cost	-	-
Liability assumed on acquisition/(settled on divestiture)	0.00	0.13
Benefits paid	(0.03)	(0.05)
Closing defined benefit obligation	0.84	0.64
Change in fair value of plan assets	For the year ended 31st March 2017	For the year ended 31st March 2016
Opening fair value of the plan assets	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Assets acquired on amalgamation	-	-
Contributions by the employer	0.03	0.05
Benefits paid	(0.03)	(0.05)
Closing fair value of the plan assets	-	-
Investment details of plan assets	For the year ended 31st March 2017	For the year ended 31st March 2016
Investment details of plan assets	-	-
Principal actuarial assumptions at the balance sheet date	For the year ended 31st March 2017	For the year ended 31st March 2016
Discount rate	7.20%	7.95%
Estimated rate of return on plan assets	-	-
Retirement age	60 years	60 years
Salary escalation	7%	7%

NOTES

to Financial Statements

Valuation assumptions

- The estimates of future salary increases, takes into account inflation, seniority, promotion and other relevant factors.
- The above information is certified by the actuary.

b) Compensated absences

As per Company's policy, provision of ₹ 0.55 crore (previous year ₹ 0.42 crore) has been made towards compensated absences, calculated on the basis of unutilised leave as on the last day of the financial year.

B - Defined contribution plans

Amount recognised as an expense and included in the 'Contribution to provident fund & other funds' ₹ 0.65 crore (previous year ₹ 0.48 crore.)

- 2.35** Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules 2014 requires companies to create Debenture Redemption Reserve ('DRR') for the purpose of redemption of debentures. The said Rule, inter alia, provides that no DRR is required to be created by NBFCs registered with RBI under Section 45-IA in case of privately placed debentures.

The Company, though an NBFC, is also a Securitisation and Reconstruction Company ('SCRC') registered with RBI under Section 3 of the SARFAESI Act 2002. The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended, inter alia, specifies that the provisions of Section 45-IA of RBI Act, 1934 relating to registration shall not apply to an NBFC, which is a SCRC registered with the RBI under Section 3 of SARFAESI Act, 2002. The aforesaid sub-rule, on the similar grounds, also exempts Housing Finance Companies from the requirement of creating DRR. In view of these provisions and background, and as per the legal opinion, the management of the Company believes that requirement of creating DRR is not applicable to SCRC. Hence no DRR is created by the Company for the Debentures issued by it during the year under report in the financial statements for the financial year 2016-17.

Additionally, the Company has written to the Ministry of Corporate Affairs to issue the necessary clarification with regard to the above for which the response is awaited.

- 2.36 Expenditure 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 – ₹ 2.05 crore (previous year ₹ 1.38 crore)
- b. Amount spent and paid during the year by way of donations to charitable trusts – ₹ 2.05 crore (previous year, ₹ 1.38 crore)

- 2.37** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Additional disclosure:

The following additional disclosures have been made taking into account RBI guidelines in this regard:

- a) Name and address of the banks / financial institutions/ NBFCs from whom financial assets were acquired and the values at which such assets were acquired from each such bank/ financial institutions/ NBFCs.

Name of the selling bank / financial institution / NBFC	Address	Acquisition cost	₹ in crore % to total
Sponsor			
Indian Overseas Bank*	763, Anna Salai, Chennai	827.91	6.23%
Sponsor Total		827.91	6.23%
Non-Sponsors			
State Bank of India	State Bank Bhavan, Corporate Centre, Madame Cama Marg, Mumbai, Maharashtra - 400 021	1,712.57	12.90%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	1,178.41	8.87%
UCO Bank	Biplabi Trailokya Maharaj Sarani, Kolkata - 700 001	1,064.70	8.02%
Syndicate Bank	Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai - 400 005	920.77	6.93%
ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai - 400 051	884.65	6.66%
HDFC Limited	Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai - 400 020	863.89	6.51%
Union Bank of India	Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai - 400 021	632.52	4.76%
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	527.81	3.97%
Central Bank of India	Chandermukhi, Nariman Point, Mumbai - 400 021	351.40	2.65%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400 005	325.25	2.45%
Cosmos Co-operative Bank Ltd.	Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411 030	309.00	2.33%
Karur Vysya Bank	Erode Road, Karur - 639 002	281.00	2.12%
Vijaya Bank	41/2 M. G. Road, Bangalore - 560 001	255.75	1.93%
Federal Bank	Federal Towers, Aluva, Ernakulum, Kerala - 683 101	244.80	1.84%
State Bank of Mysore	P. B. No. 9727, Kempe Gowda Road, Bangalore - 560 009	239.60	1.80%
Bank of Baroda	Kalpataru Heritage Building, 6th Floor, Nanik Motwani Lane, Fort, Mumbai - 400 023	226.31	1.70%
Indian Bank	254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600 014	222.30	1.67%
State Bank of Travancore	34, Poojapura, Thiruvananthapuram - 695 012	199.00	1.50%
State Bank of Hyderabad	Head Office- Gunfoundry, Hyderabad - 500 001	192.97	1.45%
Oriental Bank of Commerce	Harsh Bhavan, E- Block, Connaught Place, New Delhi - 110 001	176.92	1.33%
State Bank of Patiala	The Mall, Patiala - 147 105	169.60	1.28%
Karnataka Bank	Mahavira Circle, Kankanadi, Mangalore - 575 002	165.51	1.25%
Axis Bank	Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400 005	151.48	1.14%
IDBI Bank	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400 005	120.49	0.91%
Corporation Bank	Mangladevi Temple Road, Mangalore - 575 001	84.29	0.63%
State Bank of Bikaner & Jaipur	Tilaknagar, Jaipur - 302 005	83.35	0.63%
United Bank of India	11, Hemanta Basu Sarani, Kolkata	80.65	0.61%
Indian Overseas Bank	763, Anna Salai, Chennai	80.50	0.61%
South Indian Bank	SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680 001	79.33	0.60%
Canara Bank	112 J. C. Road, Bangalore	71.55	0.54%
Catholic Syrian Bank	CSB Bhavan, St. Mary's College Road, Thrissur,	63.75	0.48%
Sicom Ltd	Solitaire Corporate Park, Building No. 4, Andheri-Kurla Road, Chakala, Andheri (East), Mumbai - 400 093	62.87	0.47%

Name of the selling bank / financial institution / NBFC	Address	Acquisition cost	₹ in crore
			% to total
Yes Bank	9th floor Nehru Centre, Worli, Mumbai - 400 018	54.45	0.41%
HSBC	52/60, M. G. Road, Fort, Mumbai - 400 001	49.03	0.37%
Lakshmi Vilas Bank	LVB House, 4/1, Sardar Patel Road, Guindy, Chennai - 600 032. Tamil Nadu	34.67	0.26%
Stressed Assets Stabilisation Fund	IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai - 400 005	31.20	0.23%
Dena Bank	C -10, G Block, Bandra Kurla Complex, Mumbai - 400 051	31.07	0.23%
Andhra Bank	Dr. Pattabhi Bhawan, 5-9-11, Saifabad, Hyderabad - 500 004	25.07	0.19%
Ratnakar Bank	One India Bulls Center, Tower 2, 6th Floor, 841, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013	25.00	0.19%
Tata Capital Financial Services Limited	One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai - 400001	24.50	0.18%
HUDCO	HUDCO Bhawan, Core-7-A, India Habitat Centre, Lodhi Road, New Delhi - 110 003	21.34	0.16%
Bank of Bahrain & Kuwait B.S.C.	Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400 021	19.19	0.14%
Deutsche Bank	DB House, Hazarimal Somani Marg, Fort, Mumbai - 400 001	18.35	0.14%
Bank of Maharashtra	"Lokmangal" 1501, Shivajinagar, Pune - 411 005	16.65	0.13%
Allahabad Bank	2, Netaji Subhash Road, Kolkata - 700 001	13.73	0.10%
Kotak Mahindra Bank Limited	27 BKC, Plat No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	7.50	0.06%
Specified Undertaking of UTI	UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	7.30	0.05%
Barclays PLC	801, Ceejay House, Annie Besant Raod, Worli, Mumbai - 400 018.	7.22	0.05%
KKR India Financial Services Pvt. Ltd.	Regus CitiCentre, Level 6, 10/11, Dr. Radhakrishna Salai, Tamil Nadu, Chennai - 600 004	6.75	0.05%
Rupee Co-operative Bank	2062, Sadashiv Peth, Astang Ayurved Building, Pune - 411030	6.00	0.05%
SBI Global Factors Limited	6th Floor, Metropolitan Building, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	4.50	0.03%
BNP Paribas	Unit No 203, Sakar II, Ellisbridge, Ahmedabad - 380 006	3.39	0.03%
IFCI Factors Limited	10Th Floor, IFCI Tower, 61 Nehru Place, New Delhi - 110 019	3.13	0.02%
SBM Bank (Mauritius) Limited	101, Raheja Centre, Nariman Point, Mumbai - 400 021	2.85	0.02%
Standard Chartered Bank	23, Narain Manzil, Barakhamba Road, New Delhi - 110 001	2.59	0.02%
IL & FS Financial Services Limited	IL & FS Financial Centre, Plat C-22, G Block, Bandra-Kurla Complex, Bandra East, Mumbai - 400 051	2.27	0.02%
CTBC Bank Co. Limited	UGF, Birla Tower, 25, Barakhamba Raod, New Delhi - 110 001	2.02	0.02%
The Saraswat Co-op Bank Ltd.	Mittal Court 'A' Wing 1st Floor, Nariman Point, Mumbai - 400 004	1.91	0.01%
Dhanalakshmi Bank	Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680 001	1.59	0.01%
The Nashik Road Deolali Vyapari Sahakari Bank Ltd.	Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422 101	1.50	0.01%
Life Insurance Corporation of India	Yogakshema, Jeevan Bima Marg, Mumbai - 400 021	1.50	0.01%
L & T Fincorp Limited	Brindavan, Plot no. 177, Vidyanaagari Marg, CST Raod, Kalina, Santacruz, Mumbai - 400 098	0.81	0.01%
UTI Mutual Fund	UTI Tower, Gn Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	0.60	0.00%
Non Sponsors Total		12,450.67	93.77%
Grand Total		13,278.58	100.00%

* Indian Overseas Bank has ceased to be a sponsor with effect from September 22, 2015. Hence subsequent acquisitions from the same bank has been grouped in Non Sponsor acquisitions.

b) Dispersion of various assets industry wise.

Industry	₹ in crore	
	Acquisition Price	% to total
Hospitality	4,597.55	34.62%
Real Estate	1,717.05	12.93%
Pharmaceuticals	1,359.89	10.24%
Textiles	1,079.10	8.13%
Ceramics	803.06	6.05%
Iron & Steel	497.84	3.75%
Chemicals	297.43	2.24%
Plywood/ laminates	257.76	1.94%
Airlines	238.75	1.80%
Retail	237.21	1.79%
Infrastructure	213.17	1.61%
Cement	147.32	1.11%
Media	139.71	1.05%
Power	137.40	1.03%
Trading	130.83	0.99%
Information Technology	126.66	0.95%
Metals	112.07	0.84%
Leather	107.15	0.81%
Coal	101.80	0.77%
Plastics	92.79	0.70%
Packaging	92.79	0.70%
Food Products	87.82	0.66%
Healthcare	76.75	0.58%
Paper	71.79	0.54%
Engineering	67.53	0.51%
Poultry	59.44	0.45%
Gems & Jewellery	58.77	0.44%
Plantation	47.63	0.36%
Transportation	38.74	0.29%
Electronic	37.48	0.28%
Education	33.84	0.25%
Agro Products	29.13	0.22%
Alcohol	10.45	0.08%
Paints	6.91	0.05%
Others	164.98	1.24%
Total	13,278.58	100.00%

- c) The above table (b) has been prepared by management and the same has been relied upon by the auditors.
- d) The acquisition price in the tables (a) and (b) above includes financial assets acquired till 31st March 2017 including financial assets resolved till date.
- e) Restructuring Loan disbursed to one borrower amounting to ₹ 9.95 crore, classified as non-performing asset in FY 2013-14 is classified as a loss asset as on 31st March 2017. A provision of 100%, ₹ 9.95 crore has been made on the same.
- f) The accounting policies adopted by the Company in preparation and presentation of the financial statements are in conformity with the applicable prudential norms prescribed by the RBI.

- g) The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.
- h) The capital adequacy ratio is well above fifteen percent of its total risk weighted assets, accordingly the Company has complied with the capital adequacy norms as prescribed the RBI.
- i) Additional disclosure as per RBI Notification No. DBNS.PD(SC/RC). 8/ CGM (ASR) dated April 21, 2010.

₹ in crore

Particulars	Amount (Face Value)
Value of financial assets acquired during the financial year either in its own books or in the books of the trust	2,252.36
Value of financial assets realized during the financial year	433.83
Value of financial assets outstanding for realization as at the end of the financial year	11,174.87
Value of Security Receipts redeemed partly during the financial year	188.01
Value of Security Receipts redeemed fully during the financial year	10.73
Value of Security Receipts pending for redemption as at the end of the financial year	11,874.08
Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitisation company or Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii)	Nil
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	Nil

- j) Additional disclosure as per RBI Notification No. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated August 5, 2014 (for acquisitions made after August 5, 2014):
- i. None of the assets have been acquired during the year at a price higher than the book value (value of assets declared by seller bank in the auction).
- ii. None of the assets (i.e. total purchase consideration paid at the trust level) have been disposed off during the financial year at a discount of more than 20% of its valuation as on the previous year end.
- iii. In none of the trusts, the value of the SRs (i.e. Net Asset Value) have declined more than 20% below the acquisition value.

2.38 Disclosure in respect of related parties pursuant to Accounting Standard 18:**Holding Company #**

JM Financial Limited

Key managerial personnel

Mr. V. P. Shetty – Executive Chairman

Mr. Anil Bhatia - Managing Director and Chief Executive Officer

Fellow subsidiaries *

JM Financial Institutional Securities Ltd.

JM Financial Investment Managers Ltd.

JM Financial Asset Management Ltd.

Infinite India Investment Management Ltd.

JM Financial Properties and Holdings Ltd.

JM Financial Products Ltd.

JM Financial Services Ltd.

JM Financial Commtrade Ltd.

JM Financial Capital Limited

JM Financial Insurance Broking Pvt. Ltd. (Upto October 25, 2016)

CR Retail Malls (India) Ltd.

JM Financial Overseas Holdings Pvt. Ltd.

JM Financial Singapore Pte Ltd.

JM Financial Securities Inc., USA

JM Financial Credit Solutions Limited

JM Financial Home Loans Limited (w.e.f. December 16, 2016)

Astute Investments (Partnership Firm)

Associate of the Holding Company (Enterprise over which Holding Company exercises significant influence)

JM Financial Trustee Company Pvt. Ltd.

During the year the following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Name of the Related Party	Nature of relationship	Amount in Rupees Crore	
			2016-17	2015-16
1	JM Financial Limited	Enterprise which is able to exercise significant influence		
	Inter Corporate Deposit taken		243.34	587.00
	Inter Corporate Deposit paid		304.99	425.00
	Inter Corporate Deposit payable		100.35	162.00
	Non Convertible Debentures payable		70.00	70.00
	Interest on Inter Corporate Deposits		11.81	7.68
	Interest on Non Convertible Debentures		9.10	9.10
	Interest on Inter Corporate Deposits accrued but not due		5.73	1.39
	Interest on Non Convertible Debentures accrued but not due		4.76	4.76
2	JM Financial Investment Managers Limited	Fellow Subsidiary		
	Gratuity Liability transferred in Respect of Employee Transfer		0.00	-
3	JM Financial Institutional Securities Limited	Fellow Subsidiary		
	Support Service Charges		0.90	-
	Recovery of expenses		0.06	-
	Reimbursement of Expenses		0.01	-
4	JM Financial Properties and Holdings Limited	Fellow Subsidiary		
	Space and other related cost		1.02	-
	CAMs and Property Tax		0.23	-
	Reimbursement of Expenses		0.20	-
	Security Deposit Recoverable		2.75	-
5	Mr. V. P. Shetty	Key Managerial Personnel	4.26	5.77
	Remuneration			
6	Mr. Anil Bhatia	Key Managerial Personnel	4.04	5.44
	Remuneration			

Note # JM Financial Limited has become Holding Company w.e.f 30th September 2016, earlier it was an Enterprise which is able to exercise significant influence **Note*** These Companies have become fellow subsidiaries w.e.f 30th September 2016

Independent Auditors' Report

To The Members of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

Independent Auditors' Report (Contd.)

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 does not have any pending litigations as at 31st March, 2018 which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2018 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)

G.K Subramaniam
Partner
(Membership No. 109839)

Mumbai, 27th April, 2018

Annexure “A” to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the 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. 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's 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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI) 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 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 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 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 31st March, 2018, 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 issued by the ICAI.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

G.K Subramaniam

Partner

(Membership No. 109839)

Mumbai, 27th April, 2018

Annexure “B” to the Independent Auditors' Report

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

1. In respect of property, plant and equipment:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) All the property, plant and equipment were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (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 provided to us, we report that, the title deed, comprising of the immovable property of the land which is freehold, is held in the name of the Company as at the balance sheet date.
2. The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
3. 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 Act.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees which requires compliance with the provisions of section 185 and 186 of the Act and hence reporting under clause (iv) of the Order is not applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in this regard in the case of the Company.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Thus reporting under (vi) of the Order is not applicable to the Company.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Service Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

Considering the nature of business that the Company is engaged in, Employees' State Insurance, Sales Tax, Customs Duty, Excise Duty and Value Added Tax are not applicable to the Company.
 - (b) There were no undisputed amounts payables in respect of Provident Fund, Income Tax, Service Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date of becoming payable.
 - (c) There are no cases of non-deposits with the appropriate authorities of disputed dues of Income Tax and Service Tax as applicable.
8. 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 has not taken loans or borrowings from government and financial institutions.
9. In our opinion and according to the information and explanations given to us, money raised through issue of debt instruments and term loans has been utilised during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer.
10. 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.

11. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. 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 the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
16. The Company being a Securitisation and Reconstruction Company ('SCRC') under Securitisation & Reconstruction of Financial Assets & Enforcement of Securities Interest Act, 2002, it is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

G.K Subramaniam
Partner
(Membership No. 109839)

Mumbai, 27th April, 2018

Balance Sheet

as on March 31, 2018

(₹ in Crore)			
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I. Equity and liabilities			
1. Shareholders' funds			
a. Share capital	2.01	344.64	241.25
b. Reserves and surplus	2.02	622.22	338.52
		966.86	579.77
2. Non-current liabilities			
a. Long-term borrowings	2.03	830.99	340.12
b. Other liabilities	2.04	6.18	2.95
c. Long-term provisions	2.05	0.98	0.69
		838.15	343.76
3. Current liabilities			
a. Short-term borrowings	2.06	401.91	614.98
b. Trade payables			
Total outstanding dues to micro enterprises and small enterprises	2.07	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		0.70	0.82
c. Other current liabilities	2.08	213.86	270.24
d. Short-term provisions	2.09	7.32	0.70
		623.79	886.74
Total		2,428.80	1,810.27
II. ASSETS			
1. Non-current assets			
a. Property, plant and equipments	2.10		
(i) Tangible assets		1.52	2.17
(ii) Intangible assets		0.18	0.29
b. Non-current investments	2.11	97.50	-
c. Deferred tax assets (net)	2.12	16.80	13.35
d. Long-term loans and advances	2.13	206.50	4.21
		322.50	20.02
2. Current assets			
a. Current investments	2.14	1,981.31	1,635.40
b. Trade receivables	2.15	44.31	63.75
c. Cash and bank balances	2.16	14.27	17.88
d. Short-term loans and advances	2.17	66.41	73.22
		2,106.30	1,790.25
Total		2,428.80	1,810.27
Notes to the financial statements	1 to 2.33		

In terms of our report attached
Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

G.K. Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors

VP Shetty
Chairman
(DIN-00021773)

Nikhil Bhandary
Company Secretary

Rupa Vora
Chairperson-
Audit Committee
(DIN - 01831916)

Sabyasachi Ray
Chief Financial Officer

Anil Bhatia
Managing Director &
Chief Executive Officer
(DIN-01310959)

Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Crore)			
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue from operations	2.18	386.92	223.74
II. Other income	2.19	0.67	0.12
III. Total Revenue (I + II)		387.59	223.86
IV. Expenses			
Employee benefits expense	2.20	30.09	22.37
Finance costs	2.21	119.11	91.87
Provision/write off for receivables, loans and investments	2.22	55.63	13.23
Depreciation / amortization expense	2.10	1.12	1.20
Other expenses	2.23	14.71	11.40
Total Expenses		220.66	140.07
V. Profit before tax (III - IV)		166.93	83.79
Tax expense			
Current tax		61.81	34.63
Deferred tax		(3.36)	(5.71)
Earlier year tax adjustments		0.40	-
		58.85	28.92
VI. Profit after tax		108.08	54.87
VII. Earnings per share	2. 2.31 (a)		
(Face value of ₹ 10/- each)			
Basic / Diluted (in Rupees)		4.38	2.27
Notes to the financial statements	1 to 2.33		

In terms of our report attached
Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

G.K. Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors

VP Shetty
Chairman
(DIN-00021773)

Nikhil Bhandary
Company Secretary

Rupa Vora
Chairperson-
Audit Committee
(DIN - 01831916)

Sabyasachi Ray
Chief Financial Officer

Anil Bhatia
Managing Director &
Chief Executive Officer
(DIN-01310959)

Statement of Cash Flow

for the year ended March 31, 2018

	(₹ in Crore)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash flow from operating activities		
Profit before tax	166.94	83.79
Adjustment for:		
Depreciation	1.12	1.20
Investments written off	39.04	-
Provision for receivables, advances, investments and loans	16.59	13.23
Earlier year provision on receivables/ advances w/back	(12.02)	(1.68)
Interest income on fixed deposits	(0.65)	-
Interest expense	119.10	91.87
Operating profit before working capital changes	330.12	188.42
Adjustment for:		
Decrease/(increase) in trade receivables	19.43	(30.17)
Decrease/(increase) in short-term loans and advances	5.11	(31.26)
(Decrease)/increase in trade payables	(0.13)	0.66
(Decrease)/increase in other current liabilities and provisions	(78.01)	206.19
Decrease/(increase) in other bank balances	-	(0.07)
Cash generated from operations	276.52	333.77
Direct taxes paid	(60.05)	(33.93)
Net cash from operating activities	216.47	299.84
B Cash flow from investing activities		
Purchase of current investments - Others	(536.56)	(491.57)
Purchase of non-current investments - Others	(97.50)	-
Redemption of current investments - Others	145.94	82.41
Purchase of fixed assets	(0.37)	(0.30)
Interest income on fixed deposits	0.65	-
Net cash (used in) investment activities	(487.84)	(409.46)
C Cash flow from financing activities		
Proceeds from rights issue of equity share	103.39	-
Securities Premium received	175.80	-
Increase/(decrease) in non-current liabilities	3.23	2.95
(Increase) /decrease in long term loans and advances	(195.99)	8.44
Proceeds from long-term borrowings	490.85	-
Proceeds from short-term borrowings	-	231.06
Repayment of short-term borrowings	(213.07)	-
Interest paid	(96.46)	(77.22)
Net cash from financing activities	267.76	125.09
Net increase/(decrease) in cash and cash equivalents	(3.61)	15.47
Cash and cash equivalents (opening)	17.12	1.65
Cash and cash equivalents (closing)	13.51	17.12

Note: Reconciliation of Cash and cash equivalents

Particulars	(₹ in Crore)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash and bank balance as per note 2.16	14.27	17.88
Less: Bank balance not considered in cash and cash equivalents	0.76	0.76
Balance as per Cash flow statement	13.51	17.12

In terms of our report attached
Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

G.K. Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors

VP Shetty
Chairman
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Nikhil Bhandary
Company Secretary

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Chairperson-
Audit Committee
(DIN - 01831916)

Sabyasachi Ray
Chief Financial Officer

Anil Bhatia
Managing Director &
Chief Executive Officer
(DIN-01310959)

Significant Accounting Policies

and notes to the Financial Statements

1. Significant Accounting Policies

a. Accounting convention

"The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and the guidelines issued by the Reserve Bank of India ("RBI") from time to time and the provisions of the Companies Act, 2013 (the "Act") to the extent applicable.

The financial statements are based on historical cost convention and are prepared on accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialized.

c. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferral on account of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

d. Property, plant and equipments and depreciation/ Amortisation owned tangible assets

Assets are recorded at historical cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

Depreciation on tangible property plant and equipments is provided pro-rata basis for the period of use, on the Straight

Line Method (SLM), based on management's estimate of useful lives of the property plant and equipments, or at the rates prescribed in Schedule II to the Act whichever is higher, as per the following table:

Asset	Useful Life
Leasehold improvements	10 years or period of lease whichever is lower
Office equipments	5 years
Computers	3 years
Servers & Networks	6 years
Motor Vehicles	5 years
Furniture and Fixtures	10 years

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

Owned intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Softwares are amortized over a period of five years, on a straight line basis.

e. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of the assets exceed its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of asset in an arm's length transaction between knowledgeable willing parties, less the cost of disposal.

An impairment loss, if any, is charged to the statement of profit and loss in the year, in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

f. Investments

Non-current investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of non-current investments.

Significant Accounting Policies (Contd.)

and notes to the Financial Statements

Investments in Security Receipt (SR) are classified as available for sale under current assets. They are valued at lower of cost and realizable value. Latest Net Asset Value (NAV) as declared by independent rating agencies is considered to be realizable value of these investments. In case where NAV is not declared within one year from acquisition of assets or finalization of resolution strategy, whichever is earlier, cost of SR is considered as realizable value.

All these investments are aggregated for the purpose of arriving at net depreciation / appreciation of investments under the category. Net depreciation, if any shall be provided for and Net appreciation, if any, shall be ignored.

In respect of SRs in trusts which have exceeded 5 years, provision is being made for specific cases equally till the completion of 8 years as per internal assessment in accordance with the provisioning policy for such SRs.

Outstanding value of investments in trusts exceeding eight years have been written off as per RBI guidelines.

g. Revenue recognition

Accounting Standard 9 as notified by the Rules specifies that the amount of revenue arising on a transaction is usually determined by agreement between the parties involved in the transaction. When uncertainties exist regarding determination of the amount, these uncertainties may influence the timing of revenue recognition.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured with no significant uncertainty as to the ultimate collection. In case of significant uncertainty as to the ultimate collection, revenue recognition is postponed till such uncertainty is removed.

i. Management fee:

Management fee from trusts is accrued as per terms of the relevant trust deed / offer document.

Management fee from borrowers/parties is accrued as per the terms of the relevant contract. However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate

collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such case is recognized only when such uncertainty is removed.

Unrealised management fees would be reversed/ provided in earlier of the following situations based on RBI guidelines:

- If the management fees remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of recognition in case of trusts where the planning period is over, or
- NAV of the SRs of the trust fall below 50% of face value.

In respect of such trusts no further management fees is recognized unless it is realized.

- ii. Any fee income other than (i) above (e.g. advisory fees, etc.) is recognised as per the terms of contract. However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such cases is recognized only when such uncertainty is removed.
- iii. Outstanding management fee/ any other fee from borrowers/ parties remaining unpaid for more than 180 days is provided/ reversed. In respect of such cases, no further fee is recognized unless it is realized.
- iv. Additional realization of assets over acquisition price on redemption of SR is accounted for as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the SRs in the trust.
- v. Income by way of yield on SRs is recognized on actual distribution from the trusts, after redemption of the principal amount of each class of SRs as per the terms of the relevant trust deed / offer document.

vi Interest income:

Interest on bank deposits placed with banks is accounted on accrual basis.

Interest on expenses incurred on behalf of trust(s) is accounted as per terms of the relevant trust deed and offer document and is accrued where reasonable certainty exists with respect to its recovery. Outstanding expenses would be reversed/ provided in earlier of the following situations :

If the interest on expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of charging of such interest in case in trusts where the planning period is over, or

NAV of the SRs of the trust fall below 50% of face value.

Interest on restructuring is accrued as per contract, net of the proportionate share of expenses incurred and management fees charged in the trust.

Interest on loan is accounted for as per the terms of the contract. In case interest / principal is overdue for more than 180 days from the due date specified in the contract, the loan outstanding is classified as Non-Performing Asset and provision is made as per the guidelines issued by the Reserve Bank of India. Unrealized interest on loan is derecognized and further recognition is made only on realisation.

h. Employee Benefits

Defined contribution plan

The Company makes defined contribution to the provident fund, which is recognized in the statement of profit and loss on an accrual basis in respect thereof is determined on the basis of contribution as required under the Statue / Rules.

Defined benefit plan

The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Major drivers in actuarial assumption, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumption are charged to the Statement of Profit and Loss.

Short term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss of the year in which the related services are rendered.

i. Expenses incurred for financial assets not acquired

Pre-acquisition expenses in case of acquisition of financial assets from banks/ FIs are recognized immediately in the statement of profit and loss for the period in which such costs are incurred.

j. Expenses incurred by the Company on behalf of the trust

The expenses incurred on behalf of trusts are shown as 'Recoverable from Trusts' and grouped under Advances recoverable in cash or in kind in the balance sheet. These expenses are reimbursed to the Company in terms of the provisions of the relevant trust deed and offer document.

These expense reimbursements would be reversed/ provided in earlier of the following situations:

If the expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of incurrence of such expenses in trusts where the planning period is over, or

NAV of the SRs of the trust fall below 50% of face value.

k. Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain / loss is reflected in the statement of profit and loss. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction. Premium / Discount, in respect of forward foreign exchange contract is recognised over the life of the contract. Profit / Loss on cancellation / renewal of forward exchange contract is recognised as income / expense for the year.

l. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or the production of qualifying assets are capitalized as a part of cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to

Significant Accounting Policies (Contd.)

and notes to the Financial Statements

get ready for its intended use. All other borrowing costs are charged to revenue.

m. Taxation

Tax expense comprises current tax and deferred tax at the applicable enacted/substantially enacted rates.

Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred taxes represents effect of timing differences between taxable income and accounting income for the reporting period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against such deferred tax assets can be realized. In

case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realized against future taxable profits.

n. Provisions and contingencies

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

Notes

to the Financial Statements

2. Notes to the Financial Statements

Particulars	(₹ in Crore)	
	As at March 31, 2018	As at March 31, 2017
2.01 Share capital		
Authorised		
1,850,000,000 (Previous year 30,00,00,000) Equity Shares of ₹ 10/- each	1,850.00	300.00
150,000,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
	2,000.00	450.00
Issued, Subscribed and Paid-up		
344,642,857 (Previous year 241,250,000) Equity Shares of ₹ 10/- each fully paid-up	344.64	241.25
Total	344.64	241.25

Note a. Terms and rights

The Company has only one class of issued shares referred to as equity shares having a Face Value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

The preference shares (not issued), forming part of Authorised Capital, have a face value of ₹ 10/-. Each holder of such preference shares would be entitled to one vote per share on resolutions placed which directly affects the rights of such preference shares.

Note b. Reconciliation of number of shares

Particulars	Equity Shares			
	As at March 31, 2018		As at March 31, 2017	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Shares outstanding at the beginning of the year	241,250,000	241.25	241,250,000	241.25
Shares Issued during the year	103,392,857	103.39	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	344,642,857	344.64	241,250,000	241.25

Note c. Details of shareholding more than 5%

Out of Equity shares issued by the Company, shares held by each shareholder, holding more than 5 percent shares specifying the number of shares held are as below:

Particulars	Equity Shares			
	As at March 31, 2018		As at March 31, 2017	
	Number	% of Holding	Number	% of Holding
Equity Shares:				
JM Financial Limited	196,697,279	57.07%	120,625,000	50.01%
Mr Narotam S Sekhsaria	56,866,072	16.50%	36,187,500	15.00%
Indian Overseas Bank	21,000,000	6.09%	21,000,000	8.70%
Valiant Mauritius Partners FDI Ltd.	29,028,911	8.42%	20,320,238	8.42%

Notes (Contd.)

to the Financial Statements

2.02 Reserves and Surplus

	(₹ in Crore)	
	As at March 31, 2018	As at March 31, 2017
Securities Premium Reserve		
Opening Balance	18.72	18.72
As per last Balance Sheet		
Add: Share issued during the year	175.80	-
Less: Utilisation on Rights issue expenses (net of deferred tax of ₹ 0.09 crore) (Previous year ₹ Nil)	(0.18)	-
Closing balance	194.34	18.72
Surplus in Statement of profit and loss:		
Opening balance	319.80	264.93
Add: Profit for the year	108.08	54.87
Closing balance	427.88	319.80
Total	622.22	338.52
2.03 Long-term Borrowings		
Secured:		
Term Loans from Bank (refer note 2.08 and 2.27)	250.00	-
Less: Current maturities of term loans	(22.50)	-
(Secured by way of pledge of certain identified security receipts)	227.50	-
Non-Convertible Debentures (refer note 2.26)	693.20	540.00
Add: Unamortised premium on Non-Convertible Debentures	0.26	-
Less: Current maturities of Non-Convertible Debentures	(90.00)	(200.00)
(Secured by way of hypothecation of certain identified security receipt and mortgage of freehold land)	603.46	340.00
Finance lease obligations (refer note 2.31 (c) (I))	0.21	0.36
Less: Current maturities of finance lease obligations	(0.18)	(0.24)
(Secured by way of hypothecation of vehicles)	0.03	0.12
Total	830.99	340.12
2.04 Other Liabilities		
Employees benefits payable	6.18	2.95
Total	6.18	2.95
2.05 Long-term Provisions		
For employee benefits - gratuity (refer note 2.31(d))	0.98	0.69
Total	0.98	0.69

	As at March 31, 2018	(₹ in Crore) As at March 31, 2017
2.06 Short term borrowings		
Secured :		
From banks		
a) Working capital loans (Secured by way of pledge of certain identified security receipts)	23.76	157.62
b) Short Term Loans (Secured by way of hypothecation of certain identified security receipts)	84.00	-
	107.76	157.62
Unsecured:		
Other loans & advances		
Commercial papers (refer note 2.06 (a) and 2.06 (b))	300.00	365.00
Less: Unamortised interest on commercial papers	(5.85)	(7.99)
	294.15	357.01
Inter Corporate Deposits	-	100.35
Total	401.91	614.98
2.06 a) The maximum amount of commercial paper outstanding at any time during the year was ₹ 475 crore (Previous year was ₹ 465 crore)		
b) Interest rate of commercial paper issued during the year ranges from 7.10% to 9.00% p.a.)		
2.07 Trade Payables		
There are no dues payable to Micro and Small Enterprises, based on the information available with the Company		
Particulars		
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	-	-
2.08 Other Current Liabilities		
Current maturities of long term borrowings		
Term loans from banks (refer note 2.03)	22.50	-
Non convertible debentures (refer note 2.03)	90.00	200.00
Finance lease obligations (refer note 2.03)	0.18	0.24
	112.68	200.24
Statutory dues	6.79	0.75
Employees benefits payable	11.53	7.58
Amounts collected on behalf of trusts	15.90	18.57
Interest accrued but not due on borrowings	65.05	42.41
Other liabilities (includes Directors commission, etc)	1.91	0.67
Total	213.86	270.24
2.09 Short-term Provisions		
Provision for taxation (Net of Advance tax)	6.65	-
For employee benefits - gratuity	0.05	0.14
For employee benefits - compensated absences	0.62	0.56
Total	7.32	0.70

Notes (Contd.)

to the Financial Statements

2.10 Property, Plant and Equipments

Description	Gross Block				Depreciation/Amortisation				(₹ in Crore)
				As at March 31, 2018				Up to March 31, 2018	Net Block As at March 31, 2018
	As at April 01, 2017	Additions	Disposals		Up to April 01, 2017	Additions	Deductions		
Tangible assets:									
Owned assets:									
Freehold land	0.03	-	-	0.03	-	-	-	-	0.03
(refer note 2.10 (a))									
Furniture and Fixtures	0.07	-	-	0.07	0.06	0.01	-	0.07	0.00
Office Equipments	0.46	0.04	-	0.50	0.32	0.05	-	0.37	0.13
Computers	0.98	0.24	-	1.22	0.76	0.18	-	0.94	0.28
Lease Hold Improvements	2.30	-	-	2.30	0.87	0.50	-	1.37	0.93
Leased Assets:									
Vehicles (refer note 2.10 (b))	0.98	0.04	0.19	0.83	0.64	0.23	0.19	0.68	0.15
Total	4.82	0.32	0.19	4.95	2.65	0.97	0.19	3.43	1.52
Intangible assets:									
Software	1.07	0.04	-	1.11	0.78	0.15	-	0.93	0.18
Total	1.07	0.04	-	1.11	0.78	0.15	-	0.93	0.18

Notes : 2.10(a) Mortgaged as security against secured non convertible debentures (also refer note 2.03)

2.10(b) Vendor have a lien over the assets taken on lease.

2.10 Property, Plant and Equipments (Previous Year)

Description	Gross Block				Depreciation/Amortisation				(₹ in Crore)
				As at March 31, 2017				Up to March 31, 2017	Net Block As at March 31, 2017
	As at April 01, 2016	Additions	Disposals		Up to April 01, 2016	Additions	Deductions		
Tangible assets:									
Owned assets:									
Freehold land	0.03	-	-	0.03	-	-	-	-	0.03
(refer note 2.10 (a))									
Furniture and Fixtures	0.07	-	-	0.07	0.05	0.01	-	0.06	0.01
Office Equipments	0.45	0.01	-	0.46	0.28	0.04	-	0.32	0.14
Computers	0.95	0.03	-	0.98	0.56	0.20	-	0.76	0.22
Leasehold Improvements	2.17	0.13	-	2.30	0.38	0.49	-	0.87	1.43
Leased assets:									
Vehicles	0.85	0.13	-	0.98	0.39	0.25	-	0.64	0.34
Vehicles (refer note 2.10 (b))									
Total	4.52	0.30	-	4.82	1.66	0.99	-	2.65	2.17
Intangible assets:									
Software	1.07	0.00	-	1.07	0.57	0.21	-	0.78	0.29
Total	1.07	0.00	-	1.07	0.57	0.21	-	0.78	0.29

Notes : 2.10(a) Mortgaged as security against secured non convertible debentures (also refer note 2.03)

2.10(b) Vendor have a lien over the assets taken on lease.

	As at March 31, 2018	(₹ in Crore) As at March 31, 2017
2.11 Non-Current Investment		
(Non Trade)		
Quoted		
a. In Equity Shares		
Others - (quoted)		
Nitco Limited	80.00	-
7,007,709 (Previous year Nil) Nitco Limited of ₹ 10 each fully paid up		
b. In Convertible Warrants		
Others - (unquoted)	17.50	-
6,131,745 (Previous year Nil) Nitco Limited issue price of ₹ 114.16 (₹ 28.54 paid)		
Total	97.50	-
Notes:		
2.11 (a) Aggregate cost of		
Quoted investments	80.00	-
Unquoted investments	17.50	-
Total	97.50	-
2.11 (b) Market value of quoted investments	64.82	-
2.11 (c) Commitments: Uncalled liability of partly paid warrants 6,131,745 convertible warrants of Nitco Ltd @ 85.62 each		
	52.50	-
2.12 Deferred Tax Assets / (Liabilities)		
Provision for receivables / loans and advances/investments	13.09	11.51
Disallowances under section 43B, 35D of the Income Tax Act, 1961	3.37	1.65
Differences in the tax and books written down value of fixed assets	0.33	0.17
Due under finance lease	0.01	0.02
Total	16.80	13.35
2.13 Long-Term Loans and Advances		
Other loans and advances		
Secured, considered good:		
Loan funds	211.48	9.95
Unsecured, considered good:		
Advance Tax (Net of provision)	4.66	1.16
Advances recoverable in cash or in kind or for value to be received	20.50	23.31
Other deposits (Security deposits etc)	0.31	3.05
	236.95	37.47
Less: Provision for advances	20.50	23.31
Less: Provision for loans	9.95	9.95
Total	206.50	4.21

Notes (Contd.)

to the Financial Statements

2.14 Current Investments

Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
	(a) Other current investments (Unquoted)				
	Available for sale				
	Investment in Security Receipts of the trusts				
	(Face value ₹ 1,000/- each except otherwise stated)				
1	JMFARC - Yarn 2010 - Trust* [#] (Face value ₹ 1/- each, Previous year ₹ 1/- each)	100,000	0.01	100,000	0.01
2	JMFARC - SASF Tube - Trust [@]	62,000	6.20	62,000	6.20
3	JMFARC - SME Retail 2011 - Trust (Face value ₹ 1/- each, Previous year ₹ 1/- each)	13,365	0.00	13,365	0.00
4	JMFARC-IQB March 2011-Trust [@] (Face value - Class A 2,80,000 SRs ₹ 650/- each, Class B 96,500 SRs ₹ 1000/- each, Previous year ₹ Class A 2,80,000 SRs ₹ 669/- each, Class B 96,500 SRs ₹ 1000/- each)	376,500	27.86	376,500	28.39
5	JMFARC-UCO Bank March 2011-Trust	16,500	1.65	16,500	1.65
6	JMFARC-IQB II March 2011-Trust [#] (Face value - Class A 1,04,200 SRs ₹ 982/- each, Class B 5,800 SRs ₹ 1000/- each, Previous year ₹ Class A 1,04,200 SRs ₹ 982/- each, Class B 5,800 SRs ₹ 1000/- each)	110,000	10.82	110,000	10.82
7	JMFARC-Central Bank Retail 2011-Trust (Face value ₹ 345/- each, Previous year ₹ 360/- each)	88,872	3.07	88,872	3.38
8	JMFARC-Retail June 2011-Trust (Face value - ₹ 1/- each for Series I, II and III respectively, Previous year ₹ 1/- each for Series I, II and III respectively)	469,884	0.05	469,884	0.05
9	JMFARC-Retail Aug 2011-Trust (Face value ₹ 1/- each, Previous year ₹ 1/- each)	7,039	0.00	7,039	0.00
10	JMFARC-Swarna 2011-Trust [@] (Face value - Class A SRs ₹ Nil, Class B 72,199 SRs ₹ 1000/-, Previous Year Class A Nil-, Class B ₹ 1000/- each)	72,199	7.22	72,199	7.22
11	JMFARC-Swarna II 2012-Trust [@] (Face value - Class A ₹ 628/-, Class B ₹ 1000/-, Previous Year Class A ₹ 628/-, Class B ₹ 1000/- each)	78,700	5.41	78,700	5.41
12	JMFARC-Green December 2012-Trust [#] (Includes 4,54,955 no. of SRs of outstanding value of ₹ 56.87 crore purchased at ₹ 35 crore)	478,900	37.39	23,945	2.39
13	JMFARC-Federal Bank March 2013-Trust (Face value ₹ 775/- each, Previous year ₹ 775/- each) (Includes 9,30,000 no. of SRs of outstanding value of ₹ 46.06 crore purchased at ₹ 5 crore)	1,000,000	10.33	70,000	5.42
14	JMFARC-Textile 2013-Trust [#] (Face value ₹ 1/- each, Previous year ₹ 1/- each)	91,000	0.01	91,000	0.01
15	JMFARC-Central India 2013-Trust [@]	289,360	28.94	289,360	28.94
16	JMFARC-Corp I 2013-Trust [@] (Face value ₹ 435/- each, Previous year ₹ 435/- each)	93,000	4.05	93,000	4.05
17	JMFARC-Corp II 2013-Trust [@] (Face value ₹ 692/- each, Previous year ₹ 1,000)	58,800	4.07	58,800	4.63
18	JMFARC-Corp Textile 2013-Trust [@]	150,000	15.00	150,000	15.00
19	JMFARC-Corp Apparel 2013-Trust [#] (Face value ₹ 1/- each, Previous year ₹ 1/- each)	120,000	0.01	120,000	0.01
20	JMFARC-Corp Biotech 2013-Trust [@]	114,000	11.40	114,000	11.40

Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
21	JMFARC-Stancy Textile 2013-Trust (Face value ₹ 1/- each, Previous year ₹ Nil)	1,000	0.00	1,000	0.00
22	JMFARC-Fed Textile 2013-Trust	8,820	0.88	8,820	0.88
23	JMFARC-BOI Textile 2013-Trust [#]	41,000	4.10	41,000	4.10
24	JMFARC-OBC March 2014-Trust [#]	34,500	3.45	34,500	3.45
25	JMFARC-Dena Bank March 2014-Trust ^{**}	67,000	6.70	67,000	6.70
26	JMFARC-UCO Bank March 2014-Trust [#] (Face value ₹ 805/- each, Previous year ₹ 818/- each)	462,500	37.21	462,500	37.88
27	JMFARC-Gelatine March 2014-Trust [@] (Face value ₹ 768/- each, Previous year ₹ 810/- each)	628,672	48.26	628,672	50.90
28	JMFARC-Fed Gelatine March 2014-Trust	17,500	1.75	17,500	1.75
29	JMFARC-SBI March 2014 I-Trust [#] (Face value ₹ 767/- each , Previous year ₹ 767/- each)	173,750	13.32	173,750	13.32
30	JMFARC-SBI March 2014 II-Trust ^{**} (Face value ₹ 862/- each , Previous year ₹ 1,000/- each)	45,250	3.90	45,250	4.53
31	JMFARC-Cosmos March 2014-Trust [#] (Face value ₹754/- each, Previous year ₹ 761/- each)	154,500	11.64	154,500	12.09
32	JMFARC-Indian Bank March 2014-Trust [#]	44,500	4.45	44,500	4.45
33	JMFARC-Petro BOB 2014-Trust [@] (Face value ₹ 224/- each, Previous year ₹ 257/- each)	135,500	3.03	135,500	5.38
34	JMFARC-Petro UCO 2014-Trust [@] (Face value ₹ 224/- each, Previous year ₹ 257/-each)	140,000	3.13	140,000	5.56
35	JMFARC-Petro CBOI 2014-Trust [@] (Face value ₹ 224/- each, Previous year ₹ 257/- each)	51,500	1.15	51,500	2.04
36	JMFARC-OBC March 2014 II -Trust (Face value ₹ 897/- each, Previous year ₹ 920/- each)	4,760	0.43	4,760	0.44
37	JMFARC-BOI March 2014 II-Trust [#]	215,750	21.58	215,750	21.58
38	JMFARC-UBOI March 2014-Trust [#]	66,750	6.68	66,750	6.68
39	JMFARC-OBC June 2014-Trust	8,915	0.89	8,915	0.89
40	JMFARC-Hotels June 2014-Trust [@] (Face value - Class A 44,56,592 SRs ₹ 85/-, Class B 20,71,631 SRs ₹ 1000/-, Previous year Class A ₹ 207/-, Class B ₹ 1000/- each)	6,528,223	244.85	6,528,223	299.41
41	JMFARC-Vijaya Bank June 2014-Trust	25,360	2.54	25,360	2.54
42	JMFARC-Indian Bank June 2014-Trust [#]	32,200	3.22	32,200	3.22
43	JMFARC-SBI Ceramics June 2014-Trust [#] (Face value ₹ 984/- each, Previous year ₹ 984/- each)	156,000	15.35	156,000	15.35
44	JMFARC-Central Bank of India June 2014-Trust [*] (Face value ₹ 757/- each, Previous year ₹ 846/- each)	32,000	2.42	32,000	3.20
45	JMFARC-UBOI June 2014-Trust [#]	59,915	5.99	59,915	5.99
46	JMFARC - ICICI Bank July 2014 -Trust [@] (Face value ₹ 1/- each, Previous year ₹ 270/- each)	20,000	0.00	20,000	0.54
47	JMFARC - LVB Ceramics September 2014-Trust [#]	27,900	2.79	27,900	2.79
48	JMFARC - CSB Ceramics September 2014-Trust [@]	32,625	3.26	32,625	3.26
49	JMFARC - Karnataka Bank December 2014-Trust ^{**} (Face value ₹ 837/- each, Previous year ₹ 856/- each)	172,500	14.44	172,500	16.26
50	JMFARC - SBOP Ceramics December 2014-Trust ^{#@}	11,850	1.19	11,850	1.19
51	JMFARC - SBH Ceramics December 2014-Trust [@]	60,000	6.00	60,000	6.00
52	JMFARC - SBT Ceramics March 2015-Trust [*]	23,250	2.33	23,250	2.33
53	JMFARC - SBI Steel March 2015-Trust ^{**}	93,150	9.32	93,150	9.32
54	JMFARC - Axis Bank Cement March 2015-Trust [@]	230,000	23.00	230,000	23.00

Notes (Contd.)

to the Financial Statements

Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
55	JMFARC - SBM Ceramics March 2015-Trust*	12,750	1.28	12,750	1.28
56	JMFARC - Karnataka Bank Cement March 2015-Trust*	49,500	4.95	49,500	4.95
57	JMFARC - Vijaya Bank Ceramics March 2015-Trust*	27,000	2.70	27,000	2.70
58	JMFARC -ICICI Bank Cement June 2015-Trust*	170,500	17.05	170,500	17.05
59	JMFARC - SBH Cement June 2015-Trust**	66,000	6.60	66,000	6.60
60	JMFARC - United Bank Textile September 2015-Trust#	27,075	2.71	27,075	2.71
61	JMFARC - United Bank Cement September 2015-Trust#	180,000	18.00	180,000	18.00
62	JMFARC - CSB September 2015-Trust@# (Face value ₹837/- each, Previous year ₹848/- each)	63,000	5.27	63,000	5.86
63	JMFARC - Corp Bank Ceramics September 2015-Trust@#	46,065	4.61	46,065	4.61
64	JMFARC - PNB Ceramics November 2015-Trust@#	401,640	40.16	401,640	40.16
65	JMFARC - PNB December 2015-Trust#	24,765	2.48	24,765	2.48
66	JMFARC - SBOP Geometric-Trust@#	61,560	6.16	61,560	6.16
67	JMFARC - SBH December 2015-Trust#	73,380	7.34	73,380	7.34
68	JMFARC - Dena Ceramics January 2016-Trust#	15,750	1.58	15,750	1.58
69	JMFARC - ICICI Geometric-Trust@#	61,500	6.15	61,500	6.15
70	JMFARC - Axis Bank February 2016-Trust@# (Face value ₹ 715/- each, Previous year ₹ 801/- each)	87,500	6.26	87,500	8.75
71	JMFARC- OBC March 2016-Trust#	72,000	7.20	72,000	7.20
72	JMFARC- OBC Cement 2016-Trust@#	49,700	4.97	49,700	4.97
73	JMFARC - IDBI Ceramics March 2016-Trust*	57,180	5.72	57,180	5.72
74	JMFARC - Exim Ceramics March 2016-Trust#	17,101	1.71	17,101	1.71
75	JMFARC - UCO Geometric March 2016-Trust#	88,965	8.90	88,965	8.90
76	JMFARC - UBOI Steel March 2016-Trust#	63,000	6.30	63,000	6.30
77	JMFARC - KVB March 2016-Trust@#	355,095	35.51	355,095	35.51
78	JMFARC - KVB Iris II March 2016 Trust	37,500	3.75	37,500	3.75
79	JMFARC - Indian Bank March 2016-Trust@# (Face value ₹ 449/- each, Previous year ₹ 999/- each)	97,515	4.37	97,515	9.75
80	JMFARC- Indian Bank I March 2016 Trust@# (Face value ₹ 142/- each, Previous year ₹392/- each)	16,010	0.23	16,010	1.16
81	JMFARC- IOB March 2016 Trust@#	50,250	5.03	50,250	5.03
82	JMFARC- Federal Bank March 2016-Trust@ (Face value ₹ 908/- each, Previous year ₹ 937/- each)	73,350	6.66	73,350	7.31
83	JMFARC- Iris March 2016 Trust# (Face value ₹ 985/- each, Previous year ₹ 1000/- each)	1,000,165	98.44	1,000,165	100.02
84	JMFARC - Exim Iris March 2016-Trust#	60,000	6.00	60,000	6.00
85	JMFARC - Axis Iris March 2016-Trust#	150,000	15.00	150,000	15.00
86	JMFARC- Axis Iris II March 2016-Trust#	60,000	6.00	60,000	6.00
87	JMFARC - KB Metals September 2016-Trust#	22,500	2.25	22,500	2.25
88	JMFARC - Andhra Resin September 2016-Trust (Face value ₹ 1/- each, Previous year ₹ 1,000/- each)	37,605	0.00	37,605	3.76
89	JMFARC - Dena SEZ September 2016-Trust	7,335	0.73	7,335	0.73
90	JMFARC - ICICI Bank September 2016-Trust@#	855,495	85.55	855,495	85.55
91	JMFARC - SBI Geometric October 2016-Trust	453,000	45.30	453,000	45.30
92	JMFARC - PAN India 2016 Trust*	1,546,908	154.69	1,546,908	154.69
93	JMFARC - IDBI Geometric December 2016-Trust#	41,250	4.13	41,250	4.13
94	JMFARC - IRIS December 2016-Trust	31,110	3.11	31,110	3.11
95	JMFARC - IRIS Cash 2016-Trust (Face value ₹ 979/- each, Previous year ₹ 983/- each)	426,200	41.72	426,200	42.62
96	JMFARC - IRIS UBOI December 2016-Trust	16,005	1.60	16,005	1.60
97	JMFARC - Tata Capital December 2016-Trust (Face value ₹506/- each, Previous year ₹540/- each)	130,000	6.58	130,000	8.69

Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
98	JMFARC - Iris PNB January 2017 Trust (Face value ₹992/- each, Previous year ₹1,000/- each)	41,550	4.12	41,550	4.16
99	JMFARC PNB March 2017 Trust (Face value ₹603/- each, Previous year ₹1,000/- each)	222,075	13.39	222,075	22.21
100	JMFARC IOB CHN March 2017 Trust	37,500	3.75	37,500	3.75
101	JMFARC IDBI March 2017 Trust	30,000	3.00	30,000	3.00
102	JMFARC IOB Ceramics March 2017 Trust	33,000	3.30	33,000	3.30
103	JMFARC Iris United March 2017 Trust (Face value ₹972/- each, Previous year ₹1,000/-each)	66,900	6.50	66,900	6.69
104	JMFARC SBP March 2017 Trust	31,665	3.17	31,665	3.17
105	JMFARC SBT March 2017 Trust@	55,875	5.59	55,875	5.59
106	JMFARC Iris Uco March 2017 Trust (Face value ₹994/- each, Previous year ₹1,000/-each)	38,310	3.81	38,310	3.83
107	JMFARC SBP Retreat March 2017 Trust	77,600	7.76	77,600	7.76
108	JMFARC Retreat II March 2017 Trust* (Face value ₹963/- each, Previous year ₹1,000/-each)	394,000	37.94	394,000	39.40
109	JMFARC SBI Retreat March 2017 Trust	166,800	16.68	166,800	16.68
110	JMFARC SBI Tollways March 2017 Trust (Face value ₹875/- each, Previous year ₹912/-each)	153,000	13.39	153,000	15.30
111	JMFARC IRIS IIFL May 2017 Trust	27,500	2.75	-	-
112	JMFARC Allahabad Bank Textile June 2017 Trust (Face value at ₹956/- each)	69,000	6.60	-	-
113	JMFARC Allahabad Bank June 2017 Trust (Face value at ₹754/- each)	36,000	2.71	-	-
114	JMFARC Federal Bank June 2017 Trust (Includes 13,26,000 no. of SRs of outstanding value of ₹131.71 crore purchased at ₹90 crore)	246,000	111.85	-	-
115	JMFARC LTF June 2017 Trust@ (Face value at ₹985/- each)	600,000	59.09	-	-
116	JMFARC IRIS Cash July 2017 Trust@ (Face value at ₹960/- each)	264,000	25.36	-	-
117	JMFARC Karnataka Bank September 2017 Trust	20,310	2.03	-	-
118	JMFARC Syndicate Bank Ceramics September 2017 Trust	125,250	12.53	-	-
119	JMFARC Woods October 2017 Trust* (Face value at ₹841/- each)	187,500	15.78	-	-
120	JMFARC Allahabad Bank December 2017- Trust*	76,275	7.63	-	-
121	JMFARC Motors December 2017- Trust*	94,500	9.45	-	-
122	JMFARC IOB Metallica February 2018 Trust	360,000	36.00	-	-
123	JMFARC Township February 2018- Trust	480,000	48.00	-	-
124	JMFARC Metallica February 2018- Trust (Face value at ₹996/- each)	1,322,500	131.71	-	-
125	JMFARC IRIS Cash March 2018- Trust (Face value at ₹999/- each)	78,500	7.84	-	-
126	JMFARC IRIS Canara March 2018- Trust	18,225	1.82	-	-
127	JMFARC IDBI March 2018- Trust	60,000	6.00	-	-
128	JMFARC - BOB 2008 - Trust (Face value NIL, Previous year ₹1/- each)	111,600	-	111,600	-
129	JMFARC-BOI 2009 - Trust# (Face value NIL, Previous year ₹1,000/- each)	48,600	-	48,600	4.86
130	JMFARC-BOI 2009 I - Trust	36,000	-	36,000	3.60

Notes (Contd.)

to the Financial Statements

Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
	(Face value Nil, Previous year ₹ 1000/- each)				
131	JMFARC - DB - ICICI-Trust	115,000	-	115,000	11.50
	(Face value Nil, Previous year ₹ 1000/- each)				
132	JMFARC - DB - DCB-Trust	7,500	-	7,500	0.75
	(Face value Nil, Previous year ₹ 1000/- each)				
133	JMFARC - DB - SBI-Trust	61,000	-	61,000	6.10
	(Face value Nil, Previous year ₹ 1000/- each)				
134	JMFARC - Jord - SUUTI-Trust	8,000	-	8,000	0.80
	(Face value Nil, Previous year ₹ 1000/- each)				
135	JMFARC - Pasupati - SAS -Trust	250,000	-	250,000	4.00
	(Face value Nil, Previous year ₹ 160/- each)				
136	JMFARC -Central bank - Tube - Trust	50,000	-	50,000	5.00
	(Face value Nil, Previous year ₹ 1 000/- each)				
137	JMFARC -UTI - Tube-Trust	6,000	-	6,000	0.60
	(Face value Nil, Previous year ₹ 1000/- each)				
138	JMFARC-Synthetic Rubber 2012-Trust	-	-	14,962	0.00
	(Face value Nil, Previous year ₹ 1/- each)				
139	JMFARC-Kruti 2012-Trust	-	-	564,587	0.06
	(Face value Nil, Previous year ₹ 1/- each)				
140	JMFARC-Media 2013-Trust	-	-	12,500	1.10
	(Face value Nil, Previous year ₹ 690/- each)				
141	JMFARC-Kruti II 2013-Trust	-	-	686,600	33.72
	(Face value Nil, Previous year ₹ 491/- each)				
142	JMFARC-Media II 2013-Trust	-	-	34,030	3.40
	(Face value Nil, Previous year ₹ 1,000/- each)				
			1,986.99		1,635.40
	Less: Provisions		5.68		-
	Total		1,981.31		1,635.40

(₹ in Crore)

Note:	As at March 31, 2018	As at March 31, 2017
Aggregate value of		
Unquoted Investments	1,981.31	1,635.40

* Pledged with banks as security for bank overdraft / cash credit/ short term loan limits

® Partly pledged as security for bank overdraft/cash credit/short term loan limits

Hypothecated in favour of debenture trustee as security of NCDs issued

	As at March 31, 2018	(₹ in Crore) As at March 31, 2017
2.15 Trade Receivables		
(Unsecured, considered good)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	3.67	12.40
Others	40.64	51.35
Total	44.31	63.75
2.16 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
In Current Accounts	13.51	17.12
Other bank balances		
In Current Accounts	0.76	0.76
Total	14.27	17.88
2.17 Short-Term Loans and Advances		
Secured, considered good:		
Loan Funds	61.72	60.33
Unsecured considered good:		
Advances recoverable in cash or in kind or for value to be received	5.51	12.66
Others (Prepaid expenses, etc.)	0.88	0.23
	68.11	73.22
Less: Provisions for loans	1.70	-
Total	66.41	73.22

Notes (Contd.)

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		(₹ in Crore)
	For the year ended March 31, 2018	For the year ended March 31, 2017
2.18 Revenue from Operations		
Operating revenue		
Management and advisory fees (Net of reversals as per RBI guidelines)	256.00	144.36
Recovery incentive fees	15.72	2.10
Interest income on restructuring	18.57	32.05
Interest income on loans	20.35	10.16
Profit on redemption of security receipts	26.25	16.31
Other operating revenue		
Interest income on funded expenses & management fees	13.26	1.03
Earlier year reversal of fees/interest w/back	24.75	16.05
Earlier year provision on receivables/advances w/back	12.02	1.68
Total	386.92	223.74
2.19 Other Income		
Interest income on fixed deposit	0.65	0.08
Other non-operating income	0.02	0.04
Total	0.67	0.12
2.20 Employee Benefits Expense		
Salaries, bonus and allowances	29.26	21.64
Contribution to provident fund and other funds	0.77	0.66
Staff Welfare	0.06	0.07
Total	30.09	22.37
2.21 Finance Costs		
Interest expense	115.51	91.03
Other borrowing costs	3.60	0.84
Total	119.11	91.87
2.22 Provision/Write off for Receivables, Loans & Investments		
Provision for receivables and advances	9.21	13.23
Investment written off	39.04	-
Provision for current investments	5.68	-
Provision for loans	1.70	-
Total	55.63	13.23

	(₹ in Crore)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
2.23 Other Expenses		
Space and other related cost	3.12	2.84
Rates & taxes	1.02	0.79
Insurance premium	0.15	0.20
Communication expenses	0.09	0.11
Repairs and maintenance	0.07	0.04
Professional fees	1.95	0.72
Auditors Remuneration:		
- as auditor	0.07	0.06
- for management services (limited review)	0.02	0.01
Support service charges	2.12	1.93
Membership & subscription	0.05	0.04
Manpower expenses	0.27	0.28
Travelling expenses	0.48	0.18
Electricity	0.24	0.34
Printing and stationery	0.14	0.15
Information technology expenses	0.45	0.35
Director's fees and commission	1.63	0.65
Donation	2.42	2.30
Miscellaneous expenses	0.42	0.41
Total	14.71	11.40
2.24 Expenditure in Foreign Currency		
Travelling expenses	0.01	-

2.25 The Company has been sanctioned credit limits of ₹ 745 crore by scheduled banks secured against pledge / hypothecation of certain identified investments in security receipts. The Company has issued outstanding Listed Non-Convertible Debentures of ₹ 693.20 crore which are fully secured against first charge on land and hypothecation of security receipts.

2.26 Maturity profile and rate of interest of Non-Convertible Debentures (NCD) face value of ₹ 10,00,000/- each.

	(₹ in Crore)			
Particulars	Non-Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
9.10 % Tranche XI NCD redeemable in year 2020-21 [#]	185.00	-	-	-
9.50% Tranche V NCD redeemable in the year 2020-21	150.00	150.00	-	-
9.10% Tranche XIII NCD redeemable in year 2019-20	75.00	-	-	-
9.31% Tranche VII Option A NCD redeemable in year 2020-21	50.00	-	-	-
9.25 %Tranche VII Option B NCD redeemable in year 2019-20	50.00	-	-	-
8.60% Tranche X NCD redeemable in year 2019-20	35.00	-	-	-
9.30% Tranche IX NCD redeemable in year 2020-21	28.50	-	-	-
8.75 %Tranche VIII NCD redeemable in year 2019-20	15.00	-	-	-
9.15 % Tranche XII NCD redeemable in year 2020-21	14.96	-	-	-
12.00% Tranche II NCD redeemable in the year 2017-18	-	-	-	100.00
13.00% NCD redeemable in the year 2019-20	-	100.00	-	-
12.00% Tranche III NCD redeemable in the year 2017-18	-	-	-	100.00
11.50% Tranche IV NCD redeemable in the year 2018- 19	-	50.00	50.00	-
9.40% Tranche VI NCD redeemable in year 2018-19	-	40.00	40.00	-
Total	603.46	340.00	90.00	200.00

[#] Call option to the Company in March 2019

Notes (Contd.)

to the Financial Statements

2.27 Maturity profile and rate of interest of Term Loans from Banks

(₹ in Crore)			
Maturity profile	Rate of interest	Current Year	Previous Year
2018-19	8.95% to 9.25%	22.50	-
2019-20	8.95% to 9.25%	107.50	-
2020-21	8.95% to 9.25%	107.50	-
2021-22	8.95%	12.50	-
Total		250.00	-

2.28 Expenditure towards corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with Schedule VII thereof)

- Gross amount required to be spent by the Company during the year – ₹ 2.17 crore (Previous year ₹ 2.05 crore)
- Amount spent and paid during the year by way of donations to charitable trusts – ₹ 2.17 crore (Previous year ₹ 2.05 crore)

2.29 Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules 2014 requires companies to create Debenture Redemption Reserve ('DRR') for the purpose of redemption of debentures. The said Rule, *inter alia*, provides that no DRR is required to be created by NBFCs registered with RBI under Section 45-IA in case of privately placed debentures.

The Company, though an NBFC, is also a Securitisation and Reconstruction Company ('SCRC') registered with RBI under Section 3 of the SARFAESI Act, 2002. The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended, *inter alia*, specifies that the provisions of Section 45-IA of RBI Act, 1934 relating to registration shall not apply to an NBFC, which is a SCRC registered with the RBI under Section 3 of SARFAESI Act, 2002. The aforesaid sub-rule, on the similar grounds, also exempts Housing Finance Companies from the requirement of creating DRR. In view of these provisions and background, as per the legal opinion the management of the Company believes that requirement of creating DRR is not applicable to SCRC. Hence no DRR is created by the Company for the outstanding debentures in the financial statements.

Additionally, the Company has written to the Ministry of Corporate Affairs to issue the necessary clarification with regard to the above for which the response is awaited.

2.30 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 16, 2016 122,397 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)
May 16, 2017	Series – IX	40,799	Vested	Seven years from the date of Grant	1
May 16, 2018	Series – IX	40,799	Vested	Seven years from the date of Grant	1
May 16, 2019	Series – IX	40,799	Vested	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	122,397	-
Granted during the year	-	122,397
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/ forfeited during the year	-	-
Exercised during the year	40,799	-
Outstanding at the end of the year	81,598	122,397
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.17 crore (Previous year ₹ Nil). Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

2.31 Notes pertaining to Accounting Standards

2.31 (a) 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	(₹ in Crore)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after tax attributable to the equity shareholders (₹ in crore)	108.08	54.87
Weighted average number of equity shares outstanding during the year	24,66,32,094	24,12,50,000
Basic / Diluted earnings per share (in Rupees)	4.38	2.27
Nominal value per share (in Rupees)	10	10

2.31 (b) Segment Reporting

The Company operates in one business segment, viz. asset reconstruction and one geographical segment, hence there are no reportable segments.

2.31 (c) Leases

(i) Finance Lease

The Company has acquired vehicles under the finance lease agreement. The tenure of lease agreements ranges between 36 to 60 months with an option to prepayments/foreclosure.

The minimum lease rentals outstanding with respect to these assets are as under:

Particulars	(₹ in Crore)			(₹ in Crore)		
	Total minimum lease payment outstanding as at March 31, 2018	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2018	Total minimum lease payment outstanding as at March 31, 2017	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2017
Not later than 1 year	0.20	0.02	0.18	0.28	0.04	0.24
Later than 1 year but not later than 5 years	0.04	0.01	0.03	0.14	0.02	0.12
Later than 5 years	-	-	-	-	-	-
Total	0.24	0.03	0.21	0.42	0.06	0.36

Notes (Contd.)

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(II) Operating Lease

The operating leases for premises are executed for a period ranging from 60 months to 86 months with a renewal clause

	(₹ in Crore)	
Particulars	Total lease payments outstanding as at March 31, 2018	Total lease payments outstanding as at March 31, 2017
Not later than 1 year	2.96	2.58
Later than 1 year but not later than 5 years	7.21	9.25
Later than 5 years	0.05	0.12
Expenditure debited to profit & loss account	3.12	2.84

2.31 (d) Employee benefits

I. Defined benefits plans

a) Gratuity un-funded

	(₹ in Crore)	
Amount recognised in the balance sheet with respect to gratuity	For the year ended March 31, 2018	For the year ended March 31, 2017
Present value of the defined benefit obligation at the year end	1.03	0.84
Fair value of plan assets	-	-
Net liability	1.03	0.84
Amount recognised in salary, wages and employee benefits in the Statement of profit and loss with respect to gratuity	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	0.10	0.08
Interest on defined benefit obligations	0.06	0.05
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised during the year	0.00	0.09
Past service cost	0.28	-
Net gratuity cost	0.44	0.22
Reconciliation of present value of the obligation and the fair value of the plan assets	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening defined benefit obligation	0.84	0.64
Current service cost	0.10	0.08
Interest cost	0.06	0.05
Actuarial (gain)/loss	0.00	0.09
Past service cost	0.27	-
Liability assumed on acquisition/(settled on divestiture)	(0.04)	0.00
Benefits paid	(0.20)	(0.03)
Closing defined benefit obligation	1.03	0.84
Change in fair value of plan assets	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening fair value of the plan assets	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Contributions by the employer	0.20	0.03
Benefits paid	(0.20)	(0.03)
Closing fair value of the plan assets	-	-
Investment details of plan assets	For the year ended March 31, 2018	For the year ended March 31, 2017
Investment details of plan assets	-	-

Experience Adjustments	Year Ended				March, 31, 2018
	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	
Defined Benefit Obligation	0.37	0.46	0.64	0.84	1.03
Plan Asset	-	-	-	-	-
Surplus / (Deficit)	(0.37)	(0.46)	(0.64)	(0.84)	(1.03)
Exp. Adj. on Plan Liabilities	0.01	0.04	0.02	0.03	0.08
Exp. Adj. on Plan Assets	-	-	-	-	-

Principal actuarial assumptions at the balance sheet date	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.85%	7.20%
Estimated rate of return on plan assets	-	-
Retirement age	60 years	60 years
Salary escalation	7%	7%

The estimates of future salary increases, takes in account inflation, seniority, promotion and other relevant factors.

The above information is certified by the actuary.

b) Compensated absences

As per Company's policy, provision of ₹ 0.62 crore (previous year ₹ 0.55 crore) has been made towards compensated absences calculated on the basis of unutilised leaves on the last day of the financial year.

II. Defined contribution plans

Amount recognised as an expense and included in the 'Contribution to provident fund & other funds' ₹ 0.77 crore (previous year ₹ 0.65 crore).

Notes (Contd.)

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2.32 Additional Disclosure

The following additional disclosures have been made taking into account RBI guidelines in this regard:

- a) Name and address of the banks/financial institutions/NBFCs from whom financial assets were acquired and the value of which such assets was acquired from each such bank/financial institutions/NBFCs.

		(₹ in Crore)	
Name of the selling bank/ financial institution/NBFC	Address	Acquisition cost	% to total
Sponsor			
Indian Overseas Bank*	763, Anna Salai, Chennai	827.91	5.61%
Sponsor Total		827.91	5.61%
Non-Sponsors			
State Bank of India	State Bank Bhavan, Corporate Centre, Madame Cama Marg, Mumbai, Maharashtra – 400 021	1,727.07	11.70%
Bank of India	Star House, C-5, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051	1,178.41	7.98%
UCO Bank	Biplabi Trailokya Maharaj Sarani, Kolkata – 700 001	1,064.70	7.21%
Syndicate Bank	Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai – 400 005	1,004.27	6.80%
ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051	884.65	5.99%
HDFC Limited	Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020	863.89	5.85%
Union Bank of India	Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai –400 021	764.77	5.18%
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	527.81	3.58%
Federal Bank	Federal Towers, Aluva, Ernakulum, Kerala – 683 101	402.00	2.72%
Central Bank of India	Chandermukhi, Nariman Point, Mumbai 400 021	351.40	2.38%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai – 400 005	325.25	2.20%
Indian Overseas Bank	763, Anna Salai, Chennai	320.50	2.17%
Cosmos Co-operative Bank Ltd	Cosmos Heights, 269/270 Shaniwar Peth, Pune – 411 030	309.00	2.09%
L&T Infrastructure Finance Company Limited	3rd Floor, Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400 098	308.43	2.09%
Karur Vysya Bank	Erode Road, Karur – 639 002	281.00	1.90%
Vijaya Bank	41/2 M. G. Road, Bangalore – 560 001	255.75	1.73%
Diwan Housing Finance	3rd Floor, DHFL House, 19 Sahar Raod, Vile Parle (East), Mumbai – 400 099	240.00	1.63%
State Bank of Mysore	P.B. No. 9727, Kempe Gowda Road, Bangalore – 560 009	239.60	1.62%
Bank of Baroda	Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai – 400 023	226.31	1.53%
Indian Bank	254-260, Avvai, Shanmugam Salai, Royapettah, Chennai – 600 014	222.30	1.51%
State Bank of Travancore	34, Poojapura, Thiruvananthapuram – 695 012	199.00	1.35%
State Bank of Hyderabad	Head Office- Gunfoundry, Hyderabad – 500 001	192.97	1.31%
Karnataka Bank	Mahavira Circle, Kankanadi, Mangalore – 575 002	179.05	1.21%
Oriental Bank of Commerce	Harsh Bhavan, E- Block, Connaught Place, New Delhi – 110 001	176.92	1.20%
State Bank of Patiala	The Mall, Patiala – 147 105	169.60	1.15%
Axis Bank	Maker Towers F, 13th Floor, Cuffe Parade, Mumbai – 400 005	151.48	1.03%
IDBI Bank	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	144.49	0.98%

Name of the selling bank/ financial institution/NBFC	Address	Acquisition cost	% to total
L&T Finance Limited	City 2, Plot No. 177, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai 400 098	91.57	0.62%
Corporation Bank	Mangladevi Temple Road, Mangalore - 575 001	84.29	0.57%
Sicom Ltd	Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400 093	84.07	0.57%
Canara Bank	112 J. C. Road, Bangalore	83.70	0.57%
State Bank of Bikaner & Jaipur	Tilaknagar, Jaipur - 302 005	83.35	0.56%
United Bank of India	11, Hemanta Basu Sarani, Kolkata	80.65	0.55%
South Indian Bank	SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680 001	79.33	0.54%
Allahabad Bank	2, Netaji Subhash Road, Kolkata - 700001	75.08	0.51%
JM Financial Products Limited	5th Floor Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	70.85	0.48%
Catholic Syrian Bank	CSB Bhavan, St. Mary's College Road, Thrissur,	63.75	0.43%
Yes Bank	9th floor Nehru Centre, Worli, Mumbai - 400 018	54.45	0.37%
HSBC	52/60, M. G. Road, Fort, Mumbai - 400 001	49.03	0.33%
Lakshmi Vilas Bank	LVB House, 4/1, Sardar Patel Road, Guindy, Chennai - 600 032. Tamil Nadu	34.67	0.23%
Stressed Assets Stabilisation Fund	IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai 400 005	31.20	0.21%
Dena Bank	C -10, G Block, Bandra Kurla Complex, Mumbai - 400 051	31.07	0.21%
Andhra Bank	Dr. Pattabhi Bhawan, 5-9-11, Saifabad, Hyderabad 500 004	25.07	0.17%
Ratnakar Bank	One India Bulls Center, Tower 2 , 6th Floor, 841, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013	25.00	0.17%
Tata Capital Financial Services Limited	One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400001	24.50	0.17%
HUDCO	HUDCO Bhawan, Core-7-A, India Habitat Centre, Lodhi Road, New Delhi - 110 003	21.34	0.14%
Bank of Bahrain & Kuwait B.S.C	Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400 021	19.19	0.13%
Deutsche Bank	DB House, Hazarimal Somani Marg, Fort, Mumbai 400 001	18.35	0.12%
Bank of Maharashtra	"Lokmangal" 1501, Shivajinagar, Pune 411005	16.65	0.11%
Kotak Mahindra Bank Limited	27 BKC, Plat No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	7.50	0.05%
Specified Undertaking of UTI	UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	7.30	0.05%
Barclays PLC	801, Ceejay House, Annie Besant Road, Worli, Mumbai 400 018	7.22	0.05%
Standard Chartered Bank	23, Narain Manzil, Barakhamba Road, New Delhi- 110 001	6.84	0.05%
KKR India Financial Services Pvt. Ltd.	Regus CitiCentre, Level 6, 10/11, Dr. Radhakrishna Salai, Tamil Nadu, Chennai 600 004	6.75	0.05%
Rupee Co-operative Bank	2062, Sadashiv Peth, Astang Ayurved Building, Pune- 411030	6.00	0.04%
SBI Global Factors Limited	6th Floor, Metropolitan Building, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	4.50	0.03%
BNP Paribas	Unit No 203, Sakar II, Ellisbridge, Ahmedabad 380006	3.39	0.02%
IFCI Factors Limited	10Th Floor, IFCI Tower, 61 Nehru Place, New Delhi 110 019	3.13	0.02%
Pegasus Assets Reconstruction Private Limited	507, Dalamal House, Nariman Point, Mumbai 400 021	3.10	0.02%
SBM Bank (Mauritius) Limited	101, Raheja Centre, Nariman Point, Mumbai 400 021	2.85	0.02%

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Name of the selling bank/ financial institution/NBFC	Address	Acquisition cost	% to total
India Infoline Finance Limited (IIFL)	12A-10, 13th Floor, Parinee Crescenzo, C-38 & C-39, G Block, Behind MCA, Bankdra Kurla Complex, Bandra (East), Mumbai 400 051	2.75	0.02%
IL & FS Financial Services Limited	IL & FS Financial Centre, Plat C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051	2.27	0.02%
NKGSB Co-operative Bank Ltd.	Laxmi Sadan, 361, V. P. Road, Mumbai 400 004	2.10	0.01%
CTBC Bank Co Limited	UGF, Birla Tower, 25, Barakhamba Raod, New Delhi - 110 001	2.02	0.01%
The Saraswat Co-op Bank Ltd	Mittal Court 'A' Wing 1st Floor, Nariman Point, Mumbai - 400 004	1.91	0.01%
Dhanalakshmi Bank	Dhanalaxmi Buildings, Naickanal, Thrissur, Kerala - 680 001	1.59	0.01%
The Nashik Road Deolali Vyapari Sahakari Bank Ltd	Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422 101	1.50	0.01%
Life Insurance Corporation of India	Yogakshema, Jeevan Bima Marg, Mumbai - 400 021	1.50	0.01%
L & T Fincorp Limited	Brindavan, Plot no. 177, Vidyanagari Marg, CST Raod, Kalina, Santacruz, Mumbai 400 098	0.81	0.01%
UTI Mutual Fund	UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051	0.60	0.00%
Non Sponsors Total		13,933.41	94.39%
Grand Total		14,761.32	100.00%

* Indian Overseas Bank has ceased to be a sponsor with effect from September 22, 2015. Hence subsequent acquisitions from the same bank has been grouped in Non-Sponsor acquisitions.

b) Dispersion of various assets industry wise:

Industry	Acquisition Price	(₹ in Crore) % to total
Hospitality	4,676.14	31.68%
Real Estate	1,957.05	13.26%
Pharmaceuticals	1,409.04	9.55%
Textiles	1,095.47	7.42%
Iron & Steel	927.40	6.28%
Ceramics	886.56	6.01%
Infrastructure	338.17	2.29%
Chemicals	297.43	2.01%
Plywood/ laminates	276.51	1.87%
Airlines	238.75	1.62%
Retail	237.21	1.61%
Power	217.40	1.47%
Shipping	195.00	1.32%
Cement	171.52	1.16%
Media	139.71	0.95%
Trading	130.83	0.89%
Information Technology	126.66	0.86%
Metals	125.55	0.85%
Leather	107.15	0.73%
Coal	101.80	0.69%
Plastics	92.79	0.63%
Packaging	92.79	0.63%
Food Products	87.82	0.59%
Healthcare	76.75	0.52%
Gems & Jewellery	72.31	0.49%

Industry	Acquisition Price	% to total
Paper	71.79	0.49%
Engineering	67.53	0.46%
Auto Ancillary	63.00	0.43%
Poultry	59.44	0.40%
Plantation	47.63	0.32%
Education	45.87	0.31%
Transportation	38.74	0.26%
Automobile	37.87	0.26%
Electronic	37.48	0.25%
Others	214.17	1.45%
Total	14,761.32	100.00%

- c) The above table (b) has been prepared by management and the same has been relied upon by the auditors.
- d) The acquisition price in the tables (a) and (b) above includes financial assets acquired till 31.03.2018 including financial assets resolved till date.
- e) Restructuring Loan disbursed to one borrower amounting to ₹ 17 crore, has been reclassified from standard to non- performing asset (sub-standard) during the financial year. A provision of 10%, ₹ 1.70 crore has been made on the same as per the RBI guidelines.
- f) The accounting policies adopted by the Company in preparation and presentation of the financial statements are in conformity with the applicable prudential norms prescribed by the RBI.
- g) The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.
- h) The capital adequacy ratio is well above fifteen percent of its total risk weighted assets, accordingly the Company has complied with the capital adequacy norms as prescribed the RBI.
- i) Additional disclosure as per RBI Notification No. DBNS.PD(SC/RC). 8/ CGM (ASR) dated 21.04.2010.

Particulars		(₹ in Crore)
		Amount (Face value)
Value of financial assets acquired during the financial year either in its own books or in the books of the trust		1,482.74
Value of financial assets realized during the financial year		789.66
Value of financial assets outstanding for realization as at the end of the financial year		11,894.82
Value of Security Receipts redeemed partly during the financial year		242.15
Value of Security Receipts redeemed fully during the financial year (including write offs)		149.86
Value of Security Receipts pending for redemption as at the end of the financial year		12,964.81
Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii)		79.78
Value of land and/or building acquired in ordinary course of business of reconstruction of assets		NIL

Notes (Contd.)

to the Financial Statements

- j) Additional disclosure as per RBI Notification No. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated 05.08.2014.
- i) None of the assets have been acquired during the year at a price higher than the book value (value of assets declared by seller bank in the auction).
- ii) None of the assets (i.e. total purchase consideration paid at the trust level) have been disposed off during the financial year at a discount of more than 20% of its valuation as on the previous year end.
- iii) Trusts where the value of the SRs (i.e. Net Asset Value) have declined more than 20% below the acquisition value.

(₹ in Crore)			
Name of Trust	SRs issued	SRs outstanding	NAV % as on March 31, 2018
JMFARC-PNB Ceramics November 2015-Trust	267.76	267.76	75%
JMFARC- SBI Steel March 2015-Trust	62.10	62.10	50%
JMFARC - UBOI Steel March 2016-Trust	42.00	42.00	50%
JMFARC-SBH Ceramics December 2014-Trust	40.00	40.00	75%
JMFARC - Indian Bank March 2016-Trust	65.01	29.15	50%
JMFARC - IOB Ceramics March 2017-Trust	22.00	22.00	75%
JMFARC- CSB Ceramics September 2014-Trust	21.75	21.75	75%
JMFARC- LVB Ceramics September 2014-Trust	18.60	18.60	75%
JMFARC- SBT Ceramics March 2015-Trust	15.50	15.50	75%
JMFARC- SBM Ceramics March 2015-Trust	8.50	8.50	75%
JMFARC-SBOP Ceramics December 2014-Trust	7.90	7.90	75%

2.33 Figures of previous year have been regrouped/reclassified wherever necessary to correspond with the current year classification / disclosure.

For and on behalf of the Board of Directors

VP Shetty
Chairman
(DIN-00021773)

Rupa Vora
Chairperson-
Audit Committee
(DIN - 01831916)

Anil Bhatia
Managing Director &
Chief Executive Officer
(DIN-01310959)

Place: Mumbai
Date: April 27, 2018

Nikhil Bhandary
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Independent Auditor's Report

To the Members of the JM Financial Asset Reconstruction Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **JM Financial Asset Reconstruction Company Limited** ("the Parent") and its subsidiaries, (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

A. Application of new Accounting Standards (refer note 4 to the consolidated financial statements)

Key Audit Matter Description

The Group has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 in terms of the Companies (Indian Accounting Standards) Rules 2016, as amended. The transition date balance sheet as on April 1, 2017 and the comparative financial statements for the year ended March 31, 2018 included in these consolidated Ind AS financial statements, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS. The application of mandatory and optional transitional adjustment involves significant level of judgment by the management and there is a significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

- Obtained an understanding of the management's process and tested internal controls in respect of identification and application of the differences between the existing accounting policies and the requirements under Ind AS.
- Evaluated the completeness of the adjustments identified by the management in terms of requirements of Ind AS.
- Verified the basis and calculations of the material adjustments viz. fair valuation of certain financial assets, application of expected credit loss model and consolidation of certain entities.

B. Investments and other financial assets carried at fair value (refer note 9 and 10 to the consolidated financial statements)

Key Audit Matter Description

The Group has following financial instruments carried at fair value:

- Investments made in security receipts in Trusts formed under distressed credit business aggregating ₹1,400.64 crore as at March 31, 2019.
- Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating ₹ 2,241.87 crore as at March 31, 2019.

The valuation of these financial instruments are based on a recovery range provided by the External Rating Agency and other unobservable inputs. These assets classified as level 3 in valuation hierarchy are not actively traded and their values can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flows, collateral values and other assumptions. In view of the complexities and significant judgements involved we have considered the valuation of these investments as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed in respect these investments included following:

- Tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates.
- For selected samples:
 - o Analyzed reasonableness of the determination of the appropriate recovery rate and estimated cash flows;
 - o Compared the management's assumption of discount rate with the supporting internal/ external evidence;
 - o Compared the historical estimates of the cash flows with the actual recoveries and obtain explanations for the variations, if any.

Information Other than the Financial Statements and Auditors' Report Thereon

The Parent'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 consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

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

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

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

Independent Auditor's Report (Contd.)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matter

The comparative financial information of the Group for transition date opening balance sheet as at April 1, 2017 included in these consolidated financial statements, have been prepared after adjusting previously issued the consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose report for the year ended March 31, 2017 dated April 21, 2017 expressed an unmodified opinion on this consolidated financial statements. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated financial statements is not modified in respect of the above matters on the comparative financial information.

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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid

consolidated financial statements have been kept so far as it appears from our examination of those books.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent Company and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on our reports of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the

requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Group does not have any pending litigations which would impact its consolidated financial position;
 - ii. the Group 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 Parent Company.

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

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: April 30, 2019

Independent Auditor's Report (Contd.)

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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of JM Financial Asset Reconstruction Company Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent 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 Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting 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 Parent'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 Parent, 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, 2019, 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)

Place: Mumbai

Date: April 30, 2019

Consolidated Balance Sheet

as at 31st March, 2019

₹ in Crore

Sr. No	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Assets					
(I) Financial Assets					
(a)	Cash and cash equivalents	5	161.42	43.93	33.48
(b)	Bank Balance other than (a) above	6	1.49	0.76	0.76
(c)	Trade Receivables	7	141.81	123.86	157.06
(d)	Loans	8	485.71	261.50	59.97
(e)	Investments	9	1,428.33	1,252.67	1,168.71
(f)	Other Financial assets	10	2,270.88	1,462.79	1,227.55
	Total Financial Assets (I)		4,489.64	3,145.51	2,647.53
(II) Non-financial Assets					
(a)	Current tax assets (net)	11	5.26	4.66	1.16
(b)	Property, Plant and Equipment	12	1.55	1.52	2.17
(c)	Intangible assets	12	0.14	0.18	0.29
(d)	Other Non-financial Assets	13	3.48	0.88	0.23
	Total Non-financial Assets (II)		10.43	7.24	3.85
	Total Assets (I+II)		4,500.07	3,152.75	2,651.38
Liabilities and Equity					
Liabilities					
(I) Financial Liabilities					
(a)	Payables				
	(i) Trade Payables	14			
	(i) total outstanding dues of micro enterprises and small enterprises			-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2.08	0.80	0.90
(b)	Debt Securities	15	2,099.14	1,052.33	933.66
(c)	Borrowings (Other than Debt Securities)	16	419.96	358.30	264.09
(d)	Other financial liabilities	17	177.33	26.66	20.42
	Total Financial Liabilities (I)		2,698.51	1,438.09	1,219.07
(II) Non-Financial Liabilities					
(a)	Current tax liabilities (net)	18	22.56	6.65	-
(b)	Provisions	19	1.98	1.66	1.39
(c)	Deferred tax liabilities (net)	20	7.30	51.03	99.57
(d)	Other non-financial liabilities	21	20.44	26.26	25.61
	Total Non-Financial Liabilities (II)		52.28	85.60	126.57
(III) Equity					
(a)	Equity Share capital	22	344.64	344.64	241.25
(b)	Other Equity	23	920.59	761.38	541.33
	Equity attributable to owners of the Company		1,265.23	1,106.02	782.58
(c)	Non-Controlling interest		484.05	523.04	523.16
	Total Equity (III)		1,749.28	1,629.06	1,305.74
	Total Liabilities And Equity (I+II+III)		4,500.07	3,152.75	2,651.38

The accompanying notes from an integral part of the consolidated financial statements

1 to 49

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner
Membership No. 109839

V P Shetty
Chairman
DIN – 00021773

Rupa Vora
Chairperson-
Audit Committee
DIN – 01831916

Anil Bhatia
Managing Director &
Chief Executive Officer
DIN – 01310959

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date: April 30, 2019

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

₹ in Crore

Sr No	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Income:			
	Revenue from operations			
	Interest income	24	128.67	49.40
	Fees and incentives	25	225.71	243.24
	Net gain on derecognition of financial assets carried at FVTPL	26	205.08	26.09
	Total Revenue from operations		559.46	318.73
II.	Other income	27	0.60	0.68
III.	Total income (I+II)		560.06	319.41
IV.	Expenses:			
	Finance costs	28	215.75	119.10
	Net loss on fair value changes	29	59.47	152.29
	Impairment of financial instruments	30	22.24	(1.76)
	Employee Benefits Expenses	31	35.91	30.09
	Depreciation and amortization	12	0.92	1.12
	Operating and other expenses	32	24.32	21.01
	Total expenses		358.61	321.85
V.	Profit / (loss) before Tax (III-IV)		201.45	(2.44)
VI.	Less: Tax expense	35		
	Current tax		105.70	61.81
	Deferred tax		(35.96)	(66.72)
	Tax adjustment of earlier years (net)		0.11	0.40
	Total tax expenses		69.85	(4.51)
VII.	Profit for the year (V-VI)		131.60	2.07
VIII.	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	- Actuarial losses on post-retirement benefit plans		(0.19)	(#)
	- Income tax on the above		0.07	#
	Total other comprehensive income		(0.12)	(#)
IX.	Total comprehensive income (VII+VIII)		131.48	2.07
X.	Net profit for the year attributable to:			
	Owners of parent		165.93	2.19
	Non-controlling interests		(34.33)	(0.12)
XI.	Other comprehensive Income attributable to:			
	Owners of parent		(0.12)	(#)
	Non-controlling interests		-	-
XII.	Total comprehensive Income attributable to:			
	Owners of parent		165.81	2.19
	Non-controlling interests		(34.33)	(0.12)
XIII.	Earnings per equity share			
	(Face value of ₹ 10/- each)			
	Basic and Diluted (in ₹)	34	4.81	0.09
	The accompanying notes from an integral part of the consolidated financial statements	1 to 49		

Denote amount below ₹ 50,000

In terms of our report attached
For Deloitte Haskins & Sells LLP
 Chartered Accountants
 Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

G. K. Subramaniam
 Partner
 Membership No. 109839

V P Shetty
 Chairman
 DIN – 00021773

Rupa Vora
 Chairperson-
 Audit Committee
 DIN – 01831916

Anil Bhatia
 Managing Director &
 Chief Executive Officer
 DIN – 01310959

Vineet Singh
 Company Secretary

Sabyasachi Ray
 Chief Financial Officer

Place : Mumbai
 Date: April 30, 2019

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2019

A. Equity share capital

₹ in Crore

Particulars	Balance as at April 1, 2017	Changes in equity share capital during the year	Balance at March 31, 2018	Changes in equity share capital during the year	Balance at March 31, 2019
Equity Share Capital	241.25	103.39	344.64	-	344.64

B. Other equity

₹ in Crore

Particulars	Reserves and surplus						Total
	Securities Premium	Retained earnings	Capital reserves on change in interest without loss of control	Initial Corpus	Attributed to owners of the Company	Non-Controlling Interest	
Balance at April 1, 2017	18.72	522.61	-	#	541.33	523.16	1,064.49
Profit for the year	-	2.19	-	-	2.19	(0.12)	2.07
Acquisition of subsidiary (Refer note 23.2)	-	-	42.24	-	42.24	-	42.24
Initial Corpus	-	-	-	#	#	-	#
Issue of shares	175.62	-	-	-	175.62	-	175.62
Re-measurement of defined benefit plans	-	(#)	-	-	(#)	-	(#)
Balance at March 31, 2018	194.34	524.80	42.24	#	761.38	523.04	1,284.42
Profit for the year	-	165.93	-	-	165.93	(34.33)	131.60
Redemption of security receipts	-	-	-	-	-	(4.66)	(4.66)
Initial Corpus	-	-	-	#	#	-	#
Transfer on disposal of subsidiary (Refer note 23.3)	-	14.09	(14.09)	-	-	-	-
Disposal of partial investments in subsidiary	-	(6.60)	-	-	(6.60)	-	(6.60)
Re-measurement of defined benefit plans	-	(0.12)	-	-	(0.12)	-	(0.12)
Balance at March 31, 2019	194.34	698.10	28.15	#	920.59	484.05	1,404.64

Denote amount below ₹ 50,000

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Audit Committee
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Anil Bhatia
Managing Director &
Chief Executive Officer
DIN – 01310959

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date: April 30, 2019

Consolidated Cash Flow Statements

for the year ended 31st March, 2019

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
A Cash flow from operating activities		
Profit/ (loss) before income tax	201.45	(2.44)
Adjustment for		
Depreciation and amortisation of expenses	0.92	1.12
Interest income	(0.59)	(0.66)
Gain on sale of Property, Plant and Equipment	#	-
Provision for gratuity and compensated leave	0.32	0.26
Loss on fair value change in financial instruments	59.47	152.29
Impairment of financial instruments	22.24	(1.76)
Operating profit before working capital changes	283.81	148.81
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	(34.36)	36.32
(Increase) in long term loans and advances	(230.05)	(202.92)
(Increase)/decrease in other financial assets	(21.03)	14.15
(Increase) in non-financial assets	(2.60)	(0.65)
Increase/(decrease) in trade payables	1.27	(0.10)
Increase in financial liabilities	150.67	6.24
(Decrease)/ increase in non-financial liabilities	(5.82)	0.64
(Increase) in other bank balances	(0.73)	-
Cash generated from operations	141.16	2.49
Income tax paid (net)	(90.50)	(59.16)
Net cash inflow/(outflow) from operating activities	50.66	(56.67)
B Cash flow from investing activities		
Payments for purchase of investment in equity instruments	-	(97.50)
(Increase) in security receipts and financial asset of trusts	(1,041.32)	(327.59)
Payments for purchase of Property, Plant and Equipment and Intangibles	(0.91)	(0.36)
Sale of Property, Plant and Equipment	#	-
Interest Income	0.59	0.66
Net cash outflow from investment activities	(1,041.64)	(424.79)
C Cash flow from financing activities		
Proceeds from issue of shares (including securities premium)	-	279.01
Proceeds from debt securities	1,046.81	181.52
Repayment of debt securities	-	(62.85)
Proceeds from borrowings	118.16	334.03
Repayment of borrowings	(56.50)	(239.80)
Net cash inflow from financing activities	1,108.47	491.91
Net increase in cash and cash equivalents	117.49	10.45
Cash and cash equivalents at the beginning of the year	43.93	33.48
Cash and cash equivalents at the end of the year	161.42	43.93

Denote amount below ₹ 50,000

In terms of our report attached
For Deloitte Haskins & Sells LLP
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 Company Secretary

Sabyasachi Ray
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Place : Mumbai
 Date: April 30, 2019

Significant Accounting Policies

and notes to the Consolidated Financial Statements

1 Corporate Information

JM Financial Asset Reconstruction Company Limited ('the Parent') is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ('the Act').

The Parent Company is a Securitization Company registered with Reserve Bank of India and along with its subsidiaries is engaged in the business of acquisition of non-performing and distressed assets (NPA) from Banks and Financial institutions. The Trust are set up under SARFAESI Act for acquisition of NPAs and are considered as subsidiaries, where it exercise control for the purpose of preparation of the consolidated financial statements.

2. Significant Accounting Policies

2.1 Statement of Compliance

The financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of 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.

Effective April 1, 2018, the Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

2.2 Basis of Preparation and presentation

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 Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such

a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized 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 entity can access at the 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 asset or liability.

The principal accounting policies are set out below.

2.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company. Control is achieved when the Company:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company who's less than a majority of the security receipts of an investee trusts, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's rights as security receipt holder are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;

Significant Accounting Policies

and notes to the Consolidated Financial Statements

- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss

or transferred to another category of equity as specified/ permitted by applicable Ind AS).

2.4 Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

2.5 Property, plant and equipment and Intangible Assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. 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:

Tangible 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 as profit or loss.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the

Significant Accounting Policies

and notes to the Consolidated Financial Statements

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 amortization 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 amortized on straight line basis over the estimated useful life of 5 years. The method of amortization 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.

Amortization 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 de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized as profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the Group 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 Group 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 recognized 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 recognized immediately in the Statement of Profit and Loss.

2.6 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Group is generally able to make reliable estimates after it has agreed to the following with the other parties to the transaction:

- Each party's enforceable rights regarding the service to be provided and received by the parties;
- The consideration to be exchanged; and
- The manner and terms of agreements or offer documents.

Revenue in form of management fees for providing services to the trust is recognised on accrual basis over the life of the contract as per terms of the relevant trust deed/ offer documents. The fees are recognized on accrual basis till the NAV of the Trust is recoverable and not wholly impaired.

Additional realization of assets over acquisition price on redemption of security receipt is accounted for as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the security receipts in the trust.

Income by way of yield on security receipts is recognized on actual distribution from the trusts, after redemption of the principal amount of each class of security receipt as per the terms of the relevant trust deed / offer document.

Net appreciation/ depreciation in Net Asset Value of Investment in security receipts is considered as fair value gain/(loss) on change in investment and other financial assets.

2.7 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance Lease

Assets held under finance leases are initially recognized 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 consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as

Significant Accounting Policies

and notes to the Consolidated Financial Statements

to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (See note 2.9 below)

Operating Lease

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.8 Foreign currency translation

In preparing the financial statements of the Group, 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 recognized in the Statement of Profit and Loss in the period in which they arise.

2.9 Borrowing costs

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

Interest expenses are calculated using the EIR and all other Borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

2.10 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 Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized 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 liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company 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 Company recognizes current service cost, past service cost, if any and interest cost in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actual assumptions are recognized in the period in which they occur in the OCI.

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 recognized for the amount expected to be paid if the Group 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 Group in respect of services provided by employees up to the reporting date.

2.11 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred

Significant Accounting Policies

and notes to the Consolidated Financial Statements

tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 Group. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group'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 utilized. Such deferred tax assets and liabilities are not recognized 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.

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 Group intends to settle its current tax assets and liabilities on a net basis.

2.12 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.

2.13 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

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

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

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements.

2.14 Commitments

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

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

Significant Accounting Policies

and notes to the Consolidated Financial Statements

2.15 Statement of Cash Flows

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

- changes during the period in receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes; and
- all other items for which the cash effects are investing or financing cash flows.

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

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term investments 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 Financial Instruments

Recognition of Financial Instruments

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

Initial Measurement of Financial Instruments

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

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 amortized 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.

Interest income

Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

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 amortized 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

Debt instruments at amortised cost or at FVTOCI

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

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

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

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

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are

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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 recognized 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 recognized 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.

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

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss.

Reclassifications

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

Impairment of financial assets:

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost, trade receivables and other contractual rights to receive cash or other financial asset.

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 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD

For loans, Group measures the loss allowance at an amount equal to 12 months expected credit loss for Stage 1 and life time expected credit loss for Stage 2 class categories of loans. For Stage 3 financial asset, the measurement of loss allowance is based on the present value of the asset's expected cash flow using the asset's original EIR.

For other receivables in distress credit business, Group measures life time expected credit loss allowance based on practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account the historical credit loss experience and adjusted for forward looking information.

De-recognition of financial assets

The Group derecognises a financial asset when the Group has transferred the right to receive cash flows from the financial assets or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligations to pay the cash flows to one or more recipients.

Where the entity has transferred an assets, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

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Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Write off

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

another financial asset) for a fixed number of the it's own equity instruments.

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not 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

De-recognition of financial liabilities

The Group de-recognizes financial liabilities when, and only when, the Group'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

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financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

2.18 Earnings Per Share

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

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

2.19 Standards Issued but not yet effective

Ind AS 116 Leases was notified on March 28, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its consolidated financial statements.

3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the consolidated financial statements that are not

readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party external rating agencies to perform the valuations. The Management works closely with the qualified external rating agencies to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in note 43.

Consolidation of trusts under distressed credit business

The Group's shareholding in security receipts of 4 Trusts formed in respect of distressed credit business is less than 50% and are being consolidated as subsidiaries, based on the management evaluation of investments and related agreements/ deeds and determined that the Group has a control over these Trusts in terms of Ind AS 110- Consolidated Financial Statements.

4 Transition to Ind AS:

Overall principle:

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year

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ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2017 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows are set out note 41.

Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Deemed cost for property, plant and equipment and other intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can

also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

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5. Cash and Cash Equivalents

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balances with Banks			
- in current accounts	58.18	14.68	22.78
- in deposit accounts (Refer note 5.1)	103.24	29.25	10.70
Total	161.42	43.93	33.48

5.1 Balance in deposit accounts carrying fixed rate interest with period ranging 9 days to 16 days.

6. Other Bank Balances

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Earmarked balance with banks:			
- In current account (refer note 6.1)	0.76	0.76	0.76
- In deposit account (refer note 6.2)	0.73	-	-
Total	1.49	0.76	0.76

6.1 Current account marked as 'no debit' status by bank.

6.2 Balance in deposit accounts carry fixed rate of interest and are for period upto 181 days and have lien against bank guarantees obtained by the Group.

7 Trade Receivables

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortized cost:			
Unsecured considered good			
Trade receivables	147.07	126.38	162.38
Less: Impairment loss allowance (Refer note 44)	(5.26)	(2.52)	(5.32)
Total	141.81	123.86	157.06

8 Loans

Within India and to entities other than public sector)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortized cost:			
Secured Loans	453.30	255.69	70.28
Interest accrued	49.95	17.51	-
	503.25	273.20	70.28
Less: Impairment loss allowance (Refer note 44)	(17.54)	(11.70)	(10.31)
Total	485.71	261.50	59.97

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9 Investments

(FVTPL)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Quoted :			
Equity instruments:			
70,07,709 of equity shares of Nitco limited of ₹10/- each fully paid up	27.19	64.82	-
Unquoted:			
a) Equity instruments:			
61,31,745 Convertible warrants of Nitco limited of issue price ₹ 114.16 each (₹ 28.54 paid up) (refer note 9.3(a))	0.50	14.18	-
b) Security receipts of trusts held in distressed credit business (refer notes 9.2, and 9.3(b))	1,400.64	1,173.67	1,168.71
Total	1,428.33	1,252.67	1,168.71

9.1 There are no investments made by the Group outside India.

9.2 Group has given aggregating ₹1,400.64 crore (previous year : ₹1,173.67 crore) security receipts as pledge for short term loans, bank overdraft, cash credit limits availed with various banks/ hypothecated in favour of debenture trustee for NCDs issued.

9.3 Commitments:

- Uncalled liability on 61,31,745 convertible warrants of Nitco Limited ₹ 52.50 crore (Previous year ₹ 52.50 crore);
- In respect of two trust, the Group has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts on or before September 29, 2021 (Security receipts outstanding as at March 31, 2019 is Rs.66.29 crore).

10 Other Financial assets

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Financial Assets under Distressed Credit Business	2,241.87	1,454.81	1,205.42
Recoverable from trusts	36.97	15.35	27.11
Security deposits			
-To Related parties (Refer note 39)	1.12	-	2.75
-To Others	2.68	0.31	0.30
	2,282.64	1,470.47	1,235.58
Less : Impairment loss allowance (Refer note 44)	(11.76)	(7.68)	(8.03)
Total	2,270.88	1,462.79	1,227.55

11 Current Tax Assets

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance tax (net of provision for taxes)	5.26	4.66	1.16
Total	5.26	4.66	1.16

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12 Property, Plant and Equipment:

As at March 31, 2019:
Tangible Assets:

₹ in Crore

Particulars	Gross block			Accumulated depreciation				Net block	
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions	As at March 31, 2019	As at March 31, 2019
Owned Assets:									
Freehold Land (refer Note 12.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and fixtures	0.01	0.01	-	0.02	0.01	#	-	0.01	0.01
Office equipment	0.18	#	-	0.18	0.05	0.05	-	0.10	0.08
Computers	0.46	0.12	0.03	0.55	0.18	0.16	0.03	0.31	0.24
Leasehold improvements	1.43	0.46	-	1.89	0.50	0.51	-	1.01	0.88
Leased Assets									
Vehicles (refer note 12.2)	0.19	0.28	-	0.47	0.04	0.12	-	0.16	0.31
Total	2.30	0.87	0.03	3.14	0.78	0.84	0.03	1.59	1.55

Intangible Assets:

₹ in Crore

Particulars	Gross block			Accumulated depreciation				Net block	
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions	As at March 31, 2019	As at March 31, 2019
Software	0.33	0.04	-	0.37	0.15	0.08	-	0.23	0.14
Total	0.33	0.04	-	0.37	0.15	0.08	-	0.23	0.14

Denote amount below ₹ 50,000

As at March 31, 2018:
Tangible Assets:

₹ in Crore

Particulars	Gross block			Accumulated depreciation				Net Block	
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions	As at March 31, 2018	As at March 31, 2018
Owned Assets									
Freehold Land (refer Note 12.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and fixtures	0.01	-	-	0.01	-	0.01	-	0.01	-
Office equipment	0.14	0.04	-	0.18	-	0.05	-	0.05	0.13
Computers	0.22	0.24	-	0.46	-	0.18	-	0.18	0.28
Leasehold improvements	1.43	-	-	1.43	-	0.50	-	0.50	0.93
Leased Assets									
Vehicles (refer note 12.2)	0.34	0.04	0.19	0.19	-	0.23	0.19	0.04	0.15
Total	2.17	0.32	0.19	2.30	-	0.97	0.19	0.78	1.52

Intangible Assets:

₹ in Crore

Particulars	Gross block			Accumulated depreciation				Net block	
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions	As at March 31, 2018	As at March 31, 2018
Software	0.29	0.04	-	0.33	-	0.15	-	0.15	0.18
Total	0.29	0.04	-	0.33	-	0.15	-	0.15	0.18

12.1 Mortgaged as security against secured non-convertible debenture.

12.2 Vendor have a lien over assets taken on lease.

12.3 The Group has availed the deemed cost exemption in relation to the property, plant and equipment (except freehold land) on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

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Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

Tangible Assets:

₹ in Crore

Particulars	Gross Block	Accumulated Depreciation	Net Block
Owned Assets:			
Freehold Land	0.03	-	0.03
Furniture and fixtures	0.07	(0.06)	0.01
Office equipment	0.46	(0.32)	0.14
Computers	0.98	(0.76)	0.22
Leased assets improvements	2.30	(0.87)	1.43
Leased Assets:			
Vehicles	0.98	(0.64)	0.34
Total	4.82	(2.65)	2.17
Intangible Assets:			
Software	1.07	(0.78)	0.29

13 Other Non-financial Assets

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid expenses	1.82	0.10	0.11
Balances with Government Authorities	1.58	0.63	0.05
Others	0.08	0.15	0.07
Total	3.48	0.88	0.23

14 Trade Payable

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade Payable			
Payables other than micro and small enterprises	2.08	0.80	0.90
Total	2.08	0.80	0.90

14.1 There are no dues payable to Micro and Small Enterprises, based on information available with the Group and therefore disclosures under the Micro, Small and Medium Enterprises Development Act 2006, are not applicable.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(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 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	-	-	-

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15 Debt Securities

(Within India)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
Secured			
Non-Convertible Debentures (refer note 15.1 and 15.2)	1,383.37	693.20	540.00
Add: Premium/ interest accrued	100.79	64.98	36.65
	1,484.16	758.18	576.65
Unsecured			
Commercial papers (refer note 15.3 and 15.4)	630.00	300.00	365.00
Less: Unamortised interest	(15.02)	(5.85)	(7.99)
	614.98	294.15	357.01
Total	2,099.14	1,052.33	933.66

15.1 Non-convertible Debentures (NCD) are secured by way of hypothecation of certain identified security receipt and mortgage of freehold land.

15.2 Maturity profile and rate of interest of NCDs:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
12.00% Tranche II NCD redeemable in the year 2017-18	-	-	100.00
12.00% Tranche III NCD redeemable in the year 2017-18	-	-	100.00
11.50% Tranche IV NCD redeemable in the year 2018- 19	-	50.00	50.00
9.40% Tranche VI NCD redeemable in year 2018-19	-	40.00	40.00
9.10% Tranche XIII NCD redeemable in year 2019-20	75.00	75.00	-
9.25 %Tranche VII Option B NCD redeemable in year 2019-20	50.00	50.00	-
8.60% Tranche X NCD redeemable in year 2019-20@	35.00	35.00	-
8.75 %Tranche VIII NCD redeemable in year 2019-20@	15.00	15.00	-
13.00% NCD redeemable in the year 2019-20 *	-	-	100.00
9.10 % Tranche XI NCD redeemable in year 2020-21#	-	185.00	-
9.50% Tranche V NCD redeemable in the year 2020-21	150.00	150.00	150.00
9.31% Tranche VII Option A NCD redeemable in year 2020-21	50.00	50.00	-
9.30% Tranche IX NCD redeemable in year 2020-21	28.50	28.50	-
9.15 % Tranche XII NCD redeemable in year 2020-21	14.85	14.70	-
8.75% Tranche XV redeemable in the year 2020-21@	24.88	-	-
9.25% Tranche XIV - Option A redeemable in the year 2020-21	26.70	-	-
9.50% Tranche XXI - Option A redeemable in the year 2020-21@	24.87	-	-
11.00% Tranche XXV redeemable in the year 2020-21@	24.70	-	-
9.35% Tranche XIV - Option B redeemable in the year 2021-22	14.00	-	-
9.50% Tranche XVI redeemable in the year 2021-22	21.03	-	-
9.75% Tranche XVII redeemable in the year 2021-22	5.01	-	-
9.80% Tranche XVIII redeemable in the year 2021-22	28.00	-	-
10.20% Tranche XX - Option B redeemable in the year 2021-22	9.94	-	-
9.80% Tranche XIX redeemable in the year 2021-22	19.00	-	-
10.25% Tranche XXI - Option C redeemable in the year 2021-22	49.85	-	-
10.25% Tranche XXII - Option C redeemable in the year 2021-22	19.46	-	-
10.25% Tranche XXII - Option B redeemable in the year 2021-22	25.00	-	-
10.25% Tranche XX - Option A redeemable in the year 2021-22	50.00	-	-
10.25% Tranche XXII - Option D redeemable in the year 2021-22	100.00	-	-
10.38% Tranche XXIV - Option A redeemable in the year 2021-22	20.13	-	-
10.25% Tranche XXI - Option B redeemable in the year 2021-22	130.00	-	-
10.25% Tranche XXII - Option A redeemable in the year 2021-22	20.02	-	-
10.38% Tranche XXIV - Option B redeemable in the year 2021-22	10.07	-	-
11.50% Tranche XXVI - Option A redeemable in the year 2021-22	146.22	-	-
11.50% Tranche XXVI - Option B redeemable in the year 2022-23	146.14	-	-
10.48% Tranche XXIII redeemable in the year 2022-23	50.00	-	-
Total	1,383.37	693.20	540.00

* Call option to the Company in September, 2017

Call option to the Company in March, 2019

@ The interest is linked to Bloomberg Ticker

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15.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 969 crore (F.Y.2017-18: ₹ 475 crore, F.Y. 2016-17: ₹ 465 crore).

15.4 Interest rate of commercial paper range from 7.93% to 10.35% p.a (Previous year 7.10% to 9.00% p.a).

16 Borrowings (other than debt securities)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortized cost			
Secured			
Term loans from (Refer note 16.1 and 16.2)			
(a) Banks	277.50	334.00	-
(b) Others	50.00	-	-
Add: Interest accrued	0.47	0.19	-
	327.97	334.19	-
Other loans from banks as (Refer note 16.3)			
(a) Working capital demand loans	-	-	85.00
(b) Cash credit facilities	91.01	23.76	72.62
Add : Interest accrued	0.68	0.14	-
	91.69	23.90	157.62
Finance lease obligation (Refer note 16.4)	0.30	0.21	0.38
Unsecured			
Inter corporate deposits			
(a) From related party (Refer note 39)	-	-	100.35
Add : Interest accrued	-	-	5.74
	-	-	106.09
Total	419.96	358.30	264.09

16.1 Term loans are secured by way of pledge of certain identified security receipts.

16.2 Maturity profile and rate of interest of term loans:

₹ in Crore

Residual Maturities	Interest range from		
	8% to 9%	9% to 10%	10% to 11%
As at March 31, 2019:			
Up to one year (April- 19 to March- 20)	20.00	107.50	0.47
Up to 1-3 years (April- 20 to March- 22)	20.00	130.00	50.00
3 years and above (April- 22 onwards)	-	-	-
Total	40.00	237.50	50.47
As at March 31, 2018:			
Up to one year (April- 18 to March- 19)	10.00	96.69	-
Up to 1-3 years (April- 19 to March- 21)	127.50	87.50	-
3 years and above (April- 21 onwards)	12.50	-	-
Total	150.00	184.19	-

Note: The rate of interest of above term loans are linked with MCLR/ base rate of banks and subject to change from time to time. Classification of term loans based on interest rates has been done on interest rate prevalent as on the relevant reporting period ends.

16.3 Other loans from banks in the nature of working capital, demand loan and cash credit facilities are secured by way of pledge of certain identified security receipts.

16.4 Finance lease obligations are secured by way of hypothecation of vehicles.

16.5 All borrowings are made within India.

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17 Other Financial Liabilities

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Employee Benefits payable	23.56	17.71	10.53
Others (Refer note 17.1)	153.77	8.95	9.89
Total	177.33	26.66	20.42

17.1 Others includes ₹143.05 crore (Previous year ₹ Nil) money received on sale of security receipts for which company has a call option up to June 14, 2019 and put/ call option with both the parties from June 15, 2019 till September 13, 2019.

18 Current Tax Liabilities

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for taxes (net of advance tax)	22.56	6.65	-
Total	22.56	6.65	-

19 Provisions

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for employee benefits:			
- Gratuity (Refer note 38)	1.21	1.03	0.84
- Compensated absence	0.77	0.63	0.55
Total	1.98	1.66	1.39

20 Deferred Tax Liabilities (Net)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Measurement of Financial instruments at amortised cost	7.71	37.26	69.36
Impairment of financial instruments	5.15	17.46	32.04
Difference between books and tax Written down value of Property, plant and equipment	(0.46)	(0.33)	(0.17)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(5.10)	(3.36)	(1.66)
Total	7.30	51.03	99.57

20.1 Following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expenses:
For the year ended March 31, 2019

₹ in Crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in Other Equity*	Recognised in OCI	Closing balance
a) Measurement of financial instruments at fair value	37.26	(21.85)	(7.70)	-	7.71
b) Impairment on financial instruments	17.46	(12.31)	-	-	5.15
c) Difference between books and tax WDV of PPE	(0.33)	(0.13)	-	-	(0.46)
d) Others (43B, 35D, etc. allowances)	(3.36)	(1.67)	-	(0.07)	(5.10)
Total- DTL/ (DTA)	51.03	(35.96)	(7.70)	(0.07)	7.30

For the year ended March 31, 2018

₹ in Crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in Other Equity*	Recognised in OCI	Closing balance
a) Measurement of financial instruments at fair value	69.36	(50.28)	18.18	-	37.26
b) Impairment on financial instruments	32.04	(14.58)	-	-	17.46
c) Difference between books and tax WDV of PPE	(0.17)	(0.16)	-	-	(0.33)
d) Others (43B, 35D, etc. allowances)	(1.66)	(1.70)	-	(#)	(3.36)
Total- DTL/ (DTA)	99.57	(66.72)	18.18	(#)	51.03

Denote amount below ₹ 50,000

* Recognized in Other Equity represent deferred tax on gain/losses on change in controlling interest without loss of controls.

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21 Other Non-Financial Liabilities

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Statutory Dues	3.07	8.14	6.09
Others	17.37	18.12	19.52
Total	20.44	26.26	25.61

22 Share Capital

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Authorised			
1,85,00,00,000 Equity Shares of ₹ 10/- each (As at March 31, 2018: 185,00,00,000 and as at April 01, 2017: 30,00,00,000)	1,850.00	1,850.00	300.00
15,00,00,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00	150.00
	2,000.00	2,000.00	450.00
Issued, Subscribed and Paid-up			
34,46,42,857 Equity shares of ₹ 10/- each fully paid-up (As at March 31, 2018: 34,46,42,857 and as at April 01, 2017: 24,12,50,000)	344.64	344.64	241.25
Total	344.64	344.64	241.25

22.1 Terms and rights

The Company has only one class of issued shares referred to as equity shares having a Face Value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

The preference shares (not issued), forming part of Authorized Capital, have a face value of ₹ 10/-. Each holder of such preference shares would be entitled to one vote per share on resolutions placed which directly affects the rights of such preference shares.

22.2 Reconciliation of number of shares

Particulars	Number of equity shares		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Equity Shares	34,46,42,857	24,12,50,000	24,12,50,000
Shares outstanding at the beginning of the year			
Shares issued during the year	-	10,33,92,857	-
Shares outstanding at the end of the year	34,46,42,857	34,46,42,857	24,12,50,000

22.3 Details of shareholding more than 5%

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:						
JM Financial Limited	20,41,97,279	59.25%	19,66,97,279	57.07%	12,06,50,000	50.01%
Mr. Narotam S Sekhsaria	5,68,66,072	16.50%	5,68,66,072	16.50%	3,61,87,500	15.00%
Indian Overseas Bank	2,10,00,000	6.09%	2,10,00,000	6.09%	2,10,00,000	8.70%
Valiant Mauritius Partners FDI Ltd.	2,90,28,911	8.42%	2,90,28,911	8.42%	2,03,20,238	8.42%

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23 Other Equity

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Reserve and surplus:			
Securities Premium Reserve	194.34	194.34	18.72
Capital reserve on change in interest without loss of control	28.15	42.24	-
Retained earnings	698.10	524.80	522.61
Initial Corpus	#	#	#
Total	920.59	761.38	541.33

Denote amount below ₹ 50,000

Refer Statement of Changes in Equity for movement in each reserve and surplus.

23.1 Nature of each reserves:

- Securities premium reserve represents premium received on equity shares issued which can be used on accordance with the provisions of the Companies Act, 2013 for specified purposes.
- Capital reserve on acquisitions/ disposals represents reserves created on acquisition / disposal of subsidiaries without loss of control.
- Retained earnings are the profits that the company has earned till date less any transfers to general reserve, statutory reserve, dividends or other distributions to the shareholders.
- Initial corpus is corpus contributed by Parent for setting up of a Trust under SARFAESI Act for acquisition of account under distressed credit business.

23.2 The company has acquired controlling interest in subsidiary trusts in financial year 2017-18 which has resulted gain standing as a capital reserve of ₹ 42.24 Crore (Net of deferred tax liability) in equity of March 2018.

23.3 During financial year 2018-19, a subsidiary trust has been settled and the Group has received full redemption proceed from the said trust. The capital reserve of ₹ 14.09 Crore relating to the acquisition of said subsidiary trust has transfer to retaining earning after full redemption.

24 Interest Income

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Interest income:		
On loans (at amortized cost)	81.52	20.94
On financial instruments (at FVTPL)	43.08	18.77
On others (at FVTPL)	4.07	9.69
Total	128.67	49.40

25 Fees and Incentives

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Management and restructuring fees	214.41	230.29
Recovery incentives fees	11.30	12.95
Total	225.71	243.24

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26 Net Gain on Derecognition of Financial Assets carried at FVTPL

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Realised net gain on de-recognition of financial assets	205.08	26.09
Total	205.08	26.09

27 Other Income

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Interest on fixed deposit (at amortised cost)	0.59	0.66
Miscellaneous income	0.01	0.02
Total	0.60	0.68

28 Finance Costs

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
At amortized cost:		
Debt securities	157.53	91.53
Borrowings (other than debt securities)	45.36	23.92
Others	12.86	3.65
Total	215.75	119.10

29 Net Loss on Fair Value Changes

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
On financial instruments designated at FVTPL:		
- Equity instruments	51.31	18.50
- Financial assets	8.16	133.79
Total (refer note 29.1)	59.47	152.29

29.1 Above represents realized loss (net) of ₹ 24.74 crore (Previous year ₹ 0.27 crore) and unrealized loss (net) of ₹ 34.73 crore (Previous year ₹ 152.02 crore) on account of fair value changes.

30 Impairment of Financial Instruments

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
At amortized cost:		
- Loans	5.84	1.39
- Trade receivables	2.74	(2.80)
- Other financial assets (Refer note 30.1)	13.66	(0.35)
Total	22.24	(1.76)

30.1 Includes amount written off of ₹ 9.57 crore (Previous year ₹ Nil).

31 Employee benefits

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Salaries, bonus and other allowances (Refer note 40)	34.49	28.82
Contribution to provident and other funds (refer note 38)	0.95	0.77
Gratuity (refer note 38)	0.25	0.44
Staff welfare expenses	0.22	0.06
Total	35.91	30.09

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32 Other Expenses

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Rate & taxes	5.29	3.42
Legal & professional fees	4.60	3.44
Operating lease rentals (Refer note 37)	3.51	3.12
Manpower expenses	1.04	0.91
Support service charges	2.16	2.12
Travelling expenses	0.99	0.60
Director's commission & sitting fees	0.91	1.63
Insurance expenses	0.28	0.20
Electricity expenses	0.22	0.24
Donation	3.12	2.42
Auditors remuneration (Refer note 32.1)	0.19	0.13
Conveyance expense	0.05	0.03
Repairs & maintenance	0.04	0.07
Demat charges	0.04	-
Car hire charges	0.01	0.01
Miscellaneous expenses	1.87	2.67
Total	24.32	21.01

32.1 Payment to Auditors (Excluding Goods & Service tax)

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
- Audit fees	0.13	0.11
- Services (certification limited reviews, etc.)	0.06	0.02
Total	0.19	0.13

33 Corporate Social Responsibility

Details of expenses towards corporate social responsibility as per section 135 of the companies act, 2013 read with schedule VII there to:

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
a) Gross amount required to be spent by the Group during the year	3.12	2.17
b) Amount spent during the year:		
- In cash	3.12	2.17
- Yet to be paid in cash	-	-
Total	3.12	2.17
c) (i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.12	2.17
Total	3.12	2.17

34 Earnings per share

Earnings per share is calculated by dividing the profit attributed to equity shareholders by the weighted average number of equity shares outstanding during the year as under:

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Profit for the year (₹ in Crore)	165.93	2.19
Weighted average number of equity shares outstanding during the year (Nos.)	34,46,42,857	24,66,32,094
Basic and Diluted earnings per share (₹)	4.81	0.09
Nominal value per share (₹)	10	10

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35 Income Tax

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Current tax	105.70	61.81
Tax adjustment in respect of earlier years	0.11	0.40
Deferred tax	(35.96)	(66.72)
Total income tax expenses recognised in the current year	69.85	(4.51)
Income tax expense recognised in other comprehensive income	0.07	0.00
Total income tax expenses	69.92	(4.51)

Reconciliation of total tax charge

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Profit/ (loss) for the year	201.45	(2.44)
Income tax rate	29.12%	34.61%
Income tax expense	58.66	(0.84)
Tax Effect of:		
Effect of non deductible expenses	0.45	0.76
Effect of unrecognised deferred tax assets (net)	11.99	6.20
Deferred tax on Remeasurment of employee defined benefit obligation	0.07	-
Earlier year tax adjustment	0.11	0.40
Effect of different tax rate in subsidiary	4.57	(11.03)
Effect of rate change	(5.93)	-
Income tax expense recognised in profit and loss	69.92	(4.51)

36 Segment Reporting

The group operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Ind AS- 108 on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker.

37 Lease Transactions

Operating leases:

The Group has taken premises on non-cancellable operating lease basis with a renewable clause. The future minimum rental payments in respect of non-cancellable lease for premises are as follows:

₹ in Crore

Due	Total minimum lease payments outstanding		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Not later than one year	3.17	3.22	2.89
Later than one year and not later than five years	13.32	12.97	12.80
Later than five years	20.11	23.63	27.02

Lease payments recognized in the Statement of Profit and Loss are ₹ 3.51 crore (Previous year ₹ 3.12 crore) excluding GST and Service tax.

Finance leases:

The Group has acquired vehicles under the finance lease agreement. The tenure of lease agreements ranges between 36 to 60 months with an option to prepayments/foreclosure.

₹ in Crore

Particulars	Minimum lease payments			Present value of minimum lease payments		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Not later than one year	0.13	0.20	0.26	0.09	0.17	0.20
Later than one year and not later than five years	0.26	0.05	0.20	0.21	0.04	0.18
Later than five years	-	-	-	-	-	-
Total	0.39	0.25	0.46	0.30	0.21	0.38
Less: Future finance charges	(0.09)	(0.04)	(0.08)			
PV of minimum lease payment	0.30	0.21	0.38			

The Group has option to purchase the vehicle for a nominal amount at the end of lease terms.

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38 Employee Benefits

a) Defined contribution plans

The Group operates defined contribution plan (Provident fund) for all qualifying employees. The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

The Group's contribution to Provident Fund aggregating ₹ 0.89 crore (Previous year ₹ 0.70 crore) has been recognized in the Statement of Profit and Loss under the head Employee Benefits Expense.

b) Defined benefit obligation

The Group'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 Group 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 Group, which results in a higher liability for the Group and is therefore a plan risk for the Group.

The principal assumptions used for the purposes of the actuarial valuations:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount rate	7.55%	7.85%	7.20%
Expected rate of salary increase	7.00%	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

Amount recognized in statement of profit and loss in respect of these defined benefit obligation

₹ in Crore

Particulars	For the year March 31, 2019	For the year March 31, 2018
Current service cost	0.17	0.11
Past service cost	-	0.27
Net interest cost	0.08	0.06
Components of defined benefits costs recognised in profit or loss	0.25	0.44
Re-measurements on the net defined benefit liability :	-	-
- Return on plan assets, excl. amount included in interest exp. (income)	-	-
- Actuarial (gain)/loss from change in demographic assumptions	#	-
- Actuarial (gain)/loss from change in financial assumptions	0.04	(0.08)
- Actuarial (gain)/loss from change in experience adjustments	0.15	0.08
Total amount recognised in OCI	0.19	-
Total	0.44	0.44

Denote amount below ₹ 50,000

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

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The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan is as follows:

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017
Present value of funded defined benefit obligation	1.21	1.03	0.84
Fair value of plan assets	-	-	-
Net asset arising from defined benefit obligation	1.21	1.03	0.84

₹ in Crore

Movement in the present value of the defined benefit obligation are as follows:

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017
Opening defined benefit obligation	1.03	0.84	0.64
Current service cost	0.17	0.11	0.08
Interest cost	0.08	0.06	0.05
Past service cost	-	0.27	-
Re-measurements (gains)/losses:	-	-	-
- Actuarial (gain)/loss from change in demographic assumptions	#	-	-
- Actuarial (gain)/loss from change in financial assumptions	0.04	(0.08)	0.06
- Actuarial (gain)/loss from change in experience adjustments	0.15	0.08	0.03
Benefits paid	(0.26)	(0.25)	(0.02)
Closing defined benefit obligation	1.21	1.03	0.84

₹ in Crore

Denote amount below ₹ 50,000

A) reconciliation of the plan assets during the inter-valuation period is given below:

₹ in Crore

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Opening defined benefit obligation	-	-
Employer contribution	0.19	0.20
Interest on plan assets	-	-
Administrative Expenses	-	-
Remeasurement due to :	-	-
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	(0.19)	(0.20)
Asset acquired/(settled)	-	-
Asset distributed on settlements	-	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate 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 is as follows:

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017
Defined benefit obligation (base)	1.21	1.03	0.84

₹ in Crore

Particulars	For the year March 31, 2019		For the year March 31, 2018	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.15	1.25	0.98	1.07
Impact of increase in 50 bps on DBO	(4.99%)	3.37%	(5.11%)	3.37%
Defined benefit obligation on decrease in 50 bps	1.28	1.17	1.09	1.00
Impact of decrease in 50 bps on DBO	5.42%	(3.44%)	5.55%	(3.46%)

₹ in Crore

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 above.

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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 recognized in the balance sheet.

Projected benefits payable:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Expected benefits for year 1	0.06	0.05
Expected benefits for year 2	0.06	0.05
Expected benefits for year 3	0.06	0.06
Expected benefits for year 4	0.06	0.05
Expected benefits for year 5	0.23	0.06
Expected benefits for year 6	0.22	0.22
Expected benefits for year 7	0.05	0.21
Expected benefits for year 8	0.07	0.04
Expected benefits for year 9	0.14	0.04
Expected benefits for year 10 and above	2.35	2.20

b) Compensated absences

As per Group's policy, provision of ₹ 0.77 crore (Previous year ₹ 0.63 crore) has been made towards compensated absences, calculated on the basis of unutilized leave as on the last day of the financial year.

39 Disclosure of related party

a) Name and relationship with related parties:

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 (till January, 2018)

JM Financial Products Limited

JM Financial Properties and Holdings Limited

JM Financial Home Loans Limited

JM Financial Services Limited

JM Financial Capital Limited

JM Financial Credit Solutions Limited

JM Financial Asset Management Limited

C) Key managerial personnel

Executive Directors

Mr. Anil Bhatia- Managing Director and Chief Executive Officer

Non-Executive Directors

Mr. V. P. Shetty- Chairman (Non-Executive Chairman from July 1, 2017)

Mr. Narotam Sekhsaria

Mr. Pulkit Sekhsaria

Mr. Adi Patel

Independent Directors

Mr. G M Ramamurthy

Ms. Rupa Vora

Dr. Vijay Kelkar (from September 21, 2018)

Mr. Ameet Desai (from January 09, 2019)

Mr. H N Sinor (till October 25, 2018)

Dr. Anil Khandelwal (till October 27, 2018)

Mr. Shailesh Haribhakti (till April 20, 2018)

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b) Transactions with related parties:

₹ in Crore

Particulars	Nature of relationship	As at March 31, 2019	As at March 31, 2018
JM Financial Limited	(A)		
Inter Corporate Deposit taken		-	276.73
Inter Corporate Deposit paid		-	377.08
Subscription to Equity Shares		-	199.82
Non-Convertible Debenture repayment		-	70.00
Interest on Inter Corporate Deposits		-	3.22
Interest on Non-Convertible Debentures		-	4.34
Rating Support Fees		2.99	1.48
Support Service Charges		1.98	-
Reimbursement of Expenses		0.12	0.03
Reimbursement of ESOP		0.74	0.17
JM Financial Institutional Securities Limited	(B)		
Support Service Charges		-	1.98
Recovery of Expenses		-	0.09
Reimbursement of Expenses		-	0.01
JM Financial Properties and Holdings Limited	(B)		
Space and other related cost		2.42	2.28
Security Deposit paid		2.75	-
Refund of Security Deposit		-	2.75
CAMs and Property Tax		0.25	0.26
Reimbursement of Expenses		0.19	0.21
JM Financial Home Loans Limited	(B)		
Inter Corporate Deposit taken		-	6.00
Inter Corporate Deposit paid		-	6.00
Interest on Inter Corporate Deposits paid		-	#
JM Financial Products Limited	(B)		
Inter Corporate Deposit taken		25.00	200.00
Inter Corporate Deposit paid		25.00	200.00
Transfer of gratuity liability on Employees transfer		-	0.04
Management Fees received		1.26	0.42
Interest on Inter Corporate Deposits paid		0.03	0.55
JM Financial Services Limited	(B)		
Non-Convertible Debentures issued		-	10.00
Rent paid		0.01	-
Arranger Fees		-	0.24
JM Financial Capital Limited	(B)		
Inter Corporate Deposit taken		25.00	-
Inter Corporate Deposit paid		25.00	-
Interest on Inter Corporate Deposits paid		0.02	-
Market linked Non-Convertible Debentures issued		74.27	25.00
JM Financial Credit Solutions Limited	(B)		
Inter Corporate Deposit taken		100.00	-
Inter Corporate Deposit paid		100.00	-
Interest on Inter Corporate Deposits paid		0.11	-
JM Financial Asset Management Limited			
Transfer of gratuity liability on Employees transfer	(B)	0.08	-
Sale of PPE		#	-
Key Managerial Personnel (Refer Note (d) below)	(C)		
Remuneration		4.03	4.46
Contribution to provident fund		0.07	0.08

Denotes amount less than ₹ 50,000/-

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c) Closing balances:

₹ in Crore

Particulars	Nature of relationship	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Inter Corporate Deposit payable				
JM Financial Limited	(A)	-	-	100.35
Non-Convertible Debentures payable				
JM Financial Limited	(A)	-	-	70.00
Interest on Inter Corp. Deposits accrued				
JM Financial Limited	(A)	-	-	5.73
Interest on NCD accrued				
JM Financial Limited	(A)	-	-	4.76
Security Deposit Recoverable				
JM Financial Properties and Holdings Limited	(B)	2.75	-	2.75
Trade Payable				
JM Financial Limited	(A)	-	0.34	-
Key Managerial Personnel	(C)	5.23	5.68	4.75

Denotes amount less than ₹ 50,000/-

Note:

The Group 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.

- d) The remuneration excludes provision for gratuity as the incremental liability has been accounted for the group as a whole.
- e) There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.
- f) The transactions disclosed above are exclusive of GST and service tax (as applicable).

40 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 Group.

May 16, 2016 122,397 Stock Options

April 12, 2018 88,236 Stock Options

The option shall be eligible for vesting as per following schedule:

Vesting/ Grant Date	Options series	No. of Stock Options	Status	Exercise Period	Exercise Price in ₹
16th May, 2017	Series – IX	40,799	Vested	Seven years from the date of Grant	1
16th May, 2018	Series – IX	40,799	Vested	Seven years from the date of Grant	1
16th May, 2019	Series – IX	40,799	Vested	Seven years from the date of Grant	1
12th April, 2019	Series – XI	29,412	Vested	Seven years from the date of Grant	1
12th April, 2020	Series – XI	29,412	Vested	Seven years from the date of Grant	1
12th April, 2021	Series – XI	29,412	Vested	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	
	As at March 31, 2019	As at March 31, 2018
Outstanding at the beginning of the year	81,598	-
Granted during the year	88,236	1,22,397
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/forfeited during the year	-	-
Exercised during the year	(40,799)	(40,799)
Outstanding at the end of the year	1,29,035	81,598
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.74 crore (Previous year: ₹ 0.17 crore). Since the options are granted by JM Financial Limited (the Ultimate Holding Company), basic and diluted earnings per share of the Group would remain unchanged.

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41 Reconciliation of Net Profit and Total Equity reported under previous GAAP and Ind AS is as under:

₹ in Crore				
Particulars	Refer note	Net profit	Equity Reconciliation	
		Reconciliation	As at	As at
		Year ended	March 31, 2018	April 1, 2017
		March 31, 2018		
Net profit / Total Equity as per previous Indian GAAP		108.08	966.87	579.77
IndAS Adjustments:				
a) Revenue from operations including gain / (loss) on fair valuation of investments	A	(162.27)	19.63	181.90
b) Impact upon consolidation of trusts under distressed credit business	B	(15.23)	695.74	650.46
c) Measurement of financial assets at amortised cost through EIR Method.	C	(4.55)	(7.61)	(3.06)
d) Impairment on financial instruments	D	12.67	22.27	9.60
e) Reclassification of net actuarial loss on employee defined benefit obligations (net of taxes) to OCI	E	#	#	-
f) Impact of deferred tax on above items	F	63.37	(67.84)	(112.93)
Total		(106.01)	662.19	725.97
Net Profit/ Total Equity as per Ind AS		2.07	1,629.06	-
Other comprehensive income (net of tax)	E	#	#	-
Total Comprehensive income / Total Equity as per Ind AS		2.07	1,629.06	1305.74

Denotes amount less than ₹ 50,000

Impact of Ind AS adoption on the Statements of Cash flows for the year ended March 31, 2018:

₹ in Crore				
Particulars	Refer note	Previous GAAP	Adjustments	Ind AS
Cash flow from operating activities		216.47	(273.14)	(56.67)
Cash flow from investing activities		(487.84)	63.05	(424.79)
Cash flow from financing activities		267.76	224.15	491.91
Net increase in cash and cash equivalents	B	(3.61)	14.06	10.45
Cash and Cash Equivalents as at April 01, 2017		17.12	16.36	33.48
Cash and Cash Equivalents as at March 31, 2018		13.51	30.42	43.93
Net increase in cash and cash equivalents		(3.61)	14.06	10.45

The adjustments are preliminary on account of Ind AS reclassifications and for reason stated in note B.

Notes:

- Under previous GAAP, the investment in security receipts of Trusts under distressed credit business other than subsidiaries were carried at cost net of impairment, if any. However, under Ind AS, these investments are fair valued and management fees income are accounted as per the terms of the contract.
- The Trusts under distressed credit business controlled by the Group are consolidated as subsidiaries.
- Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortized cost and interest income is recognized as per effective interest rate method.
- Under previous GAAP, provision for doubtful trade receivables and loans and loans were calculated using incurred loss model. Under Ind AS, the provision on financial assets, are determined using the expected credit loss model.
- Under previous GAAP, Company recognizes actuarial gains/losses on defined benefit plan in the profit and loss account. Under Ind AS, the actuarial gains and losses will be recognized in other comprehensive income as re-measurement.
- Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to IND AS.

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42 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Group monitors capital using debt to equity ratio.

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Borrowings	2,519.10	1,410.63	1,197.75
Less: Cash and cash equivalents	161.42	43.93	33.48
Net debt	2,357.68	1,366.70	1,164.27
Total equity (excluding non-controlling interest)	1,265.23	1,106.02	782.58
Net Debt to Equity Ratio	1.86	1.24	1.49

43 Fair value measurement

a) Fair value hierarchy and method of valuation:

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognized and measured at fair value and b) measured at amortized cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 fair value measurements are those derived from quoted prices of equity instruments.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The input factors considered are estimated cash flows, collateral values and other assumptions.

b) Categories of Financial Instruments:

As at March 31, 2019:

₹ in Crore

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	161.42	161.42	-	-	-	-
Other bank balances	-	-	1.49	1.49	-	-	-	-
Trade receivables (net)	-	-	141.81	141.81	-	-	-	-
Loans (net)	-	-	485.71	485.71	-	-	-	-
Investments	1,428.33	-	-	1,428.33	27.19	0.50	1,400.64	1,428.33
Other financial assets (net)	2,241.87	-	29.01	2,270.88	-	-	2,241.87	2,241.87
Total	3,670.20	-	819.44	4,489.64	27.19	0.50	3,642.51	3,670.20
Financial liabilities								
Trade payables	-	-	2.08	2.08	-	-	-	-
Debt securities	-	-	2,099.14	2,099.14	-	-	-	-
Borrowing (other than debt securities)	-	-	419.96	419.96	-	-	-	-
Other financial liabilities	-	-	177.33	177.33	-	-	-	-
Total	-	-	2,698.51	2,698.51	-	-	-	-

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As at March 31, 2018

₹ in Crore

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	43.93	43.93	-	-	-	-
Other bank balances	-	-	0.76	0.76	-	-	-	-
Trade receivables (net)	-	-	123.86	123.86	-	-	-	-
Loans (net)	-	-	261.50	261.50	-	-	-	-
Investments	1,252.67	-	-	1,252.67	64.82	14.18	1,173.67	1,252.67
Other financial assets (net)	1,454.81	-	7.98	1,462.79	-	-	1,454.81	1,454.81
Total	2,707.48	-	438.03	3,145.51	64.82	14.18	2,628.48	2,707.48
Financial liabilities								
Trade payables	-	-	0.80	0.80	-	-	-	-
Debt securities	-	-	1,052.33	1,052.33	-	-	-	-
Borrowing (other debt securities)	-	-	358.30	358.30	-	-	-	-
Other financial liabilities	-	-	26.66	26.66	-	-	-	-
Total	-	-	1,438.09	1,438.09	-	-	-	-

As at April 1, 2017

₹ in Crore

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	33.48	33.48	-	-	-	-
Other bank balances	-	-	0.76	0.76	-	-	-	-
Trade receivables (net)	-	-	157.06	157.06	-	-	-	-
Loans (net)	-	-	59.97	59.97	-	-	-	-
Investments	1,168.71	-	-	1,168.71	-	-	1,168.71	1,168.71
Other financial assets (net)	1,205.42	-	22.13	1,227.55	-	-	1,205.42	1,205.42
Total	2,374.13	-	273.40	2,647.53	-	-	2,374.13	2,374.13
Financial liabilities								
Trade payables	-	-	0.90	0.90	-	-	-	-
Debt securities	-	-	933.66	933.66	-	-	-	-
Borrowing	-	-	264.09	264.09	-	-	-	-
Other financial liabilities	-	-	20.42	20.42	-	-	-	-
Total	-	-	1,219.07	1,219.07	-	-	-	-

Notes:

- Includes debt securities issued at fixed rate of interest for which carrying value and fair value are as under :

As at	Carrying value	Fair value
As at March 31, 2019	1,349.00	1,335.65
As at March 31, 2018	705.47	702.76
As at April 1, 2017	576.65	541.38
 - Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Group considers that the carrying amounts recognized in the financial statements approximate their fair values.
 - For financial assets that are measured at amortized cost, the carrying amounts are equal to the fair values.
- c) Valuation techniques used to determine the fair values:**
- For level 1- Listed equity instruments are fair valued using quoted prices;
 - For level 2- fair value measurements are derived from quoted prices of equity instruments; and
 - For Level 3 fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Group.

d) Fair value measurements use significant unobservable inputs (Level-3):

The following table presents the changes in level 3 items for the year ended March 31, 2019 and March 31, 2018

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₹ in Crore

Particulars	Investments in SRs	Financial assets	Total
As at April 1, 2017	1,168.71	1,205.42	2,374.13
Acquisitions made	182.54	191.24	373.78
(Realisations) made	(87.20)	(149.68)	(236.88)
Acquisition/disposal of controlling interest in subsidiaries	(1.32)	207.70	206.38
Net Gain on derecognition	1.77	24.32	26.09
Interest income on restructuring of loan	-	18.77	18.77
Net Loss on fair value changes	(90.83)	(42.96)	(133.79)
As at March 31, 2018	1,173.67	1,454.81	2,628.48
Acquisitions made	282.97	1,157.04	1,440.02
(Realisations) made	(217.57)	(217.24)	(434.81)
Acquisition/Disposal of controlling interest in subsidiaries	41.52	(272.69)	(231.18)
Net Gain on derecognition	136.39	68.69	205.08
Interest income on restructuring of loan	-	43.08	43.08
Net (Loss)/ Gain on fair value changes	(16.34)	8.18	(8.16)
As at March 31, 2019	1,400.64	2,241.87	3,642.51

e) Sensitivity for instruments:

₹ in Crore

Nature of the instrument	Fair value as at March 31, 2019	Fair value as at March 31, 2018	Significant unobservable inputs	Increase/ Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2019				Sensitivity Impact for the year ended March 31, 2018	
					FV Inc.	FV Dec.	FV Inc.	FV Dec.	FV Inc.	FV Dec.
Investments in SRs	1,400.64	1,173.67	Estimated cash flow based on realisation of collaterals value, etc	5%	65.97	(65.97)	59.42	(59.42)		
Financial assets	2,241.87	1,454.81	Same as above	5%	112.10	(112.10)	71.78	(71.78)		

- f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

44 Financial Risk Management

The Group's activities expose it to credit risks, liquidity risks and market risks.

Risk management forms an integral part of the business and as it being into distressed credit business it exposed to several risks related to stress assets i.e. non-performing assets (NPA) acquired from banks and financial institutions. The group has a robust account monitoring system which ensures early detection of risks whereby timely action can be taken to surmount any avoidable slippages. The Group has an effective mechanism of driving business through policies and committees. The group has well balance and experienced team of resources to drive its business.

The Group has established Risk Management Committee and Asset Acquisition Committee, responsible for identifying, developing, monitoring and mitigating all the risks related to its business. The committees reports to the board of directors on regular basis.

a) Credit risk

Credit risk is the risk of loss that may occur from the failure of party to abide by the terms and conditions of any financial contract, principally the failure to make the required payments. In order to minimize credit risk, the Group has adopted a policy of acquisition of asset in a transparent manner and at a fair price in a well-informed market, and the transactions are executed at arm's length in exercise of due diligence and adopt an industry / sector neutral and geography neutral approach in targeting financial assets for acquisition. Credit risk management is achieved by considering the factors like cash flow, collateral values, etc.

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In order to minimize credit risk, the Group has tasked its Risk Management Committee and Asset Acquisition Committee to develop and maintain the Group's credit risk grading's.

Group has classified its receivables in to following categories:

- Loans given (in the nature of restructuring loans, additional funding for working capital, etc.); and
- Other receivables under distress credit business.

Provision for expected credit loss

1. For loans:

Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group's current credit risk rating and grading framework comprises the following categories:

For stage-1 performing assets- 12 months Expected Credit Loss (ECL); and

For stage-2- non-performing assets- lifetime ECL (on default occurred)

For stage-3-credit impaired assets-based on expected cash flows

(i) Movement of gross carrying amount in loans given:

As at March 31, 2019

₹ in Crore

Particulars	Stage 1	Stage 3	Total
Gross carrying amount- opening balance	263.25	9.95	273.20
New assets originated or purchased	225.86	4.19	230.05
Assets derecognised or repaid (excluding write offs)	-	-	-
Gross carrying amount- closing balance	489.11	14.14	503.25

As at March 31, 2018

₹ in Crore

Particulars	Stage 1	Stage 3	Total
Gross carrying amount- opening balance	60.33	9.95	70.28
New assets originated or purchased	215.97	-	215.97
Assets derecognised or repaid (excluding write offs)	(13.05)	-	(13.05)
Gross carrying amount- closing balance	263.25	9.95	273.20

(ii) Movement of provision for impairment (ECL)

As at March 31, 2019

₹ in Crore

Particulars	Stage 1	Stage 3	Total
ECL allowance - opening balance	1.75	9.95	11.70
New assets originated or purchased	1.65	4.19	5.84
Assets derecognised or repaid (excluding write offs)	-	-	-
ECL allowance - closing balance	3.40	14.14	17.54

As at March 31, 2018

₹ in Crore

Particulars	Stage 1	Stage 3	Total
ECL allowance - opening balance	0.36	9.95	10.31
New assets originated or purchased	1.39	-	1.39
Assets derecognised or repaid (excluding write offs)	-	-	-
ECL allowance - closing balance	1.75	9.95	11.70

2. For other receivables under distressed credit business:

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

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Movement of provision for impairment

As at March 31, 2019

₹ in Crore

Particulars	Trade receivables	Other financial assets	Total
Opening balance	2.52	7.68	10.20
Addition	2.74	13.66	16.40
Utilization/ written back	-	(9.58)	(9.58)
Closing balance	5.26	11.76	17.02

As at March 31, 2018

₹ in Crore

Particulars	Trade receivables	Other financial assets	Total
Opening balance	5.32	8.03	13.35
Addition	-	-	-
Utilization/ written back	(2.80)	(0.35)	(3.15)
Closing balance	2.52	7.68	10.20

The ageing of trade receivables :

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Past due 1-180 days	55.15	54.64	54.97
More than 180 days	91.92	71.74	107.41
Total	147.07	126.38	162.38

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

However the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

Ultimate responsibility for liquidity risk rest with the management, which has established by an appropriate liquidity risk framework for the management of the Group's short term, medium-term and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company has undrawn lines of credit of ₹ 308.99 crore, ₹ 387.24 crore and ₹ 212.38 crore as at March 31, 2019, March 31, 2018 and April 1, 2017 respectively, from its banks for its working capital requirements.

Exposure to liquidity risk

The following tables details the Group's remaining contractual/ expected maturities for its non-derivative financial liabilities and assets as at the reporting date. The tables have been drawn up based on undiscounted cash flow basis.

As at March 31, 2019

₹ in Crore

Particulars	Maturities in				
	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities					
Borrowings	2,519.10	1,029.49	1,290.77	198.84	-
Trade payables	2.08	2.08	-	-	-
Other financial liabilities	177.33	167.92	9.41	-	-
Total	2,698.51	1,199.49	1,300.18	198.84	-
Financial Assets					
Cash and cash equivalents	161.42	161.42	-	-	-
Other bank balances	1.49	0.73	0.76	-	-
Trade receivables (net)	141.81	141.81	-	-	-
Loans (net)	485.71	255.96	229.75	-	-
Investments	1,428.33	857.06	190.23	239.13	141.91
Other financial assets (net)	2,270.88	686.82	745.03	517.35	321.68
Total	4,489.64	2,103.80	1,165.77	756.48	463.59

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As at March 31, 2018

₹ in Crore

Particulars	Carrying amount	Maturities in			
		0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities					
Borrowings	1,410.63	556.03	842.10	12.50	-
Trade payables	0.80	0.80	-	-	-
Other financial liabilities	26.66	20.48	6.18	-	-
Total	1,438.09	577.31	848.28	12.50	-
Financial Assets					
Cash and cash equivalents	43.93	43.93	-	-	-
Other bank balances	0.76	-	0.76	-	-
Trade receivables (net)	123.86	123.86	-	-	-
Loans (net)	261.50	40.24	221.26	-	-
Investments	1,252.67	179.71	632.04	133.46	307.46
Other financial assets (net)	1,462.79	168.94	926.31	196.65	170.89
Total	3,145.51	556.68	1,780.37	330.11	478.35

As at April 1, 2017

₹ in Crore

Particulars	Carrying amount	Maturities in			
		0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities					
Borrowings	1,197.75	833.96	210.08	153.71	-
Trade payables	0.90	0.90	-	-	-
Other financial liabilities	20.42	17.45	2.97	-	-
Total	1,219.07	852.31	213.05	153.71	-
Financial Assets					
Cash and cash equivalents	33.48	33.48	-	-	-
Other bank balances	0.76	-	0.76	-	-
Trade receivables (net)	157.06	157.06	-	-	-
Loans (net)	59.97	15.50	44.47	-	-
Investments	1,168.71	77.30	676.92	142.45	272.04
Other financial assets (net)	1,227.55	139.59	445.38	433.41	209.17
Total	2,647.53	422.93	1,167.53	575.86	481.21

Notes:

- a) The maturities of non-derivative financial liabilities are based on the earliest date on which the Group may be required to pay.
- b) The maturities of the financial assets are based on the management's estimation on realization.

c) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

1. Currency risk

The functional currency of the Group is Indian Rupee (₹). The Group has not undertaken any transactions denominated in foreign currencies and therefore is not exposure to exchange rate fluctuations. Group has not taken derivative contracts during the year.

2. Interest rate risk

The Group is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk and provide appropriate guidelines to the Treasury to manage such risk. The ALCO reviews the interest rate risk on periodic basis and decides on the appropriate funding mix.

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Exposure to interest rate risk

The exposure of the Group's borrowings to the interest rates risk at the end of the reporting period is:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Borrowings:			
Fixed rate borrowings	2,014.30	1,071.82	1,082.74
Floating rate borrowings	402.77	273.76	72.62
Total	2,417.07	1,345.58	1,155.36

Interest rate Sensitivity analysis:

The sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If floating rate of interest had been 100 basis points higher/ lower, the Group's profit for the year ended March 31, 2019 would decrease/ increase by ₹ 4.03 crore (Previous year: decrease/ increase by ₹ 2.74 crore).

45 Entities considered for Consolidation

a) Composition of the Group

Information about the composition of the Group at the end of each reporting period is as follows:

Name of the Entity	Proportion of ownership interest and voting power held by the group		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
JMFARC BOI 2009 I Trust	37%	37%	37%
JMFARC DB ICICI Trust	100%	100%	100%
JMFARC DB SBI Trust	100%	100%	100%
JMFARC DB DCB Trust	100%	100%	100%
JMFARC Jord SUUTI Trust	100%	100%	100%
JMFARC Pasupati SASF Trust	100%	100%	100%
JMFARC Central Bank Tube Trust	100%	100%	100%
JMFARC UTI Tube Trust	100%	100%	100%
JMFARC Yarn 2010 Trust	100%	100%	100%
JMFARC SASF Tube Trust	100%	100%	100%
JMFARC UCO Bank March 2011 Trust	100%	100%	100%
JMFARC Synthetic Rubber 2012 Trust	100%	100%	100%
JMFARC Kruti 2012 Trust	100%	100%	100%
JMFARC Kruti II 2013 Trust	100%	100%	100%
JMFARC Textile 2013 Trust	100%	100%	100%
JMFARC Corp Textile 2013 Trust	100%	100%	100%
JMFARC Corp Apparel 2013 Trust	100%	100%	100%
JMFARC Corp Biotech 2013 Trust	100%	100%	100%
JMFARC Central India 2013 Trust	100%	100%	100%
JMFARC Stancy Textile 2013 Trust	100%	100%	100%
JMFARC Dena Bank March 2014 Trust	100%	100%	100%
JMFARC Gelatine March 2014 Trust	100%	100%	100%
JMFARC Petro BOB March 2014 Trust	100%	100%	100%
JMFARC Petro UCO March 2014 Trust	100%	100%	100%
JMFARC Petro CBOI March 2014 Trust	100%	100%	100%
JMFARC ICICI Bank July 2014 Trust	100%	100%	100%
JMFARC Axis Bank Cement March 2015 Trust	100%	100%	100%
JMFARC ICICI Bank Cement June 2015 Trust	100%	100%	100%
JMFARC United Bank Cement Sept 2015 Trust	100%	100%	100%

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Name of the Entity	Proportion of ownership interest and voting power held by the group		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
JMFARC ICICI Geometric Trust	15%	15%	15%
JMFARC Axis Bank February 2016 Trust	100%	100%	100%
JMFARC OBC Cement March 2016 Trust	100%	100%	100%
JMFARC Indian Bank I March 2016 Trust	100%	100%	100%
JMFARC Axis Iris II March 2016 Trust	100%	100%	100%
JMFARC SBI Geometric October 2016 Trust	100%	100%	100%
JMFARC IRIS Cash 2016 Trust	100%	100%	100%
JMFARC Tata Capital December 2016 Trust	100%	100%	100%
JMFARC IDBI March 2017 Trust	100%	100%	100%
JMFARC Retreat II March 2017 Trust	100%	100%	100%
JMFARC BOB 2008 Trust	100%	100%	100%
JMFARC SME Retail 2011 Trust	100%	100%	100%
JMFARC IOB II March 2011 Trust	50%	50%	50%
JMFARC Corp I 2013 Trust	100%	100%	100%
JMFARC Corp II 2013 Trust	100%	100%	100%
JMFARC ICICI Bank September 2016 Trust	15%	15%	15%
JMFARC Retail June 2011 Trust	100%	100%	100%
JMFARC Retail Aug 2011 Trust	100%	100%	100%
JMFARC Iris IIFL May 2017 Trust	100%	100%	100%
JMFARC ALHB Bank Textile June 2017 Trust	100%	100%	100%
JMFARC ALHB Bank June 2017 Trust	100%	100%	100%
JMFARC Federal Bank June 2017 Trust	100%	100%	100%
JMFARC IRIS Cash July 2017 Trust	100%	100%	100%
JMFARC Woods October 2017 Trust	100%	100%	100%
JMFARC Metallica February 2018 Trust	100%	100%	Nil
JMFARC Fabrics August 2018 I- Trust	100%	Nil	Nil
JMFARC IRIS Cash March 2018 Trust	100%	100%	Nil
JMFARC Green December 2012 Trust	100%	100%	100%
JMFARC Metallica July 2018 Trust	100%	Nil	Nil
JMFARC Federal Bank March 2013 Trust	100%	100%	100%
JMFARC Fabrics March 2019 I	100%	100%	100%
JMFARC Fabrics Sept 2018 I Trust	100%	Nil	Nil
JMFARC Fabrics Sept 2018 II Trust	100%	Nil	Nil
JMFARC Fabrics Sept 2018 IV Trust	100%	Nil	Nil
JMFARC PNB IRIS II September 2018 Trust	100%	Nil	Nil
JMFARC Fabrics June 2018 Trust	100%	Nil	Nil

Note:

All the entities considered for consolidation above are Trust formed under SARFAESI Act in India for conducting principal activities of acquisition of accounts under distressed credit business.

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b) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries

As at and for the year ended March 31, 2019

Name of the Entity	₹ in Crore					
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
Parent						
JM Financial Asset Reconstruction Company Ltd	(481.47)	(27.52%)	161.16	122.46%	161.04	122.48%
Subsidiary Trusts in India						
JMFARC - BOI 2009 I - Trust	-	0.00%	-	0.00%	-	0.00%
JMFARC -DB-ICICI- Trust	(0.38)	(0.02%)	(0.12)	(0.09%)	(0.12)	(0.09%)
JMFARC -DB-SBI- Trust	(0.22)	(0.01%)	(0.08)	(0.06%)	(0.08)	(0.06%)
JMFARC -DB-DCB- Trust	(0.06)	(0.00%)	(0.02)	(0.02%)	(0.02)	(0.02%)
JMFARC -JORD-SUUTI Trust	(0.04)	(0.00%)	(0.01)	(0.01%)	(0.01)	(0.01%)
JMFARC -Pasupati- SASF- Trust	(0.11)	(0.01%)	-	0.00%	-	0.00%
JMFARC -Central bank - Tube - Trust	(0.19)	(0.01%)	(0.07)	(0.05%)	(0.07)	(0.05%)
JMFARC -UTI - Tube - Trust	(0.05)	(0.00%)	(0.02)	(0.02%)	(0.02)	(0.02%)
JMFARC - Yarn 2010 - Trust	(0.01)	(0.00%)	(0.09)	(0.07%)	(0.09)	(0.07%)
JMFARC - SASF Tube - Trust	(0.21)	(0.01%)	(0.07)	(0.05%)	(0.07)	(0.05%)
JMFARC-UCO Bank March 2011-Trust	0.41	0.02%	(0.83)	(0.63%)	(0.83)	(0.63%)
JMFARC- Synthetic Rubber 2012- Trust	-	0.00%	-	0.00%	-	0.00%
JMFARC- Kruti 2012- Trust	-	0.00%	-	0.00%	-	0.00%
JMFARC- Kruti II 2013- Trust	-	0.00%	-	0.00%	-	0.00%
JMFARC- Textile 2013- Trust	(0.01)	(0.00%)	(0.07)	(0.05%)	(0.07)	(0.05%)
JMFARC- Corp Textile 2013- Trust	13.50	0.77%	(5.25)	(3.99%)	(5.25)	(3.99%)
JMFARC-Corp Apparel 2013-Trust	(0.01)	(0.00%)	(0.10)	(0.08%)	(0.10)	(0.08%)
JMFARC-Corp Biotech 2013-Trust	-	0.00%	(2.85)	(2.17%)	(2.85)	(2.17%)
JMFARC- Central India 2013- Trust	29.94	1.71%	-	0.00%	-	0.00%
JMFARC-Stancy Textiles 2013-Trust	-	0.00%	(0.02)	(0.02%)	(0.02)	(0.02%)
JMFARC- Dena Bank March 2014 Trust	6.70	0.38%	-	0.00%	-	0.00%
JMFARC- Gelatine March 2014 Trust	48.42	2.77%	-	0.00%	-	0.00%
JMFARC- Petro BOB 2014 Trust	0.19	0.01%	(0.30)	(0.23%)	(0.30)	(0.23%)
JMFARC- Petro UCO 2014 Trust	0.40	0.02%	(0.31)	(0.24%)	(0.31)	(0.24%)
JMFARC- Petro CBOI 2014 Trust	0.13	0.01%	(0.11)	(0.08%)	(0.11)	(0.08%)
JMFARC- ICICI Bank July 2014 Trust	0.03	0.00%	-	0.00%	-	0.00%
JMFARC- Axis Bank Cement March 2015-Trust	23.00	1.31%	-	0.00%	-	0.00%
JMFARC- ICICI Bank Cement June 2015-Trust	17.05	0.97%	-	0.00%	-	0.00%
JMFARC-United Bank Cement September 2015-Trust	27.00	1.54%	-	0.00%	-	0.00%
JMFARC -ICICI Geometric-Trust	(10.72)	(0.61%)	(27.32)	(20.76%)	(27.32)	(20.78%)
JMFARC -Axis Bank February 2016-Trust	(0.10)	(0.01%)	(0.11)	(0.08%)	(0.11)	(0.08%)
JMFARC -OBC Cement March 2016-Trust	6.21	0.36%	-	0.00%	-	0.00%
JMFARC - Indian Bank I March 2016- Trust	0.03	0.00%	(0.04)	(0.03%)	(0.04)	(0.03%)
JMFARC - Axis Iris II March 2016 Trust	9.00	0.51%	-	0.00%	-	0.00%
JMFARC SBI Geometric October 2016 Trust	27.10	1.55%	(40.11)	(30.48%)	(40.11)	(30.51%)
JMFARC - IRIS Cash 2016 - Trust	57.48	3.29%	(1.72)	(1.31%)	(1.72)	(1.31%)
JMFARC - Tata Capital December 2016 - Trust	9.87	0.56%	-	0.00%	-	0.00%
JMFARC - IDBI March 2017- Trust	2.81	0.16%	-	0.00%	-	0.00%
JMFARC - Retreat II March 2017 - Trust	54.82	3.13%	(0.72)	(0.55%)	(0.72)	(0.55%)
JMFARC - IRIS IIFL May 2017 - Trust	3.77	0.22%	(0.12)	(0.09%)	(0.12)	(0.09%)
JMFARC - IRIS Cash July 2017 - Trust	35.17	2.01%	11.71	8.90%	11.71	8.91%
JMFARC - Woods October 2017 Trust	17.40	0.99%	5.80	4.41%	5.80	4.41%
JMFARC IRIS Cash March 2018 Trust	11.55	0.66%	3.85	2.93%	3.85	2.93%
JMFARC - BOB 2008 - Trust	0.01	0.00%	(0.02)	(0.02%)	(0.02)	(0.02%)
JMFARC-SME Retail 2011-Trust	0.01	0.00%	-	0.00%	-	0.00%
JMFARC-IOB II March 2011-Trust	0.58	0.03%	-	0.00%	-	0.00%
JMFARC - Federal Bank 2013 Trust	35.50	2.03%	2.59	1.97%	2.59	1.97%

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₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
JMFARC- Corp I 2013- Trust	6.07	0.35%	-	0.00%	-	0.00%
JMFARC- Corp II 2013- Trust	0.35	0.02%	(0.67)	(0.51%)	(0.67)	(0.51%)
JMFARC - ICICI Bank September 2016 - Trust	84.73	4.84%	-	0.00%	-	0.00%
JMFARC- Allahabad Bank June 2017 Trust	4.07	0.23%	-	0.00%	-	0.00%
JMFARC - Allahabad Bank Textile June 2017 Trust	9.04	0.52%	(0.28)	(0.21%)	(0.28)	(0.21%)
JMFARC - Federal Bank June 2017 trust	94.59	5.41%	27.74	21.08%	27.74	21.10%
JMFARC - Metalics July 2018 Trust	20.80	1.19%	4.16	3.16%	4.16	3.16%
JMFARC Fabrics August 2018 I- Trust	826.18	47.23%	24.18	18.37%	24.18	18.39%
JMFARC Fabrics Sept 2018 I Trust	77.61	4.44%	2.26	1.72%	2.26	1.72%
JMFARC Fabrics Sept 2018 II Trust	55.12	3.15%	1.61	1.22%	1.61	1.22%
JMFARC Fabrics Sept 2018 IV Trust	30.90	1.77%	0.90	0.68%	0.90	0.68%
JMFARC PNB IRIS II September 2018 Trust	1.15	0.07%	-	0.00%	-	0.00%
JMFARC Fabrics June 2018 Trust	76.25	4.36%	2.22	1.69%	2.22	1.69%
JMFARC Fabrics March 2019 I	33.78	1.93%	-	0.00%	-	0.00%
JMFARC-Retail June 2011-Trust	-	0.00%	(0.82)	(0.62%)	(0.82)	(0.62%)
JMFARC-Retail Aug 2011-Trust	0.09	0.01%	-	0.00%	-	0.00%
Total	1,265.23	72.33%	165.93	126.09%	165.81	126.11%
Minority Interests in all subsidiaries	484.05	27.67%	(34.33)	(26.09%)	(34.33)	(26.11%)
JMFARC - BOI 2009 I Trust	(1.83)	(0.10%)	(0.14)	(0.11%)	(0.14)	(0.11%)
JMFARC ICICI Geometric Trust	10.72	0.61%	(34.18)	(25.97%)	(34.18)	(26.00%)
JMFARC IOB II March 2011 Trust	(4.96)	(0.28%)	(0.01)	(0.01%)	(0.01)	(0.01%)
JMFARC ICICI Bank September 2016 Trust	480.12	(27.52%)	-	-	-	-
Total	1,749.28	100.00%	131.60	100.00%	131.48	100.00%

Note:

Subsidiaries share in OCI is Nil for the year ended March 31, 2019.

As at March 31, 2018

₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
Parent						
JM Financial Asset Reconstruction Company Limited	163.13	10.01%	71.58	3457.95%	71.58	3457.95%
Subsidiary Trusts in India						
JMFARC - BOI 2009 I - Trust	-	0.00%	(6.98)	(337.20%)	(6.98)	(337.20%)
JMFARC -DB-ICICI- Trust	(0.26)	(0.02%)	(12.02)	(580.68%)	(12.02)	(580.68%)
JMFARC -DB-SBI- Trust	(0.14)	(0.01%)	(6.38)	(308.21%)	(6.38)	(308.21%)
JMFARC -DB-DCB- Trust	(0.03)	(0.00%)	(0.82)	(39.61%)	(0.82)	(39.61%)
JMFARC -JORD-SUUTI Trust	(0.03)	(0.00%)	(0.87)	(42.03%)	(0.87)	(42.03%)
JMFARC -Pasupati- SASF- Trust	(0.11)	(0.01%)	(4.57)	(220.77%)	(4.57)	(220.77%)
JMFARC -Central bank - Tube - Trust	(0.12)	(0.01%)	(5.24)	(253.14%)	(5.24)	(253.14%)
JMFARC -UTI - Tube - Trust	(0.03)	(0.00%)	(0.67)	(32.37%)	(0.67)	(32.37%)
JMFARC - Yarn 2010 - Trust	0.09	0.01%	0.10	4.83%	0.10	4.83%
JMFARC - SASF Tube - Trust	(0.15)	(0.01%)	(6.37)	(307.73%)	(6.37)	(307.73%)
JMFARC-UCO Bank March 2011-Trust	1.24	0.08%	-	0.00%	-	0.00%
JMFARC- Synthetic Rubber 2012- Trust	-	0.00%	0.01	0.48%	0.01	0.48%
JMFARC- Kruti 2012- Trust	-	0.00%	0.06	2.90%	0.06	2.90%
JMFARC - Green Dec 2012	59.86	3.67%	-	0.00%	-	0.00%
JMFARC- Kruti II 2013- Trust	-	0.00%	(8.54)	(412.56%)	(8.54)	(412.56%)

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Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
JMFARC- Textile 2013- Trust	0.06	0.00%	0.06	2.90%	0.06	2.90%
JMFARC- Corp Textile 2013- Trust	18.75	1.15%	-	0.00%	-	0.00%
JMFARC-Corp Apparel 2013-Trust	0.09	0.01%	0.09	4.35%	0.09	4.35%
JMFARC-Corp Biotech 2013-Trust	14.25	0.87%	-	0.00%	-	0.00%
JMFARC- Central India 2013- Trust	29.94	1.84%	(7.23)	(349.28%)	(7.23)	(349.28%)
JMFARC-Stancy Textiles 2013-Trust	0.02	0.00%	0.02	0.97%	0.02	0.97%
JMFARC- Dena Bank March 2014 Trust	6.70	0.41%	-	0.00%	-	0.00%
JMFARC- Gelatine March 2014 Trust	48.42	2.97%	(17.76)	(857.97%)	(17.76)	(857.97%)
JMFARC- Petro BOB 2014 Trust	3.44	0.21%	(0.75)	(36.23%)	(0.75)	(36.23%)
JMFARC- Petro UCO 2014 Trust	3.76	0.23%	(0.78)	(37.68%)	(0.78)	(37.68%)
JMFARC- Petro CBOI 2014 Trust	1.37	0.08%	(0.27)	(13.04%)	(0.27)	(13.04%)
JMFARC- ICICI Bank July 2014 Trust	0.03	0.00%	(0.24)	(11.59%)	(0.24)	(11.59%)
JMFARC- Axis Bank Cement March 2015-Trust	23.00	1.41%	(11.50)	(555.56%)	(11.50)	(555.56%)
JMFARC- ICICI Bank Cement June 2015-Trust	17.05	1.05%	(8.53)	(412.08%)	(8.53)	(412.08%)
JMFARC-United Bank Cement September 2015-Trust	27.00	1.66%	-	0.00%	-	0.00%
JMFARC -ICICI Geometric-Trust	16.60	1.02%	-	0.00%	-	0.00%
JMFARC -Axis Bank February 2016-Trust	6.26	0.38%	(4.38)	(211.59%)	(4.38)	(211.59%)
JMFARC -OBC Cement March 2016-Trust	6.21	0.38%	(1.24)	(59.90%)	(1.24)	(59.90%)
JMFARC - Indian Bank I March 2016- Trust	0.30	0.02%	(0.28)	(13.53%)	(0.28)	(13.53%)
JMFARC – Axis Iris II March 2016 Trust	9.00	0.55%	-	0.00%	-	0.00%
JMFARC SBI Geometric October 2016 Trust	67.95	4.17%	22.65	1094.20%	22.65	1094.20%
JMFARC - IRIS Cash 2016 - Trust	62.63	3.84%	(0.40)	(19.32%)	(0.40)	(19.32%)
JMFARC - Tata Capital December 2016 - Trust	9.87	0.61%	3.29	158.94%	3.29	158.94%
JMFARC – IDBI March 2017- Trust	3.00	0.18%	-	0.00%	-	0.00%
JMFARC – Retreat II March 2017 – Trust	56.98	3.50%	19.04	919.81%	19.04	919.81%
JMFARC - IRIS IIFL May 2017 - Trust	4.14	0.25%	1.39	67.15%	1.39	67.15%
JMFARC - IRIS Cash July 2017 - Trust	25.39	1.56%	0.04	1.93%	0.04	1.93%
JMFARC - Woods October 2017 Trust	15.78	0.97%	-	0.00%	-	0.00%
JMFARC- Metallica February 2018- Trust	131.71	8.08%	-	0.00%	-	0.00%
JMFARC IRIS Cash March 2018 Trust	7.84	0.48%	-	0.00%	-	0.00%
JMFARC – BOB 2008 – Trust	0.02	0.00%	(0.15)	(7.25%)	(0.15)	(7.25%)
JMFARC-SME Retail 2011-Trust	0.01	0.00%	-	0.00%	-	0.00%
JMFARC-IOB II March 2011-Trust	0.58	0.04%	(14.63)	(706.76%)	(14.63)	(706.76%)
JMFARC -Federal Bank 2013 Trust	38.08	2.34%	-	0.00%	-	0.00%
JMFARC- Corp I 2013- Trust	6.07	0.37%	-	0.00%	-	0.00%
JMFARC- Corp II 2013- Trust	5.09	0.31%	(0.14)	(6.76%)	(0.14)	(6.76%)
JMFARC - ICICI Bank September 2016 - Trust	85.55	5.25%	-	0.00%	-	0.00%
JMFARC - Allahabad Bank June 2017 Trust	4.07	0.25%	1.36	65.70%	1.36	65.70%
JMFARC - Allahabad Bank Textile June 2017 Trust	9.89	0.61%	3.30	159.42%	3.30	159.42%
JMFARC - Federal Bank June 2017 trust	114.76	7.05%	(0.98)	(47.34%)	(0.98)	(47.34%)
JMFARC-Retail June 2011-Trust	0.81	0.05%	0.82	39.61%	0.82	39.61%
JMFARC-Retail Aug 2011-Trust	0.10	0.01%	0.10	4.83%	0.10	4.83%
Total	1,106.02	67.89%	2.19	105.80%	2.19	105.80%
Minority Interests in all subsidiaries	523.04	32.11%	(0.12)	(5.80%)	(0.12)	(5.80%)
JMFARC BOI 2009 I Trust	(1.69)	(0.10%)	(0.11)	(5.31%)	(0.11)	(5.31%)
JMFARC ICICI Geometric Trust	44.90	2.76%	-	0.00%	-	0.00%
JMFARC IOB II March 2011 Trust	(4.95)	(0.30%)	(0.01)	(0.48%)	(0.01)	(0.48%)
JMFARC ICICI Bank September 2016 Trust	484.78	29.76%	-	0.00%	-	0.00%
Total	1,629.06	100.00%	2.07	100.00%	2.07	100.00%

Note:

Subsidiaries share in OCI is Nil for the year ended March 31, 2018.

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As at April 1, 2017

₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities	
	₹ in Crore	As % of consolidated net assets
Parent		
JM Financial Asset Reconstruction Company Limited	125.63	9.62%
Subsidiaries in India		
JMFARC - BOI 2009 I - Trust	6.98	0.53%
JMFARC -DB-ICICI- Trust	11.76	0.90%
JMFARC -DB-SBI- Trust	6.24	0.48%
JMFARC -DB-DCB- Trust	0.79	0.06%
JMFARC -JORD-SUUTI Trust	0.84	0.06%
JMFARC -Pasupati- SASF- Trust	4.47	0.34%
JMFARC -Central bank - Tube - Trust	5.12	0.39%
JMFARC -UTI - Tube - Trust	0.64	0.05%
JMFARC - Yarn 2010 - Trust	-	0.00%
JMFARC - SASF Tube - Trust	6.22	0.48%
JMFARC-UCO Bank March 2011-Trust	1.24	0.09%
JMFARC- Synthetic Rubber 2012- Trust	(0.01)	(0.00%)
JMFARC- Kruti 2012- Trust	(0.01)	(0.00%)
JMFARC- Kruti II 2013- Trust	42.26	3.24%
JMFARC- Textile 2013- Trust	-	0.00%
JMFARC- Corp Textile 2013- Trust	18.75	1.44%
JMFARC-Corp Apparel 2013-Trust	-	0.00%
JMFARC-Corp Biotech 2013-Trust	14.25	1.09%
JMFARC- Central India 2013- Trust	37.17	2.85%
JMFARC-Stancy Textiles 2013-Trust	-	0.00%
JMFARC- Dena Bank March 2014 Trust	6.70	0.51%
JMFARC- Gelatine March 2014 Trust	68.82	5.27%
JMFARC- Petro BOB 2014 Trust	6.54	0.50%
JMFARC- Petro UCO 2014 Trust	6.96	0.53%
JMFARC- Petro CBOI 2014 Trust	2.53	0.19%
JMFARC- ICICI Bank July 2014 Trust	0.81	0.06%
JMFARC- Axis Bank Cement March 2015-Trust	34.50	2.64%
JMFARC- ICICI Bank Cement June 2015-Trust	25.58	1.96%
JMFARC-United Bank Cement September 2015-Trust	27.00	2.07%
JMFARC -ICICI Geometric-Trust	16.60	1.27%
JMFARC -Axis Bank February 2016-Trust	13.13	1.01%
JMFARC -OBC Cement March 2016-Trust	7.46	0.57%
JMFARC - Indian Bank I March 2016- Trust	1.50	0.11%
JMFARC - Axis Iris II March 2016 Trust	9.00	0.69%
JMFARC SBI Geometric October 2016 Trust	45.30	3.47%
JMFARC - IRIS Cash 2016 - Trust	63.93	4.90%
JMFARC - Tata Capital December 2016 - Trust	8.69	0.67%
JMFARC - IDBI March 2017- Trust	3.00	0.23%
JMFARC - Retreat II March 2017 - Trust	39.40	3.02%
JMFARC - BOB 2008 - Trust	0.18	0.01%
JMFARC-SME Retail 2011-Trust	0.01	0.00%
JMFARC-IOB II March 2011-Trust	15.21	1.16%
JMFARC- Corp I 2013- Trust	6.06	0.46%
JMFARC- Corp II 2013- Trust	5.78	0.44%
JMFARC - ICICI Bank September 2016 - Trust	85.55	6.55%
JMFARC-Retail June 2011-Trust	-	0.00%
JMFARC-Retail Aug 2011-Trust	-	0.00%
Total	782.58	59.93%
Minority Interests in all subsidiaries	523.16	40.07%
JMFARC BOI 2009 I Trust	(1.58)	(0.12%)
JMFARC ICICI Geometric Trust	44.90	3.44%
JMFARC IOB II March 2011 Trust	(4.94)	(0.38%)
JMFARC ICICI Bank September 2016 Trust	484.78	37.13%
Total	1,305.74	100.00%

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46 Details of non-wholly owned subsidiaries that have material non-controlling interest

- a) The table below shows details of non-wholly owned subsidiaries of the Company that have material non-controlling interests:

₹ in Crore

Name of the subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests			Profit/ (loss) allocated to non-controlling interests		Accumulated non-controlling interests		
		For the year March 31, 2019	For the year March 31, 2018	For the year April 1, 2017	For the year March 31, 2019	For the year March 31, 2018	For the year March 31, 2019	For the year March 31, 2018	For the year April 1, 2017
JMFARC BOI 2009 I Trust	India	62.62%	62.62%	62.62%	(0.14)	(0.11)	(1.83)	(1.69)	(1.58)
JMFARC ICICI Geometric Trust (refer note 1)	India	85.00%	85.00%	85.00%	(34.18)	-	10.72	44.90	44.90
JMFARC IOB II March 2011 Trust	India	50.44%	50.44%	50.44%	(0.01)	(0.01)	(4.96)	(4.95)	(4.94)
JMFARC ICICI Bank September 2016 Trust	India	85.00%	85.00%	85.00%	-	-	480.12	484.78	484.78
Total					(34.33)	(0.12)	484.05	523.04	523.16

46.1 Profit/ (loss) allocated to non-controlling interest in respect of JMFARC ICICI Geometric Trust for the year ended March 31, 2019 is ₹ 52.28 less ₹ 18.10 representing deferred tax asset created while preparing consolidated financial statement.

- b) Summarized financial information in respect of each of the Company's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intra-Company eliminations:

₹ in Crore

Particulars	JMFARC BOI 2009 I Trust			JMFARC ICICI Geometric Trust		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Financial assets	#	#	6.98	5.51	66.05	66.04
Non-financial assets	-	-	-	-	-	-
Financial liabilities	1.83	1.69	1.58	5.50	4.55	4.53
Non-financial liabilities	#	0.01	#	#	#	#
Equity attributable to owners of the Company	#	#	6.98	-	16.60	16.60
Non-controlling interests	(1.83)	(1.69)	(1.58)	-	44.90	44.90
	Current year	Previous year		Current year	Previous year	
Revenue	-	-		-	0.01	
Expenses	0.14	7.09		61.50	0.01	
Tax Expenses	-	-		-	-	
Profit for the year	(0.14)	(7.09)		(61.50)	-	
Profit attributable to owners of the Company	-	(6.98)		(9.22)	-	
Profit attributable non-controlling interests	(0.14)	(0.11)		(52.28)	-	
Profit for the year	(0.14)	(7.09)		(61.50)	-	
Other comprehensive income attributable to owners of the Company	-	-		-	-	
Other comprehensive income attributable to non-controlling interests	-	-		-	-	
Other comprehensive income for the year	-	-		-	-	
Total comprehensive income attributable to owners of the Company	-	(6.98)		(9.22)	-	
Total comprehensive income attributable to non-controlling interests	(0.14)	(0.11)		(52.28)	-	
Total comprehensive income for the year	(0.14)	(7.09)		(61.50)	-	
Dividend paid to non-controlling interests	-	-		-	-	
Net cash inflow/ outflow from operating activities	-	-		(0.57)	0.01	
Net cash inflow/ outflow from investing activities	-	-		0.57	(0.01)	
Net cash inflow/ outflow from financing activities	-	-		-	-	
Net cash inflow/ (outflow)	-	-		-	-	

Denotes amount less than ₹ 50,000

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₹ in Crore

Particulars	JMFARC IOB II March 2011 Trust			JMFARC ICICI Bank September 2016 Trust		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Financial assets	0.02	0.02	10.91	564.90	570.34	587.09
Non-financial assets	-	-	-	-	-	-
Financial liabilities	0.62	0.64	0.64	0.01	-	16.76
Non-financial liabilities	#	#	#	0.04	#	#
Equity attributable to owners of the Company	4.35	4.34	15.21	84.73	85.55	85.55
Non-controlling interests	(4.96)	(4.95)	(4.94)	480.12	484.78	484.78
	Current year	Previous year		Current year	Previous year	
Revenue	-	-		17.72	24.06	
Expenses	0.01	14.64		17.72	24.06	
Tax Expenses	-	-		-	-	
Profit for the year	(0.01)	(14.64)		-	-	
Profit attributable to owners of the Company	-	(14.63)		-	-	
Profit attributable non-controlling interests	(0.01)	(0.01)		-	-	
Profit for the year	(0.01)	(14.64)		-	-	
Other comprehensive income attributable to owners of the Company	-	-		-	-	
Other comprehensive income attributable to non-controlling interests	-	-		-	-	
Other comprehensive income for the year	-	-		-	-	
Total comprehensive income attributable to owners of the Company	-	(14.63)		-	-	
Total comprehensive income attributable to non-controlling interests	(0.01)	(0.01)		-	-	
Total comprehensive income for the year	(0.01)	(14.64)		-	-	
Dividend paid to non-controlling interests	-	-		-	-	
Net cash inflow/ outflow from operating activities	(0.03)	-		(17.62)	(40.87)	
Net cash inflow/ outflow from investing activities	0.03	-		8.11	55.88	
Net cash inflow/ outflow from financing activities	-	-		(5.47)	-	
Net cash inflow/ (outflow)	-	-		14.98	15.01	

Denotes amount less than ₹ 50,000

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to the Consolidated Financial Statements

47 Maturity Analysis of Assets and Liabilities

₹ in Crore

	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
1 Financial Assets									
(a) Cash and cash equivalents	161.42	-	161.42	43.93	-	43.93	33.48	-	33.48
(b) Other bank balances	0.73	0.76	1.49	-	0.76	0.76	-	0.76	0.76
(c) Trade receivables (net)	141.81	-	141.81	123.86	-	123.86	157.06	-	157.06
(d) Loans (net)	255.96	229.75	485.71	40.24	221.26	261.50	15.50	44.47	59.97
(e) Investments	857.06	571.27	1,428.33	179.71	1,072.96	1,252.67	77.30	1091.41	1,168.71
(f) Other financial assets of ARC Trusts	686.82	1584.06	2,270.88	168.94	1,293.85	1,462.79	139.59	1087.96	1,227.55
2 Non-financial Assets									
(a) Current tax Assets (Net)	-	5.26	5.26	-	4.66	4.66	-	1.16	1.16
(b) Property, Plant and Equipment	-	1.55	1.55	-	1.52	1.52	-	2.17	2.17
(c) Other Intangible assets	-	0.14	0.14	-	0.18	0.18	-	0.29	0.29
(d) Other non-financial assets	1.85	1.63	3.48	-	0.88	0.88	-	0.23	0.23
Total Assets	2,105.65	2,394.42	4,500.07	556.68	2,596.07	3,152.75	422.93	2,228.45	2,651.38
LIABILITIES AND EQUITY									
LIABILITIES									
1 Financial Liabilities									
(a) Trade payables	2.08	-	2.08	0.80	-	0.80	0.90	-	0.90
(b) Debt securities	809.74	1,289.40	2,099.14	425.26	627.07	1,052.33	569.87	363.79	933.66
(c) Borrowings (Other than debt securities)	219.75	200.21	419.96	130.77	227.53	358.30	264.09	-	264.09
(d) Other financial liabilities	167.92	9.41	177.33	20.48	6.18	26.66	17.45	2.97	20.42
2 Non-Financial Liabilities									
(a) Current tax liabilities (net)	-	22.56	22.56	-	6.65	6.65	-	-	-
(b) Provisions	0.82	1.16	1.98	0.68	0.98	1.66	0.70	0.69	1.39
(c) Deferred tax liabilities (Net)	-	7.30	7.30	-	51.03	51.03	-	99.57	99.57
(d) Other non-financial liabilities	19.36	1.08	20.44	24.40	1.86	26.26	24.94	0.67	25.61
Total liabilities	1,219.67	1,531.12	2,750.79	602.39	921.30	1,523.69	877.95	467.69	1,345.64

48 Schedule of security receipts

₹ in Crore

Name of Trust	As on March 31, 2019		As on March 31, 2018		As on April 1, 2017	
	No. of SRs	Amount	No. of SRs	Amount	No. of SRs	Amount
Investment in Trust Security receipts at fair value						
JMFARC - BOI 2009 - Trust	48,600	-	48,600	-	48,600	1.22
JMFARC-Swarna 2011-Trust	1,24,600	-	1,24,600	-	1,24,600	-
JMFARC-Swarna 2011-Trust	72,199	3.61	72,199	7.22	72,199	7.22
JMFARC- Swarna II 2012- Trust	66,200	6.24	66,200	6.24	66,200	6.24
JMFARC- Swarna II 2012- Trust	12,500	0.94	12,500	1.25	12,500	1.25
JMFARC- Media 2013- Trust	12,500	-	12,500	-	12,500	1.10
JMFARC- Media II 2013- Trust	34,030	-	34,030	-	34,030	3.40
JMFARC- Fed Textile 2013 Trust	8,820	0.44	8,820	0.66	8,820	0.66
JMFARC-BOI Textile 2013-Trust	41,000	1.03	41,000	1.64	41,000	1.64
JMFARC- OBC March 2014 Trust	34,500	2.07	34,500	2.07	34,500	2.59
JMFARC- Fed Gelatine March 2014 Trust	17,500	0.44	17,500	1.31	17,500	1.75
JMFARC- OBC March 2014 II Trust	4,760	0.32	4,760	0.43	4,760	0.44
JMFARC- UBOI March 2014 Trust	66,750	4.34	66,750	5.01	66,750	5.01
JMFARC- SBI Ceramics June 2014 Trust	1,56,000	6.14	1,56,000	6.14	1,56,000	7.68
JMFARC- Indian Bank June 2014 Trust	32,200	2.25	32,200	2.42	32,200	2.42
JMFARC- Vijaya Bank June 2014 Trust	25,360	1.78	25,360	1.90	25,360	1.27
JMFARC- Hotels June 2014 Trust	3,29,099	0.29	44,56,592	56.53	44,56,592	138.37
JMFARC- Hotels June 2014 Trust	20,71,631	145.01	20,71,631	186.45	20,71,631	186.45
JMFARC- Central Bank of India June 2014 Trust	32,000	#	32,000	2.42	32,000	3.20
JMFARC- CSB Ceramics September 2014 Trust	32,625	2.45	32,625	2.45	32,625	3.26
JMFARC- LVB Ceramics September 2014 Trust	27,900	2.09	27,900	2.09	27,900	2.79
JMFARC-SBOP Ceramics December 2014-Trust	11,850	0.89	11,850	0.89	11,850	1.19
JMFARC-SBH Ceramics December 2014-Trust	60,000	4.50	60,000	4.50	60,000	6.00

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₹ in Crore

Name of Trust	As on March 31, 2019		As on March 31, 2018		As on April 1, 2017	
	No. of SRs	Amount	No. of SRs	Amount	No. of SRs	Amount
JMFARC-SBT Ceramics March 2015-Trust	23,250	1.74	23,250	1.74	23,250	2.33
JMFARC-SBI Steel March 2015-Trust	93,150	4.19	93,150	4.66	93,150	9.32
JMFARC- SBM Ceramics March 2015-Trust	12,750	0.96	12,750	0.96	12,750	1.28
JMFARC- Karnataka Bank Cement March 2015-Trust	49,500	4.95	49,500	6.19	49,500	6.19
JMFARC- Vijaya Bank Ceramics March 2015-Trust	27,000	2.16	27,000	2.16	27,000	2.70
JMFARC - SBH Cement June 2015 - Trust	66,000	4.95	66,000	6.60	66,000	6.60
JMFARC-United Bank Textile September 2015-Trust	27,075	2.71	27,075	2.71	27,075	2.71
JMFARC-PNB Ceramics November 2015-Trust	4,01,640	30.12	4,01,640	30.12	4,01,640	40.16
JMFARC-Corp Bank Ceramics September 2015-Trust	46,065	4.61	46,065	4.61	46,065	4.61
JMFARC -SBOP Geometric-Trust	61,560	0.21	61,560	9.23	61,560	9.23
JMFARC -Dena Ceramics January 2016-Trust	15,750	1.58	15,750	1.58	15,750	2.36
JMFARC - UBOI Steel March 2016 - Trust	63,000	3.97	63,000	3.15	63,000	6.30
JMFARC -OBC March 2016-Trust	72,000	7.58	72,000	7.92	72,000	7.92
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	5.43	57,180	5.43	57,180	8.58
JMFARC - EXIM Ceramics March 2016 - Trust	17,101	1.71	17,101	1.71	17,101	2.57
JMFARC - UCO Geometric March 2016 - Trust	88,965	0.12	88,965	13.34	88,965	13.34
JMFARC - KVB Iris II March 2016 - Trust	37,500	5.63	37,500	5.63	37,500	5.63
JMFARC - Indian Bank March 2016- Trust	97,515	1.57	97,515	2.19	97,515	11.70
JMFARC - IOB March 2016- Trust	50,250	5.03	50,250	5.03	50,250	5.03
JMFARC-Iris March 2016-Trust	10,00,165	147.38	10,00,165	147.66	10,00,165	150.02
JMFARC-Exim Iris March 2016-Trust	60,000	9.00	60,000	9.00	60,000	9.00
JMFARC - Axis Iris March 2016 Trust	1,50,000	22.50	1,50,000	22.50	1,50,000	22.50
JMFARC - KB Metals September 2016 - Trust	22,500	2.25	22,500	2.25	22,500	2.25
JMFARC - Andhra Resin September 2016 - Trust	37,605	#	37,605	0.01	37,605	3.76
JMFARC - Dena SEZ September 2016 - Trust	7,335	0.73	7,335	0.73	7,335	0.73
JMFARC - IDBI Geometric Dec 2016 - Trust	41,250	0.33	41,250	6.19	41,250	4.13
JMFARC - IRIS December 2016 - Trust	31,110	4.67	31,110	4.67	31,110	4.67
JMFARC-IRIS UBOI December 2016 - Trust	16,005	2.40	16,005	2.40	16,005	2.08
JMFARC-IRIS PNB January 2017 - Trust	41,550	6.18	41,550	6.18	41,550	6.23
JMFARC - IOB CHN March 2017 - Trust	37,500	3.75	37,500	3.75	37,500	3.75
JMFARC - IOB Ceramics March 2017 - Trust	33,000	2.48	33,000	2.48	33,000	3.30
JMFARC-IRIS United March 2017 - Trust	66,900	9.75	66,900	9.75	66,900	6.69
JMFARC - SBP March 2017 - Trust	31,665	2.60	31,665	3.17	31,665	3.17
JMFARC - IRIS UCO March 2017 - Trust	38,310	5.71	38,310	5.71	38,310	3.83
JMFARC - SBP Retreat March 2017 - Trust	77,600	7.76	77,600	7.76	77,600	7.76
JMFARC - SBI Retreat March 2017 - Trust	1,66,800	16.68	1,66,800	16.68	1,66,800	16.68
JMFARC - SBI Tollways March 2017 - Trust	1,53,000	10.81	1,53,000	13.39	1,53,000	15.30
JMFARC-Karnataka Bank September 2017-Trust	20,310	2.25	20,310	2.03	-	-
JMFARC- Syndicate Ceramics September 2017 Trust	1,25,250	9.39	1,25,250	9.39	-	-
JMFARC - Allahabad Bank December 2017 Trust	76,275	7.63	76,275	7.63	-	-
JMFARC - Motors December 2017 Trust	94,500	6.33	94,500	9.45	-	-
JMFARC- IOB Metallica February 2018- Trust	3,60,000	39.60	3,60,000	36.00	-	-
JMFARC - Township February 2018 Trust	4,80,000	48.00	4,80,000	48.00	-	-
JMFARC- Metallica February 2018- Trust	1,98,375	24.56	-	-	-	-
JMFARC IRIS Canara March 2018 Trust	18,225	2.73	18,225	1.82	-	-
JMFARC IDBI March 2018 Trust	60,000	5.93	60,000	6.00	-	-
JMFARC - Alphahealth 2018 - Trust	11,91,000	297.88	-	-	-	-
JMFARC - Fabrics August 2018 II - Trust	3,80,000	39.14	-	-	-	-
JMFARC - Fabrics September 2018 III - Trust	40,200	4.14	-	-	-	-
JMFARC- Metallica November 2018- Trust	1,03,725	12.97	-	-	-	-
JMFARC - Metallica December 2018 - Trust	1,08,000	13.50	-	-	-	-
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	4.77	-	-	-	-
JMFARC - KTK Metallica December 2018 - Trust	55,500	6.94	-	-	-	-
JMFARC - Infra March 2019 - Trust	60,000	6.00	-	-	-	-
JMFARC - UCO Bank 2010 - Trust	31,500	-	31,500	-	31,500	-
JMFARC-IOB March 2011-Trust	2,80,000	-	2,80,000	-	2,80,000	28.10
JMFARC-IOB March 2011-Trust	96,500	-	96,500	-	96,500	-

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₹ in Crore

Name of Trust	As on March 31, 2019		As on March 31, 2018		As on April 1, 2017	
	No. of SRs	Amount	No. of SRs	Amount	No. of SRs	Amount
JMFARC- UCO Bank March 2014 Trust	4,62,500	21.25	4,62,500	27.91	4,62,500	28.41
JMFARC- SBI March 2014 I Trust	1,73,750	8.81	1,73,750	9.33	1,73,750	9.33
JMFARC- SBI March 2014 II Trust	45,250	1.79	45,250	2.54	45,250	3.39
JMFARC- Cosmos March 2014 Trust	1,54,500	7.05	1,54,500	8.78	1,54,500	9.12
JMFARC- Indian Bank March 2014 Trust	44,500	1.78	44,500	3.34	44,500	3.34
JMFARC- BOI March 2014 II Trust	2,15,750	13.43	2,15,750	16.18	2,15,750	16.18
JMFARC- OBC June 2014 Trust	8,915	0.67	8,915	1.11	8,915	1.11
JMFARC- UBOI June 2014 Trust	59,915	1.50	59,915	1.50	59,915	1.50
JMFARC-Karnataka Bank December 2014-Trust	1,72,500	10.83	1,72,500	10.83	1,72,500	13.82
JMFARC-CSB September 2015-Trust	63,000	6.22	63,000	7.91	63,000	8.79
JMFARC-PNB December 2015- Trust	24,765	1.44	24,765	3.10	24,765	2.48
JMFARC-SBH December 2015-Trust	73,380	7.34	73,380	11.01	73,380	11.01
JMFARC - KVB March 2016-Trust	3,55,095	32.01	3,55,095	35.51	3,55,095	35.51
JMFARC - Federal Bank March 2016 – Trust	73,350	6.43	73,350	6.66	73,350	7.31
JMFARC - PAN INDIA 2016 - Trust	15,46,908	154.69	15,46,908	154.67	15,46,908	154.69
JMFARC - PNB March 2017 - Trust	2,22,075	14.99	2,22,075	16.72	2,22,075	22.19
JMFARC - SBT March 2017 - Trust	55,875	4.19	55,875	5.57	55,875	5.57
JMFARC- Federal Bank March 2013- Trust	-	-	-	-	70,000	3.50
JMFARC- Green December 2012- Trust	4,78,900	-	-	-	23,945	2.97
JMFARC - LTF June 2017 – Trust	6,00,000	44.79	6,00,000	59.07	-	-
JMFARC-Central Bank Retail 2011-Trust	88,872	0.64	88,872	0.75	88,872	0.83
Total		1,400.64		1,173.67		1,168.71

49 The financial statements were approved for issue by the Board of Directors on April 30, 2019

For and on behalf of the Board of Directors

V P Shetty
Chairman
DIN – 00021773

Rupa Vora
Chairperson-
Audit Committee
DIN – 01831916

Anil Bhatia
Managing Director &
Chief Executive Officer
DIN – 01310959

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date: April 30, 2019

Independent Auditor's Report

To the Members of JM Financial Asset Reconstruction Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **JM Financial Asset Reconstruction Company Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flows Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit, total comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters, were addressed in the context of our audit of the standalone financial statements as a whole, and

in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Application of new Accounting Standards (refer note 4 to the standalone financial statements)

Key Audit Matter Description

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 in terms of the Companies (Indian Accounting Standards) (Amendment) Rules, 2015. The transition date balance sheet as on April 1, 2017 and the comparative financial statements for the year ended March 31, 2018 included in these standalone Ind AS financial statements, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS. The application of mandatory and optional transitional adjustment involves significant level of judgment by the management and there is a significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.

How the Key Audit Matter was Addressed in the Audit

- Obtained an understanding of the management's process and tested internal controls in respect of identification and application of the differences between the existing accounting policies and the requirements under Ind AS.
- Evaluated the completeness of the adjustments identified by the management in terms of requirements of Ind AS.
- Verified the basis and calculations of the material adjustments viz. fair valuation of certain financial assets, application of expected credit loss model and consolidation of certain entities.

B. Investments in Security Receipts in respect of ARC carried at fair value (refer note 9 to the standalone financial statements)

Key Audit Matter Description

The Company has made investments in security receipts in Trusts formed under distressed credit business aggregating to ₹ 1,400.64 Crore as at March 31, 2019 carried at fair value:

The valuation of these investments are based on a recovery range provided by the External Rating Agency and other unobservable inputs. These assets classified as level 3 in valuation hierarchy are not actively traded and their values can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flow, collateral values and other assumptions. In view of the complexities and significant

Independent Auditor's Report (Contd.)

judgements involved we have considered the valuation of these investments as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed in respect these investments included following:

- Tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates.
- For selected samples:
 - o Analyzed reasonableness of the determination of the appropriate recovery rate and estimated cash flows;
 - o Compared the management's assumption of discount rate with the supporting internal/external evidence;
 - o Compared the historical estimates of the cash flows with the actual recoveries and obtain explanations for the variations, if any.

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 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 during the course of our 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 Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flow and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements

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

Other Matter

The comparative financial information of the Company for transition date opening balance sheet as at April 1, 2017 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by the predecessor auditor whose report for the year ended March 31, 2017 dated April 21, 2017 expressed an unmodified opinion on this standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flows Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor's Report (Contd.)

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations 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's Registration No.117366W/W-100018)

G. K. Subramaniam

Partner

(Membership No. 109839)

Mumbai, dated: April 30, 2019

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 Asset Reconstruction Company Limited (the "Company") as at March 31, 2019 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

Independent Auditor's Report (Contd.)

financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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)

G. K. Subramaniam
Partner
(Membership No. 109839)

Mumbai, dated: April 30, 2019

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) All fixed assets were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - 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 provided to us, we report that, the title deeds, comprising of 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 the Order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted loans, made investments or provided guarantees which requires compliance with the provisions of Section 185 and 186 of the Act and hence reporting under clause (iv) of the Order is not applicable to the Company.
- (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 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, Customs Duty, Cess and other material statutory dues where applicable, to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (b) There are no dues of Income-tax, Goods and Services Tax and Customs Duty as on March 31, 2019 on account of disputes.
- (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. The Company has not raised monies by way of initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone 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 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 Act are not applicable.
- (xvi) The Company being a Securitisation and Reconstruction Company ('SCRC') under Securitisation & Reconstruction of Financial Assets & Enforcement of Securities Interest Act, 2002, it is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No.117366W/W-100018)

G. K. Subramaniam

Partner
(Membership No. 109839)

Mumbai, dated: April 30, 2019

Standalone Balance Sheet

as at 31st March, 2019

₹ in Crore

Sr. No	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS					
(I) Financial Assets					
(a)	Cash and cash equivalents	5	154.59	13.51	17.12
(b)	Bank Balance other than (a) above	6	1.49	0.76	0.76
(c)	Trade Receivables	7	135.38	114.17	174.27
(d)	Loans	8	485.71	261.50	59.97
(e)	Investments	9	2,997.92	2,027.37	1,695.23
(f)	Other Financial assets	10	39.25	18.67	30.99
	Total Financial Assets (I)		3814.34	2,435.98	1,978.34
(II) Non-financial Assets					
(a)	Current tax assets (net)	11	5.26	4.66	1.16
(b)	Deferred tax assets (net)	12	36.98	-	-
(c)	Property, Plant and Equipment	13	1.55	1.52	2.17
(d)	Intangible assets	14	0.14	0.18	0.29
(e)	Other non-financial assets	15	3.48	0.88	0.23
	Total Non-financial Assets (II)		47.41	7.24	3.85
	Total Assets (I+II)		3,861.75	2,443.22	1,982.19
LIABILITIES AND EQUITY					
LIABILITIES					
(I) Financial Liabilities					
(a)	Payables				
	(I) Trade Payables	16			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.93	0.70	0.82
(b)	Debt Securities	17	2099.14	1052.33	933.66
(c)	Borrowings (Other than Debt Securities)	18	419.96	358.30	264.09
(d)	Other financial liabilities	19	171.67	17.70	10.53
	Total Financial Liabilities (I)		2,692.70	1,429.03	1,209.10
(II) Non-Financial Liabilities					
(a)	Current tax liabilities (net)	20	22.56	6.65	-
(a)	Provisions	21	1.98	1.66	1.39
(b)	Deferred tax liabilities (net)	12	-	0.39	50.90
(c)	Other non-financial liabilities	22	19.93	24.64	19.98
	Total Non-Financial Liabilities (II)		44.47	33.34	72.27
(III) Equity					
(a)	Equity Share capital	23	344.64	344.64	241.25
(b)	Other Equity	24	779.94	636.21	459.57
	Total Equity (III)		1,124.58	980.85	700.82
	Total Liabilities and Equity (I+II+III)		3,861.75	2,443.22	1,982.19

The accompanying notes from an integral part of the standalone financial statements. 1 to 54

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner
Membership No. 109839

V P Shetty
Chairman
DIN – 00021773

Rupa Vora
Chairperson-
Audit Committee
DIN – 01831916

Anil Bhatia
Managing Director &
Chief Executive Officer
DIN – 01310959

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date: April 30, 2019

Standalone Statement of Profit and Loss

for the year ended 31st March, 2019

₹ in Crore

Sr No	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Revenue from operations			
(a)	Interest Income	25	128.77	44.91
(b)	Fees and Incentives	26	243.98	260.21
(c)	Net gain on derecognition of securities receipts	27	218.60	26.25
	Total Revenue from operations (I)		591.35	331.37
II.	Other income	28	0.60	0.68
III.	Total Income (I+II)		591.95	332.05
IV.	Expenses:			
(a)	Finance costs	29	215.75	119.10
(b)	Net loss on fair value changes	30	62.14	98.14
(c)	Impairment on financial instruments	31	48.85	56.08
(d)	Employee benefits expense	32	35.91	30.09
(e)	Depreciation and amortization expense	13 & 14	0.92	1.12
(f)	Other Expenses	33	16.10	14.71
	Total expenses (IV)		379.67	319.24
V.	Profit before Tax (III-IV)		212.28	12.81
VI.	Less: Tax expense			
	Current tax		105.70	61.81
	Deferred tax		(37.38)	(50.42)
	Earlier year tax adjustments		0.11	0.40
	Total tax expenses (VI)	34	68.43	11.79
VII.	Profit for the period (V-VI)		143.85	1.02
VIII.	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit & loss		(0.19)	#
	(ii) Income tax relating to items that will be reclassified to profit or loss		0.07	#
	Total other comprehensive income		(0.12)	(#)
IX.	Total Comprehensive Income for the year (VII+VIII)		143.73	1.02
X.	Earnings per equity share (Face value of ₹.. 10/- each)			
	Basic / Diluted (in Rupees)	35	4.17	0.04
The accompanying notes from an integral part of the standalone financial statements.		1 to 54		

denotes amount below ₹ 50,000

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

G. K. Subramaniam
Partner
Membership No. 109839

V P Shetty
Chairman
DIN – 00021773

Rupa Vora
Chairperson-
Audit Committee
DIN – 01831916

Anil Bhatia
Managing Director &
Chief Executive Officer
DIN – 01310959

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date: April 30, 2019

Statement of Changes in Equity

as at 31st March, 2019

A. Equity share capital

₹ in Crore

Particulars	Balance as at April 1, 2017	Changes in equity share capital during the year	Balance at March 31, 2018	Changes in equity share capital during the year	Balance at March 31, 2019
Equity Share Capital	241.25	103.39	344.64	-	344.64

B. Other Equity

₹ in Crore

Particulars	Reserves and Surplus		Total Other Equity
	Securities Premium	Retained earnings/ (accumulated deficit)	
Balance at April 1, 2017	18.72	440.85	459.57
Profit for the year	-	1.02	1.02
Issue of shares	175.62	-	175.62
Other comprehensive income	-	(#)	(#)
Balance at March 31, 2018	194.34	441.87	636.21
Profit for the year	-	143.85	143.85
Other comprehensive income	-	(0.12)	(0.12)
Balance at March 31, 2019	194.34	585.60	779.94

denotes amount below ₹ 50,000

The accompanying notes from an integral part of the standalone financial statements.

1 to 54

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

G. K. Subramaniam

Partner

Membership No. 109839

V P Shetty

Chairman

DIN – 00021773

Rupa Vora

Chairperson-

Audit Committee

DIN – 01831916

Anil Bhatia

Managing Director &

Chief Executive Officer

DIN – 01310959

Vineet Singh

Company Secretary

Sabyasachi Ray

Chief Financial Officer

Place : Mumbai

Date: April 30, 2019

Cash Flow Statement

for the year ended 31st March, 2019

₹ in Crore

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities:		
Profit before tax	212.28	12.81
Adjustment for:		
Depreciation and amortization expenses	0.92	1.12
Net loss on fair value changes	62.14	98.14
Provision for gratuity and compensated absences	0.32	0.26
Impairment on financial investments	48.85	56.08
Gain on sale of fixed assets	#	-
Interest income on fixed deposits	(0.59)	(0.66)
Operating profit before working capital changes	323.92	167.75
Adjustment for:		
(Increase)/decrease in trade receivables	(37.56)	63.28
(Increase) in Loans	(230.05)	(202.92)
(Increase) / Decrease Other Financial Assets	(20.58)	12.32
(Increase) Other Non-Financial Assets	(2.60)	(0.65)
(increase) in Other Bank Balances	(0.73)	-
Increase/(decrease) Trade Payable	1.23	(0.13)
Increase Other Financial Liability	153.76	7.19
Increase/(decrease) Other non-financial liabilities	(4.70)	4.66
Cash generated from operations	182.70	51.50
Direct taxes paid	(90.50)	(59.16)
Net cash inflow/(outflow) from operating activities	92.20	(7.66)
B Cash flow from investing activities		
Investments in Security Receipts	(1,059.30)	(390.66)
Investment in equity	-	(97.50)
Purchase of fixed assets	(0.91)	(0.36)
Sale of fixed assets	#	-
Interest Income	0.59	0.66
Net cash (outflow) from investment activities	(1,059.62)	(487.86)
C Cash flow from financing activities		
Proceeds from issue of shares (including security premium)	-	279.01
Proceeds from debt securities	1,046.81	181.52
Repayment of debt securities	-	(62.85)
Proceeds from borrowing	118.16	334.03
Repayment of borrowing	(56.50)	(239.80)
Net cash inflow from financing activities	1,108.47	491.91
Net increase / (decrease) in Cash and cash equivalents	141.05	(3.61)
Cash and cash equivalents at the beginning of the year	13.51	17.12
Cash and cash equivalents at the end of the year	154.56	13.51

denotes amount below ₹ 50,000

The accompanying notes form an integral part of the standalone financial statements.

1 to 54

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

G. K. Subramaniam

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Chief Executive Officer

DIN – 01310959

Vineet Singh

Company Secretary

Sabyasachi Ray

Chief Financial Officer

Place : Mumbai

Date: April 30, 2019

Significant Accounting Policies

and notes to the Standalone Financial Statements

1 Corporate Information

JM Financial Asset Reconstruction Company Limited (the 'Company') was incorporated as a private limited company on September 19, 2007 under the provision of Companies Act, 1956 and is registered with the Reserve Bank of India ("RBI") as an Asset Reconstruction Company ("ARC") under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") vide RBI certificate of registration no. 11/2008 dated September 23, 2008. The Company has become a subsidiary company of JM Financial Limited w.e.f. September 30, 2016 and hence become a public company pursuant to the provisions of Section 2(71) of the Companies Act, 2013. The name of the Company was changed to JM Financial Asset Reconstruction Company Limited w.e.f. April 12, 2017.

The Company is engaged in the business of distressed credit business from Bank and financial institution and resolving them.

2. Significant Accounting Policies

2.1 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 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.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

2.2 Basis of Preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized 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 entity can access at the 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 asset or liability.

2.3 Property, plant and equipment and Intangible Assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

(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:

Tangible 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

Significant Accounting Policies

and notes to the Standalone Financial Statements

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 as 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 amortization 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 amortized on straight line basis over the estimated useful life of 5 years. The method of amortization 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.

Amortization 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 de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized as 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 recognized 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 recognized immediately in the Statement of Profit and Loss.

2.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The company is generally able to make reliable estimates after it has agreed to the following with the other parties to the transaction:

- (a) Each party's enforceable rights regarding the service to be provided and received by the parties;
- (b) The consideration to be exchanged; and
- (c) The manner and terms of agreements or offer documents.

Revenue in form of management fees for providing services to the trust is recognised on accrual basis over the life of the contract or offer document. In case the fees are recovered from the underlying recoveries in the trust, such fees would be continued to be recognised on accrual basis till the NAV of the Trust is recoverable and not wholly impaired.

Additional realization of assets over acquisition price on redemption of security receipt is accounted for as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the security receipts in the trust.

Income by way of yield on security receipts is recognized on actual distribution from the trusts, after redemption of the principal amount of each class of security receipt as per the terms of the relevant trust deed / offer document.

Significant Accounting Policies

and notes to the Standalone Financial Statements

Net appreciation/ depreciation in Net Asset Value of Investment in security receipts is considered as fair value gain/(loss) on change in investment and other financial assets.

2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance Lease

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

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating Lease

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.6 Foreign currency translation

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 recognized in the Statement of Profit and Loss in the period in which they arise.

2.7 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 recognized in the Statement of Profit and Loss in the period in which they are incurred.

2.8 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 recognized 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 liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company 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 Company recognizes current service cost, past service cost, if any and interest cost in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actual assumptions are recognized in the period in which they occur in the OCI.

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.

Significant Accounting Policies

and notes to the Standalone Financial Statements

A liability is recognized 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 benefits:

Liabilities recognized 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.

2.9 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 Group. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group'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 utilized. Such deferred tax assets and liabilities are not recognized 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.

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

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

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 Group 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:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

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

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

Contingent liability is disclosed in case of:

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

Significant Accounting Policies

and notes to the Standalone Financial Statements

- 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:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to 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:

- changes during the period in receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes; and
- all other items for which the cash effects are investing or financing cash flows.

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

2.14 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 investment in security receipts , stressed loans (non-performing assets) acquired from Banks, financial institutions and other eligible entities, investment in equity , 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

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

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 amortized 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.

Interest income

Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

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 amortized 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

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.

Significant Accounting Policies

and notes to the Standalone Financial Statements

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 recognized 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.

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 re-measurement recognized in profit or loss.

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 de-recognition of financial assets described below.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost, trade receivables and other contractual rights to receive cash or other financial asset.

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 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD.

For loans, Company measures the loss allowance at an amount equal to 12 months expected credit loss for Stage 1 and life time expected credit loss for Stage 2 class categories of loans. For Stage 3 financial asset, the measurement of loss allowance is based on the present value of the asset's expected cash flow using the asset's original EIR.

For other receivables in distress credit business, Company measures life time expected credit loss allowance based on practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account the historical credit loss experience and adjusted for forward looking information.

Significant Accounting Policies

and notes to the Standalone Financial Statements

De-recognition of financial assets

The Company derecognises a financial asset when the Company has transferred the right to receive cash flows from the financial assets or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligations to pay the cash flows to one or more recipients.

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

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Write off

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not 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

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rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

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

2.15 Earnings Per Share

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term investments 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 Standards Issued but not yet effective

Ind AS 116 Leases was notified on March 28, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for

lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense

on the lease liability and the depreciation expense on the right-of-use asset.

As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its standalone financial statements.

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of standalone financial statements in conformity with Ind AS requires the Company's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the standalone financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the standalone financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Fair value measurement and valuation processes

Some of the Company's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party external rating agencies to perform the valuations. The Management works closely with the qualified external rating agencies to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in note 46.

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4 Transition to Ind AS:

Overall principle:

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes 48

Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Deemed cost for property, plant and equipment and other intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the

previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

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5. Cash and Cash Equivalents

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balances with Banks			
- in current accounts	57.59	13.51	17.12
- in deposit accounts (Refer note 5.1)	97.00	-	-
Total	154.59	13.51	17.12

5.1 Balance in deposit accounts carrying fixed rate interest with period ranging 9 days to 16 days.

6. Other Bank Balances

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Earmarked balance with banks:			
- In current account (refer note 6.1)	0.76	0.76	0.76
- In deposit account (refer note 6.2)	0.73	-	-
Total	1.49	0.76	0.76

6.1 Current account marked as no debit status by bank.

6.2 Balance in deposit accounts carry fixed rate of interest and are for period up to 181 days and have lien against bank guarantees obtained by the Company.

7 Trade Receivables

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade Receivables			
Unsecured considered good	140.64	116.69	179.59
Less: Impairment loss allowance (Refer note 47)	5.26	2.52	5.32
Total	135.38	114.17	174.27

8 Loans (within India and to entities other than public sectors)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
Secured Loans	453.30	255.69	70.28
Interest accrued	49.95	17.51	-
Gross Loan	503.25	273.20	70.28
Less: Impairment loss allowance (refer note 47)	(17.54)	(11.70)	(10.31)
Total	485.71	261.50	59.97

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9 Investments

₹ in Crore

Particulars	As at March 31, 2019		
	Amortized cost	FVTPL	Total
Investments			
Quoted			
Equity instruments			
70,07,709 of equity shares of Nitco Ltd. of ₹ 10/- each fully paid up	-	27.19	27.19
Unquoted			
a) Equity instruments			
61,31,745 convertible warrants of Nitco Ltd. of issue price ₹ 114.16 each (₹ 28.54 paid up) [refer note 9.3(a)]	-	0.50	0.50
b) Security receipts of trust held in distressed credit business (refer note 9.2, 9.3(b) and 51)	1606.83	1,400.64	3,007.47
Total (A)	1606.83	1,428.33	3,035.16
Less: Impairment loss allowance (B)	(37.24)	-	(37.24)
Net Total C = (A)-(B)	1,569.59	1,428.33	2,997.92

₹ in Crore

Particulars	As at March 31, 2018		
	Amortized cost	FVTPL	Total
Investments			
Quoted			
Equity instruments			
70,07,709 of equity shares of Nitco Ltd. of ₹ 10/- each fully paid up	-	64.82	64.82
Unquoted			
a) Equity instruments			
61,31,745 convertible warrants of Nitco Ltd. of issue price ₹ 114.16 each (₹ 28.54 paid up) [refer note 9.3(a)]	-	14.18	14.18
b) Security receipts of trust held in distressed credit business (refer note 9.2, 9.3(b) and 51)	792.13	1,173.67	1,965.80
Total (A)	792.13	1,252.67	2,044.80
Less: Impairment loss allowance (B)	(17.43)	-	(17.43)
Net Total C = (A)-(B)	774.70	1,252.67	2,027.37

₹ in Crore

Particulars	As at March 31, 2017		
	Amortized cost	FVTPL	Total
Investments			
Quoted			
Equity instruments			
70,07,709 of equity shares of Nitco Ltd. of ₹ 10/- each fully paid up	-	-	-
Unquoted			
a) Equity instruments			
61,31,745 convertible warrants of Nitco Ltd. of issue price ₹ 114.16 each (₹ 28.54 paid up) [refer note 9.3(a)]	-	-	-
b) Security receipts of trust held in distressed credit business (refer notes 9.2, 9.3(b) and 51)	529.66	1,168.71	1,698.36
Total (A)	529.66	1,168.71	1,698.36
Less: Impairment loss allowance (B)	(3.13)	-	(3.13)
Net Total C = (A)-(B)	526.52	1,168.71	1,695.23

9.1 There are no investments made by the Company outside India.

9.2 Company has given aggregating ₹1,400.64 Crore (previous year: ₹1,173.67 Crore) security receipts as pledge for short term loans, bank overdraft, cash credit limits availed with various banks/ hypothecated in favour of debenture trustee for NCDs issued.

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9.3 Commitments:

- Uncalled liability on 61,31,745 convertible warrants of Nitco Limited ₹ 52.50 Crore (Previous year ₹ 52.50 Crore).
- In respect of two trust, the Company has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts on or before September 29, 2021 (Security receipts outstanding as at March 31, 2019 is ₹ 66.29 Crore).

10 Other Financial Assets

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Recoverable from trusts	47.21	26.03	35.97
Security deposits			
To Related Parties (Refer note 43)	1.12	-	2.75
To Others	2.68	0.31	0.30
	51.01	26.34	39.02
Less : Impairment loss allowance (Refer note 47)	(11.76)	(7.67)	(8.03)
Total	39.25	18.67	30.99

11 Current tax assets (net)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance tax paid (net of provisions)	5.26	4.66	1.16
Total	5.26	4.66	1.16

12 Deferred tax liability/ (asset)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Measurement of financial instruments at fair value	(36.69)	(13.36)	20.71
Impairment of financial instruments	5.15	17.46	32.04
Difference between books and tax Written Down Value (WDV) of Property, plant and equipment (PPE)	(0.48)	(0.33)	(0.18)
Others (43B, 35D, etc. allowances in Income Tax Act, 1961)	(4.96)	(3.38)	(1.67)
Total	(36.98)	0.39	50.90

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12.1 Deferred tax recorded in the balance sheet and changes recorded in the income tax expenses:

For the year ended March 31, 2019

(₹ in Crore)

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in Other Equity*	Recognised in OCI	Closing balance
a) Measurement of financial instruments at fair value	(13.36)	(23.33)	-	-	(36.69)
b) Impairment on financial instruments	17.46	(12.31)	-	-	5.15
c) Difference between books and tax WDV of PPE	(0.33)	(0.15)	-	-	(0.48)
d) Others (43B, 35D, etc. allowances)	(3.39)	(1.58)	-	(0.07)	(4.96)
Total- DTL/ (DTA)	0.39	(37.38)	-	(0.07)	(36.98)

For the year ended March 31, 2018

(₹ in Crore)

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in Other Equity*	Recognised in OCI	Closing balance
a) Measurement of financial instruments at fair value	20.71	(33.97)	-	-	(13.36)
b) Impairment on financial instruments	32.04	(14.58)	-	-	17.46
c) Difference between books and tax WDV of PPE	(0.18)	(0.15)	-	-	(0.33)
d) Others (43B, 35D, etc. allowances)	(1.67)	(1.72)	-	(#)	(3.39)
Total- DTL/ (DTA)	50.90	(50.42)	-	(#)	0.39

denotes amount below ₹ 50,000

13 Property, Plant and equipment:

(₹ in Crore)

Description	Gross block			As at March 31, 2019	Depreciation / Amortisation			Net block	
	As at April 01, 2018	Additions	Disposals		Up to April 1, 2018	Additions	Deductions	Up to March 31, 2019	As at March 31, 2019
TANGIBLE ASSETS:									
Owned Assets:									
Freehold land (Refer note 13.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and Fixtures	0.01	0.01	-	0.02	0.01	#	-	0.01	0.01
Office Equipment's	0.18	#	-	0.18	0.05	0.05	-	0.10	0.08
Computers	0.46	0.12	0.03	0.55	0.18	0.16	0.03	0.31	0.24
Lease Hold Improvements	1.43	0.46	-	1.89	0.50	0.51	-	1.01	0.88
Leased Assets:									
Vehicles (refer note 13.2)	0.19	0.28	-	0.47	0.04	0.12	-	0.16	0.31
Total	2.30	0.87	0.03	3.14	0.78	0.84	0.03	1.59	1.55

Previous year:

Description	Gross block			As at March 31, 2018	Depreciation / Amortisation			Net block	
	As at April 01, 2017	Additions	Disposals		Up to April 1, 2017	Additions	Deductions	Up to March 31, 2018	As at March 31, 2018
TANGIBLE ASSETS:									
Owned Assets:									
Freehold land (Refer note 13.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and Fixtures	0.01	-	-	0.01	-	0.01	-	0.01	-
Office Equipment's	0.14	0.04	-	0.18	-	0.05	-	0.05	0.13
Computers	0.22	0.24	-	0.46	-	0.18	-	0.18	0.28
Lease Hold Improvements	1.43	-	-	1.43	-	0.50	-	0.50	0.93
Leased Assets:									
Vehicles (refer note 13.2)	0.34	0.04	0.19	0.19	-	0.23	0.19	0.04	0.15
Total	2.17	0.32	0.19	2.30	-	0.97	0.19	0.78	1.52

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13.1 Mortgaged as security against secured non-convertible debentures (refer note 2.3).

13.2 Vendor have a lien over assets taken on lease.

14 Intangible assets:

(₹ in Crore)

Description	Gross block			Depreciation / Amortisation				Net block	
	As at April 1, 2018	Additions	Disposals	As at March 31, 2019	Up to April 1, 2018	Additions	Deductions	Up to March 31, 2019	As at March 31, 2019
Software	0.33	0.04	-	0.37	0.15	0.08	-	0.23	0.14
Total	0.33	0.04	-	0.37	0.15	0.08	-	0.23	0.14

Previous year:

Description	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	Up to April 1, 2017	Additions	Deductions	Up to March 31, 2018	As at March 31, 2018
Software	0.29	0.04	0.00	0.33	-	0.15	-	0.15	0.18
Total	0.29	0.04	0.00	0.33	-	0.15	-	0.15	0.18

Note for 13 and 14

The Company has availed the deemed cost exemption in relation to the property, plant and equipment (except freehold land) on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

(₹ in Crore)

Property, Plant and Equipment	Gross Block	Accumulated Depreciation	Net Block
Freehold Land	0.03	-	0.03
Furniture and fixtures	0.07	(0.06)	0.01
Office equipment	0.46	(0.32)	0.14
Computers	0.98	(0.76)	0.22
Leasehold improvements	2.30	(0.87)	1.43
Vehicles	0.98	(0.64)	0.34
Total	4.82	(2.65)	2.17
Intangible Assets:			
Software	1.07	(0.78)	0.29

15 Other non-financial assets

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid expenses	1.82	0.10	0.11
Balances with Service Tax / VAT Authorities etc.	1.58	0.63	0.05
Other non-financial Assets	0.08	0.15	0.07
Total	3.48	0.88	0.23

16 Trade payable

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Payables other than micro and small enterprises	1.93	0.70	0.82
Total	1.93	0.70	0.82

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16.1 There are no dues payable to Micro and Small Enterprises, based on information available with the Company and therefore disclosures under the Micro, Small and Medium Enterprises Development Act 2006, are not applicable.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(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 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	-	-	-

17 Debt securities

(Within India)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
Secured			
Non-Convertible Debentures (refer note 17.1, 17.2 and 17.3 below)	1,383.37	693.20	540.00
Add: Premium/ interest accrued	100.79	64.98	36.65
Total	1,484.16	758.18	576.65
Commercial papers (refer note 15.3 and 15.4)	630.00	300.00	365.00
Less: Unamortised interest	(15.02)	(5.85)	(7.99)
Total	614.98	294.15	357.01
Total Debt Securities	2,099.14	1,052.33	933.66

17.1 Non-convertible Debentures secured by way of hypothecation of certain identified security receipt and mortgage of freehold land.

17.2 Maturity profile and rate of interest of Debt Securities

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
12.00% Tranche II NCD redeemable in the year 2017-18	-	-	100.00
12.00% Tranche III NCD redeemable in the year 2017-18	-	-	100.00
11.50% Tranche IV NCD redeemable in the year 2018- 19	-	50.00	50.00
9.40% Tranche VI NCD redeemable in year 2018-19	-	40.00	40.00
9.10% Tranche XIII NCD redeemable in year 2019-20	75.00	75.00	-
9.25 %Tranche VII Option B NCD redeemable in year 2019-20	50.00	50.00	-
8.60% Tranche X NCD redeemable in year 2019-20@	35.00	35.00	-
8.75 %Tranche VIII NCD redeemable in year 2019-20@	15.00	15.00	-
13.00% NCD redeemable in the year 2019-20 *	-	-	100.00
9.10 % Tranche XI NCD redeemable in year 2020-21#	-	185.00	-
9.50% Tranche V NCD redeemable in the year 2020-21	150.00	150.00	150.00
9.31% Tranche VII Option A NCD redeemable in year 2020-21	50.00	50.00	-
9.30% Tranche IX NCD redeemable in year 2020-21	28.50	28.50	-
9.15 % Tranche XII NCD redeemable in year 2020-21	14.85	14.70	-
8.75% Tranche XV redeemable in the year 2020-21@	24.88	-	-

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(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
9.25% Tranche XIV - Option A redeemable in the year 2020-21	26.70	-	-
9.5% Tranche XXI - Option A redeemable in the year 2020-21@	24.87	-	-
11% Tranche XXV redeemable in the year 2020-21@	24.70	-	-
9.35% Tranche XIV - Option B redeemable in the year 2021-22	14.00	-	-
9.5% Tranche XVI redeemable in the year 2021-22	21.03	-	-
9.75% Tranche XVII redeemable in the year 2021-22	5.01	-	-
9.8% Tranche XVIII redeemable in the year 2021-22	28.00	-	-
10.2% Tranche XX - Option B redeemable in the year 2021-22	9.94	-	-
9.8% Tranche XIX redeemable in the year 2021-22	19.00	-	-
10.25% Tranche XXI - Option C redeemable in the year 2021-22	49.85	-	-
10.25% Tranche XXII - Option C redeemable in the year 2021-22	19.46	-	-
10.25% Tranche XXII - Option B redeemable in the year 2021-22	25.00	-	-
10.25% Tranche XX - Option A redeemable in the year 2021-22	50.00	-	-
10.25% Tranche XXII - Option D redeemable in the year 2021-22	100.00	-	-
10.38% Tranche XXIV - Option A redeemable in the year 2021-22	20.13	-	-
10.25% Tranche XXI - Option B redeemable in the year 2021-22	130.00	-	-
10.25% Tranche XXII - Option A redeemable in the year 2021-22	20.02	-	-
10.38% Tranche XXIV - Option B redeemable in the year 2021-22	10.07	-	-
11.5% Tranche XXVI - Option A redeemable in the year 2021-22	146.22	-	-
11.5% Tranche XXVI - Option B redeemable in the year 2022-23	146.14	-	-
10.48% Tranche XXIII redeemable in the year 2022-23	50.00	-	-
Total	1,383.37	693.20	540.00

* Call option to the Company in September, 2017

Call option to the Company in March, 2019

@ The interest is linked to Bloomberg Ticker

17.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 969 Crore (F.Y.2017-18: ₹ 475 Crore, F.Y. 2016-17: ₹ 465 Crore).

17.4 Interest rate of commercial paper range from 7.93% to 10.35% p.a (Previous year 7.10% to 9.00% p.a).

18 Borrowings (other than debt securities)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortized cost			
Secured:			
Term loans (Refer note 18.1 and 18.2 below)			
(a) Banks	277.50	334.00	-
(b) Others	50.00	-	-
Add: Interest accrued	0.47	0.19	-
Total	327.97	334.19	-
Other loans from banks as (Refer note 18.3)			
(a) working capital demand loan	-	-	85.00
(b) cash credit facility	91.01	23.76	72.62
Add: Interest accrued	0.68	0.14	-
Total	91.69	23.90	157.62
Finance lease obligations (Refer note 18.4 below)	0.30	0.21	0.38
Unsecured:			
Inter corporate deposits			
(a) From related party (Refer note 43)	-	-	100.35
Add: Interest accrued	-	-	5.74
Total	-	-	106.09
Total	419.96	358.30	264.09

Notes

to the Standalone Financial Statements

18.1 Term loans are secured by way of pledge of certain identified security receipts.

18.2 Maturity profile and rate of interest of term loans: (₹ in Crore)

Residual Maturities	Interest range from		
	8% to 9%	9% to 10%	10% to 11%
As at March 31, 2019:			
Up to one year (April- 19 to March- 20)	20.00	107.50	0.47
Up to 1-3 years (April- 20 to March- 22)	20.00	130.00	50.00
3 years and above (April- 22 onwards)	-	-	-
Total	40.00	237.50	50.47
As at March 31, 2018:			
Up to one year (April- 18 to March- 19)	10.00	96.69	-
Up to 1-3 years (April- 19 to March- 21)	127.50	87.50	-
3 years and above (April- 21 onwards)	12.50	-	-
Total	150.00	184.19	-

Note: The rate of interest of above term loans are linked with MCLR/ base rate of banks and subject to change from time to time. Classification of term loans based on interest rates has been done on interest rate prevalent as on the relevant reporting period ends.

18.3 Other loans from banks in the nature of working capital, demand loan and cash credit facilities are secured by way of pledge of certain identified security receipts.

18.4 Finance lease obligations are secured by way of hypothecation of vehicles.

18.5 All borrowings are made within India.

19 Other financial liabilities

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Employee Benefits payable	23.56	17.70	10.53
Others (refer note 19.1 below)	148.11	-	-
Total	171.67	17.70	10.53

19.1 Others includes ₹ 143.05 Crore (Previous year ₹ Nil) money received on sale of security receipts for which company has a call option up to June 14, 2019 and put/ call option with both the parties from June 15, 2019 till September 13, 2019.

20 Current tax liabilities

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for tax (net)	22.56	6.65	-
Total	22.56	6.65	-

21 Provisions

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for employee benefits:			
- Provision for Gratuity (Refer note 41)	1.21	1.03	0.84
- Provision for compensated absence	0.77	0.63	0.55
Total	1.98	1.66	1.39

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22 Other non-financial liabilities

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Statutory Dues	2.94	6.88	0.74
Others	16.99	17.76	19.24
Total	19.93	24.64	19.98

23 Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Authorised			
1,85,00,00,000 Equity Shares of ₹ 10/- each (As at March 31, 2018: 185,00,00,000 and as at April 01, 2017: 30,00,00,000)	1,850.00	1,850.00	300.00
150,00,00,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00	150.00
	2,000.00	2,000.00	450.00
Issued, Subscribed and Paid-up			
34,46,42,857 Equity shares of ₹ 10/- each fully paid-up (As at March 31, 2018: 34,46,42,857 and as at April 01, 2017: 24,12,50,000)	344.64	344.64	241.25
Total	344.64	344.64	241.25

23.1 Terms and rights

The Company has only one class of issued shares referred to as equity shares having a Face Value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

The preference shares (not issued), forming part of Authorized Capital, have a face value of ₹ 10/-. Each holder of such preference shares would be entitled to one vote per share on resolutions placed which directly affects the rights of such preference shares.

23.2 Reconciliation of number of shares

Particulars	Number of equity shares		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Equity Shares			
Shares outstanding at the beginning of the year	34,46,42,857	24,12,50,000	24,12,50,000
Shares issued during the year	-	10,33,92,857	-
Shares outstanding at the end of the year	34,46,42,857	34,46,42,857	24,12,50,000

23.3 Details of shareholding more than 5%

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:						
JM Financial Limited	20,41,97,279	59.25	19,66,97,279	57.07	12,06,50,000	50.01
Mr Narotam S Sekhsaria	5,68,66,072	16.50	5,68,66,072	16.50	3,61,87,500	15.00
Indian Overseas Bank	2,10,00,000	6.09	2,10,00,000	6.09	2,10,00,000	8.70
Valiant Mauritius Partners FDI Ltd	2,90,28,911	8.42	2,90,28,911	8.42	2,03,20,238	8.42

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24. Other Equity

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Reserve and surplus:			
Securities premium reserve	194.34	194.34	18.72
Retained earnings	585.60	441.87	440.85
Total	779.94	636.21	459.57

Refer Statement of Changes in Equity for movement in each reserve and surplus.

24.1 Nature of each reserves:

- Securities premium reserve represents premium received on equity shares issued which can be used on accordance with the provisions of the Companies Act, 2013 for specified purposes.
- Retained earnings are the profits that the company has earned till date less any transfers to general reserve, statutory reserve, dividends or other distributions to the shareholders.

25 Interest income

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Interest income:		
On loans (at amortised cost)	81.52	20.94
On financial instruments (at amortised cost)	42.74	10.72
On others (at FVTPL)	4.51	13.25
Total	128.77	44.91

26 Fees and incentives

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Management and restructuring fees	232.27	244.49
Recovery Incentives fees	11.71	15.72
Total	243.98	260.21

27 Net gain on derecognition of security receipts

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Realised gain on derecognition of security receipts	218.60	26.25
Total	218.60	26.25

28 Other income

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Interest on fixed deposit (at amortised cost)	0.59	0.66
Miscellaneous income	0.01	0.02
Total	0.60	0.68

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29 Finance cost

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
At Amortised cost:		
Debt securities	157.53	91.53
Borrowings (other than debt securities)	45.36	23.92
Others	12.86	3.65
Total	215.75	119.10

30 Net loss on fair value changes

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
On financial instruments designated at FVTPL:		
- Financial assets	10.83	79.64
- Equity instruments	51.31	18.50
Total	62.14	98.14

30.1 Investment in security receipts of face value of ₹ 33.86 Crore (Previous year ₹ Nil) for certain trusts written off during the year.

30.2 Above represents realized loss (net) of ₹ 6.59 Crore (Previous year ₹ Nil) and unrealized loss (net) of ₹ 55.56 Crore (Previous year ₹ 98.14 Crore) on account of fair value changes.

31 Impairment of financial instruments

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
At amortised cost:		
Loan	5.84	1.39
Investments	20.41	18.80
Investments written off	6.20	39.04
Trade receivable	2.74	(2.80)
Other financial assets	13.66	(0.35)
Total	48.85	56.08

32 Employee benefits expense

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Salaries, bonus, other allowances and benefits (Refer note 50)	34.49	28.82
Contribution to provident and other funds (Refer note 41)	0.95	0.77
Gratuity (Refer note 41)	0.25	0.44
Staff welfare expenses	0.22	0.06
Total	35.91	30.09

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33 Other expenses

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Rates & taxes	1.79	1.02
Operating lease rentals (Refer note 39)	3.51	3.12
Support service charges	2.16	2.12
Legal & Professional fees	1.50	1.95
Travelling expenses	0.61	0.38
Repairs and maintenance	0.04	0.07
Audit expenses (refer note 33.1)	0.11	0.09
Insurance expenses	0.22	0.15
Electricity expenses	0.22	0.24
Commission and fees to directors	0.91	1.63
Demat charges	0.05	0.04
Conveyance expense	0.16	0.07
Car hire expenses	0.02	0.02
Donation	3.12	2.42
Manpower expenses	0.33	0.27
Communication expenses	0.07	0.09
Membership and subscription fees	0.07	0.05
Printing and stationery expenses	0.12	0.14
Information Technology expenses	0.33	0.45
Miscellaneous expenses	0.76	0.39
Total	16.10	14.71

33.1 Details of payment to auditors (Excluding goods and service tax):

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Audit Fees	0.07	0.07
In any other manner (Certifications, limited reviews, etc.)	0.03	0.02
Out of pocket	0.01	-
Total	0.11	0.09

34 Income tax

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Current tax	105.70	61.81
Deferred tax	(37.38)	(50.42)
Tax adjustment in respect of earlier years	0.11	0.40
Total income tax expenses recognised in the current year	68.43	11.79
Income tax expense recognised in other comprehensive income	0.07	#
Total income tax expenses	68.50	11.79

denotes amount below ₹ 50,000

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Reconciliation of total tax charge

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Profit/ (loss) for the year	212.28	12.81
Income tax rate	29.12%	34.61%
Income tax expense	61.82	4.43
Tax Effect of:		
Effect of non-deductible expenses	0.45	0.76
Effect of unrecognised deferred tax assets (net)	11.99	6.20
Deferred tax on Re-measurement of employee defined benefit obligation	0.07	-
Earlier year tax adjustment	0.11	0.40
Effect of rate change	(5.94)	-
Income tax expense recognised in profit and loss	68.50	11.79

35 Earning per share

Earnings per share is calculated by dividing the profit attributed to equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	For the year March 31, 2019	For the year March 31, 2018
a) Profit for the year (₹ in Crore)	143.73	1.02
b) Weighted average number of equity shares outstanding during the year (Nos.)	34,46,42,857	24,66,32,094
c) Basic and Diluted earnings per share (₹)	4.17	0.04
d) Nominal value per share (₹)	10.00	10.00

36 Expenditure in Foreign Currency

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Travelling expenses	-	0.01

37 Segment Reporting

The Company operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Ind AS- 108 on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker.

38 Corporate Social Responsibilities

Details of expenses towards corporate social responsibility as per section 135 of the companies act, 2013 read with schedule VII there to:

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
a) Gross amount required to be spent by the Company during the year	3.12	2.17
b) Amount spent during the year:		
- In cash	3.12	2.17
- Yet to be paid in cash	-	-
Total	3.12	2.17
c) (i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.12	2.17
Total	3.12	2.17

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39 Operating Lease

The Company has taken premises on non-cancellable operating lease basis with a renewable clause. The future minimum rental payments in respect of non-cancellable lease for premises are as follows:

(₹ in Crore)

Due	Total minimum lease payments outstanding		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Not later than one year	3.17	3.22	2.89
Later than one year and not later than five years	13.32	12.97	12.80
Later than five years	20.11	23.63	27.02

Lease payments recognized in the Statement of Profit and Loss are ₹ 3.51 Crore (Previous year ₹ 3.12 Crore) excluding GST and Service tax.

40 Finance lease

The Company has acquired vehicles under the finance lease agreement. The tenure of lease agreements ranges between 36 to 60 months with an option to prepayments/foreclosure.

(₹ in Crore)

Particulars	Minimum lease Payments			Present Values of Minimum lease Payments		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Not later than one year	0.13	0.20	0.26	0.09	0.17	0.20
Later than one year and not later than five years	0.26	0.05	0.20	0.21	0.04	0.18
Later than five years	-	-	-	-	-	-
Total	0.39	0.25	0.46	0.30	0.21	0.38
Less: future finance charges	(0.09)	(0.04)	(0.08)	-	-	-
Present value of minimum lease payments	0.30	0.21	0.38	0.30	0.21	0.38

The Company has option to purchase the vehicle for a nominal amount at the end of lease terms.

41 Employee Benefits:

a) Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees. 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 ₹ 0.89 Crore (Previous year ₹ 0.70 Crore) has been recognized in the Statement of Profit and Loss under the head Employee Benefits Expense.

b) 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.

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Longevity Risks:

Longevity risks arise when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity 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.

The principal assumptions used for the purposes of the actuarial valuations:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Discount rate	7.55%	7.85%	7.20%
Expected rate of salary increase	7.00%	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

Amount recognized in statement of profit and loss in respect of these defined benefit obligation

(₹ in Crore)

Particulars	For the year March 31, 2019	For the year March 31, 2018
Current service cost	0.17	0.11
Past service cost	-	0.27
Net interest cost	0.08	0.06
Components of defined benefits costs recognised in profit or loss.	0.25	0.44
Re-measurements on the net defined benefit liability :		
- Return on plan assets, excluding amount included in interest expense/(income)	-	-
- Actuarial (gain)/loss from change in demographic assumptions	#	-
- Actuarial (gain)/loss from change in financial assumptions	0.04	(0.08)
- Actuarial (gain)/loss from change in experience adjustments	0.15	0.08
Total amount recognised in OCI	0.19	-
Total	0.45	0.44

Denotes below ₹ 50,000/-

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

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, 2019	As at March 31, 2018	As at April 1, 2017
Present value of funded defined benefit obligation	1.21	1.03	0.84
Fair value of plan assets	-	-	-
Net asset arising from defined benefit obligation	1.21	1.03	0.84

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Movement in the present value of the defined benefit obligation are as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	As at April 1, 2017
Opening defined benefit obligation	1.03	0.84	0.64
Current service cost	0.17	0.11	0.08
Interest cost	0.08	0.06	0.05
Past service cost	-	0.27	-
Re-measurements (gains)/losses:	-	-	-
- Actuarial (gain)/loss from change in demographic assumptions	#	-	-
- Actuarial (gain)/loss from change in financial assumptions	0.04	(0.08)	0.06
- Actuarial (gain)/loss from change in experience adjustments	0.15	0.08	0.03
Benefits paid	(0.26)	(0.25)	(0.02)
Closing defined benefit obligation	1.21	1.03	0.84

Denotes amount less than ₹ 50,000/-

A reconciliation of the plan assets during the inter-valuation period is given below:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening defined benefit obligation	-	-
Employer contribution	0.19	0.20
Interest on plan assets	-	-
Administrative Expenses	-	-
Re-measurement due to :	-	-
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	(0.19)	(0.20)
Asset acquired/(settled)	-	-
Asset distributed on settlements	-	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate 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 is as follows:

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Defined benefit obligation (base)	1.21	1.03	0.84

Particulars	As at March 31 2019		As at March 31, 2018	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.15	1.25	0.98	1.07
Impact of increase in 50 bps on DBO	(4.99%)	3.37%	(5.11%)	3.37%
Defined benefit obligation on decrease in 50 bps	1.28	1.17	1.09	1.00
Impact of decrease in 50 bps on DBO	5.42%	(3.44%)	5.55%	(3.46%)

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.

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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 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 recognized in the balance sheet.

Projected benefits payable:

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Expected benefits for year 1	0.06	0.05
Expected benefits for year 2	0.06	0.05
Expected benefits for year 3	0.06	0.06
Expected benefits for year 4	0.06	0.05
Expected benefits for year 5	0.23	0.06
Expected benefits for year 6	0.22	0.22
Expected benefits for year 7	0.05	0.21
Expected benefits for year 8	0.07	0.04
Expected benefits for year 9	0.14	0.04
Expected benefits for year 10 and above	2.35	2.20

c) Compensated absences:

As per Company's policy, provision of ₹ 0.77 Crore (Previous year ₹ 0.63 Crore) has been made towards compensated absences, calculated on the basis of unutilised leave as on the last day of the financial year.

42 Unhedged Foreign Currency Exposure

(₹ in Crore)

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	>1 Year	Total	</=1 year
Foreign Currency Receivables							
Loans to JV/WOS	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Foreign Currency Payables							
Imports	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Covered Option(s) is/are not included

Notes:

- Company's EBID i.e. profit after tax + Depreciation + Interest on debt stands at ₹ 360.39 Crore as on March 31, 2019.
- Company does not have foreign currency exposure and therefore has not taken any derivative instruments to hedge the exposure.

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43 Related Party disclosure:

43.1

a) Name and relationship with related parties:

(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 (till January, 2018)

JM Financial Products Limited

JM Financial Properties and Holdings Limited

JM Financial Home Loans Limited

JM Financial Services Limited

JM Financial Capital Limited

JM Financial Credit Solutions Limited

JM Financial Asset Management Limited

(C) Key managerial personnel

Executive Directors

Mr. Anil Bhatia- Managing Director and Chief Executive Officer

Non-Executive Directors

Mr. V. P. Shetty- Chairman (Non-Executive chairman from July 1, 2017)

Mr. Narotam Sekhsaria

Mr. Pulkit Sekhsaria

Mr. Adi Patel

Independent Directors

Mr. G M Ramamurthy

Ms. Rupa Vora

Dr. Vijay Kelkar (from September 21, 2018)

Mr. Ameet Desai (from January 09, 2019)

Mr. H N Sinor (till October 25, 2018)

Dr. Anil Khandelwal (till October 27, 2018)

Mr. Shailesh Haribhakti (till April 20, 2018)

(D) All subsidiary trusts of the company

Particulars	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Company		
			As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Subsidiary Trusts in India			(%)	(%)	(%)
JMFARC BOI 2009 I Trust	Asset reconstruction	India	37%	37%	37%
JMFARC DB ICICI Trust	Asset reconstruction	India	100%	100%	100%
JMFARC DB SBI Trust	Asset reconstruction	India	100%	100%	100%
JMFARC DB DCB Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Jord SUUTI Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Pasupati SASE Trust	Asset reconstruction	India	100%	100%	100%

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Particulars	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Company		
			As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
JMFARC Central Bank Tube Trust	Asset reconstruction	India	100%	100%	100%
JMFARC UTI Tube Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Yarn 2010 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC SASF Tube Trust	Asset reconstruction	India	100%	100%	100%
JMFARC UCO Bank March 2011 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Synthetic Rubber 2012 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Kruti 2012 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Kruti II 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Textile 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Corp Textile 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Corp Apparel 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Corp Biotech 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Central India 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Stancy Textile 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Dena Bank March 2014 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Gelatine March 2014 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Petro BOB March 2014 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Petro UCO March 2014 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Petro CBOI March 2014 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC ICICI Bank July 2014 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Axis Bank Cement March 2015 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC ICICI Bank Cement June 2015 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC United Bank Cement Sept 2015 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC ICICI Geometric Trust	Asset reconstruction	India	15%	15%	15%
JMFARC Axis Bank February 2016 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC OBC Cement March 2016 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Indian Bank I March 2016 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Axis Iris II March 2016 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC SBI Geometric October 2016 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC IRIS Cash 2016 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Tata Capital December 2016 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC IDBI March 2017 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Retreat II March 2017 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC BOB 2008 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC SME Retail 2011 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC IOB II March 2011 Trust	Asset reconstruction	India	50%	50%	50%
JMFARC Corp I 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Corp II 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC ICICI Bank September 2016 Trust	Asset reconstruction	India	15%	15%	15%
JMFARC Retail June 2011 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Retail Aug 2011 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC IIFL May 2017 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC ALHB Bank Textile June 2017 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC ALHB Bank June 2017 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Federal Bank June 2017 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC IRIS Cash July 2017 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Woods October 2017 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Metallics February 2018 Trust	Asset reconstruction	India	100%	100%	Nil
JMFARC Fabrics August 2018 I- Trust	Asset reconstruction	India	100%	Nil	Nil
JMFARC IRIS Cash March 2018 Trust	Asset reconstruction	India	100%	100%	Nil
JMFARC Green December 2012 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Metallics July 2018 Trust	Asset reconstruction	India	100%	Nil	Nil
JMFARC Federal Bank March 2013 Trust	Asset reconstruction	India	100%	100%	100%
JMFARC Fabrics March 2019 I	Asset reconstruction	India	100%	100%	100%
JMFARC Fabrics Sept 2018 I Trust	Asset reconstruction	India	100%	Nil	Nil
JMFARC Fabrics Sept 2018 II Trust	Asset reconstruction	India	100%	Nil	Nil

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Particulars	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Company		
			As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
JMFARC Fabrics Sept 2018 IV Trust	Asset reconstruction	India	100%	Nil	Nil
JMFARC PNB IRIS II September 2018 Trust	Asset reconstruction	India	100%	Nil	Nil
JMFARC Fabrics June 2018 Trust	Asset reconstruction	India	100%	Nil	Nil

b) Transactions with related parties:

(₹ in Crore)

Name of the Related Party	Nature of relationship	As at 31 March 2019	As at 31 March 2018
JM Financial Limited	(A)		
Inter Corporate Deposit taken		-	276.73
Inter Corporate Deposit paid		-	377.08
Subscription to Equity Shares		-	199.82
Non-Convertible Debenture paid		-	70.00
Interest on Inter Corporate Deposits		-	3.22
Interest on Non-Convertible Debentures		-	4.34
Rating Support Fees		2.99	1.48
Support Service Charges		1.98	-
Reimbursement of Expenses		0.12	0.03
Recharge of ESOP Cost		0.74	0.17
JM Financial Institutional Securities Limited	(B)		
Support Service Charges		-	1.98
Recovery of expenses		-	0.09
Reimbursement of Expenses		-	0.01
JM Financial Properties and Holdings Limited	(B)		
Space and other related cost		2.42	2.28
Security Deposit paid		2.75	-
Refund of Security Deposit		-	2.75
CAMs and Property Tax		0.25	0.26
Reimbursement of Expenses		0.19	0.21
JM Financial Home Loans Limited	(B)		
Inter Corporate Deposit taken		-	6.00
Inter Corporate Deposit paid		-	6.00
Interest on Inter Corporate Deposits paid		-	#
JM Financial Products Limited	(B)		
Inter Corporate Deposit taken		25.00	200.00
Inter Corporate Deposit paid		25.00	200.00
Transfer of gratuity liability on Employees transfer		-	0.04
Management Fees received		1.26	0.42
Interest on Inter Corporate Deposits paid		0.03	0.55
JM Financial Services Limited	(B)		
Non-Convertible Debentures issued		-	10.00
Rent paid		0.01	-
Arranger Fees		-	0.24
JM Financial Capital Limited	(B)		
Inter Corporate Deposit taken		25.00	-
Inter Corporate Deposit paid		25.00	-
Interest on Inter Corporate Deposits paid		0.02	-
Market linked Non-Convertible Debentures issued		74.27	25.00

Denotes amount less than ₹ 50,000

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(₹ in Crore)

Name of the Related Party	Nature of relationship	As at March 31, 2019	As at March 31, 2018
JM Financial Credit Solutions Ltd.	(B)		
Inter Corporate Deposit taken		100.00	-
Inter Corporate Deposit paid		100.00	-
Interest on Inter Corporate Deposits		0.11	-
JM Financial Asset Management Limited	(B)		
Transfer of gratuity liability on Employees transfer		0.08	-
Sale of PPE		#	-
Subsidiary trusts - managed by the Company as trustee	(D)		
Management fees and incentives		14.26	15.49
Net gain on derecognition of security receipts		69.46	24.48
Interest Income		43.19	12.37
Investment in security receipts		1,095.46	362.49
Redemption of security receipts		254.33	59.67
Loans and advances given/ (repaid) (Net)		3.09	(1.28)
Key Managerial Personnel (Refer note 42.2)	(C)		
Remuneration		4.03	4.46
Contribution to provident fund		0.07	0.08

Denotes amount less than ₹ 50,000

c) Closing balances:

(₹ in Crore)

Name of the Related Party	Nature of relationship	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Inter Corporate Deposit payable				
JM Financial Limited	(A)	-	-	100.35
Non-Convertible Debentures payable				
JM Financial Limited	(A)	-	-	70.00
Interest on ICD accrued but not due				
JM Financial Limited	(A)	-	-	5.73
Interest on Non-Convertible Debentures accrued				
JM Financial Limited	(A)	-	-	4.76
Security Deposit (including prepaid rent) receivable				
JM Financial Properties and Holdings Limited	(B)	2.75	-	2.75
Trade Payable				
JM Financial Limited	(A)	-	0.34	-
Trade receivables				
Subsidiaries trust	(D)	11.24	8.35	0.08
Key Managerial Personnel	(C)	5.23	5.68	4.75

Note:

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.

43.2 The remuneration excludes provision for gratuity as the incremental liability has been accounted for company as a whole.

43.3 There are no provisions for doubtful debts/ advances or amounts written off or written back during the year in respect of debts due from/ due to related parties.

43.3 The transactions disclosed above are exclusive of goods and service tax and service tax, as applicable.

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44 Maturity Analysis of Assets and Liabilities

(₹ in Crore)

	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
1 Financial Assets									
(a) Cash and cash equivalents	154.59	-	154.59	13.51	-	13.51	17.12	-	17.12
(b) Other bank balances	0.73	0.76	1.49	-	0.76	0.76	-	0.76	0.76
(c) Trade Receivables	135.38	-	135.38	114.17	-	114.17	174.27	-	174.27
(d) Loans (net)	255.96	229.75	485.71	40.24	221.26	261.50	15.50	44.47	59.97
(e) Investments	1,508.72	1,489.20	2,997.92	393.32	1,634.05	2,027.37	172.95	1,522.28	1,695.23
(f) Other financial assets	28.95	10.30	39.25	11.00	7.67	18.67	14.95	16.04	30.99
Total Financial Assets (1)	2,084.33	1,730.01	3,814.34	572.24	1,863.74	2,435.98	394.79	1,583.55	1,978.34
2 Non-financial Assets									
(a) Current tax Assets (net)	-	5.26	5.26	-	4.66	4.66	-	1.16	1.16
(b) Deferred tax Assets (net)	-	36.98	36.98	-	-	-	-	-	-
(c) Property, Plant and Equipment	-	1.55	1.55	-	1.52	1.52	-	2.17	2.17
(d) Other Intangible assets	-	0.14	0.14	-	0.18	0.18	-	0.29	0.29
(e) Other non-financial assets	1.85	1.63	3.48	-	0.88	0.88	-	0.23	0.23
Total Non -financial Assets(2)	1.85	45.56	47.41	-	7.24	7.24	-	3.85	3.85
Total Assets 3=(1+2)	2,086.18	1,775.57	3,861.75	572.24	1,870.98	2,443.22	394.79	1,587.40	1,982.19
LIABILITIES AND EQUITY									
1 Financial Liabilities									
(a) Trade Payables	1.93	-	1.93	0.70	-	0.70	0.82	-	0.82
(b) Debt Securities	809.74	1,289.40	2,099.14	425.26	627.07	1,052.33	569.87	363.79	933.66
(c) Borrowings (Other than Debt Securities)	219.75	200.21	419.96	130.77	227.53	358.30	264.09	-	264.09
(d) Other financial liabilities	162.26	9.41	171.67	11.52	6.18	17.70	7.58	2.95	10.53
Total Financial Liabilities (1)	1,193.68	1,499.02	2,692.70	568.25	860.78	1,429.03	842.36	366.74	1,209.10
2 Non-Financial Liabilities									
(a) Current tax liabilities (net)	-	22.56	22.56	-	6.65	6.65	-	-	-
(b) Provisions	0.82	1.16	1.98	0.68	0.98	1.66	0.70	0.69	1.39
(c) Deferred tax liabilities (net)	-	-	-	-	0.39	0.39	-	50.90	50.90
(d) Other non-financial liabilities	18.85	1.08	19.93	22.78	1.86	24.64	19.31	0.67	19.98
Total Non-Financial Liabilities (2)	19.67	24.80	44.47	23.46	9.88	33.34	20.01	52.26	72.27
Total Liabilities 4=(1+2)	1,213.35	1,523.82	2,737.17	591.71	870.66	1,462.37	862.37	419.00	1,281.37
Net (3-4)	872.83	251.75	1,124.58	(19.47)	1,000.32	980.85	(467.58)	1,168.40	700.82

45 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.

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 debt to equity ratio.

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Borrowings	2,519.10	1,410.63	1,197.75
Less: Cash and cash equivalents	(154.59)	(13.51)	(17.12)
Net debt	2,364.51	1,397.12	1,180.63
Total equity (excluding non-controlling interest)	1,124.58	980.85	700.82
Net Debt to Equity Ratio	2.10	1.42	1.68

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46 Fair value measurement

a) Fair value hierarchy and method of valuation:

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognized and measured at fair value and b) measured at amortized cost and for which fair values are disclosed in the consolidated 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.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period;

Level 2 fair value measurements are those derived from quoted prices of equity instruments.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The input factors considered are estimated cash flows, collateral values and other assumptions.

b) Categories of Financial Instruments:

(₹ in Crore)

As at March 31, 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	154.59	154.59	-	-	-	-
Other bank balances	-	-	1.49	1.49	-	-	-	-
Trade receivables (net)	-	-	135.38	135.38	-	-	-	-
Loans (net)	-	-	485.71	485.71	-	-	-	-
Investments	1,428.33	-	1,569.59	2,997.92	27.19	0.50	1,400.64	1,428.33
Other Financial assets (net)	-	-	39.25	39.25	-	-	-	-
Total	1,428.33	-	2,386.01	3,814.34	27.19	0.50	1,400.64	1,428.33
Financial liabilities								
Trade payables	-	-	1.93	1.93	-	-	-	-
Debt securities	-	-	2,099.14	2,099.14	-	-	-	-
Borrowing	-	-	419.96	419.96	-	-	-	-
Other financial liabilities	-	-	171.67	171.67	-	-	-	-
Total	-	-	2,692.70	2,692.70	-	-	-	-

(₹ in Crore)

As at March 31, 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	13.51	13.51	-	-	-	-
Other Bank balances	-	-	0.76	0.76	-	-	-	-
Trade receivables (net)	-	-	114.17	114.17	-	-	-	-
Loans (net)	-	-	261.50	261.50	-	-	-	-
Investments	1,173.67	-	853.70	2,027.37	64.82	14.18	1,173.67	1,252.67
Other Financial assets (net)	-	-	18.67	18.67	-	-	-	-
Total	1,173.67	-	1,262.31	2,435.98	64.82	14.18	1,173.67	1,252.67
Financial liabilities								
Trade payables	-	-	0.70	0.70	-	-	-	-
Debt securities	-	-	1,052.33	1,052.33	-	-	-	-
Borrowing	-	-	358.30	358.30	-	-	-	-
Other financial liabilities	-	-	17.70	17.70	-	-	-	-
Total	-	-	1,429.03	1,429.03	-	-	-	-

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c) Categories of Financial Instruments:

(₹ in Crore)

As at April 1, 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	17.12	17.12	-	-	-	-
Other Bank balances	-	-	0.76	0.76	-	-	-	-
Trade receivables (net)	-	-	174.27	174.27	-	-	-	-
Loans (net)	-	-	59.97	59.97	-	-	-	-
Investments	1,168.71	-	526.52	1,695.23	-	-	1,168.71	1,168.71
Other Financial assets (net)	-	-	30.99	30.99	-	-	-	-
Total	1,168.71	-	809.63	1,978.34	-	-	1,168.71	1,168.71
Financial liabilities								
Trade payables	-	-	0.82	0.82	-	-	-	-
Debt securities	-	-	933.66	933.66	-	-	-	-
Borrowing	-	-	264.09	264.09	-	-	-	-
Other financial liabilities	-	-	10.53	10.53	-	-	-	-
Total	-	-	1,209.10	1,209.10	-	-	-	-

Notes:

- Includes debt securities issued at fixed rate of interest for which carrying value and fair value are as under :

(₹ in Crore)

As at	Carrying value	Fair value
As at March 31, 2019	1,349.00	1,335.65
As at March 31, 2018	705.47	702.76
As at April 1, 2017	576.65	541.38

- Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognized in the financial statements approximate their fair values.
- For financial assets that are measured at amortized cost, the carrying amounts are equal to the fair values.

d) Valuation techniques used to determine the fair values:

- For level 1- Listed equity instruments are fair valued using quoted prices;
- For level 2- fair value measurements are derived from quoted prices of equity instruments; and
- For Level 3 fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Company.

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e) Fair value measurements use significant unobservable inputs (Level-3):

The following table presents the changes in level 3 items for the period ended March 31, 2018 and March 31, 2017.

(₹ in Crore)

Particulars	Investment in Security Receipts
As at April 1, 2017	1,168.71
Acquisitions made	182.54
(Realisations) made	(87.20)
Acquisition/disposal of controlling interest in subsidiaries	(1.32)
Net Gain on derecognition	1.77
Interest income on restructuring of loan	-
Net Loss on fair value changes	(90.83)
As at March 31, 2018	1,173.67
Acquisitions made	282.97
(Realisations) made	(217.57)
Acquisition/Disposal of controlling interest in subsidiaries	41.52
Net Gain on derecognition	136.39
Interest income on restructuring of loan	-
Net (Loss)/ Gain on fair value changes	(16.34)
As at March 31, 2019	1,400.64

f) Sensitivity for instruments

Nature of the instrument	Fair Value As at March 31, 2019	Fair Value As at March 31, 2018	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2019		Sensitivity Impact for the year ended March 31, 2019	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Investment in Security receipts	1400.64	1,173.67	Estimated cash flow based on realisation of collaterals value, etc.	5%	65.97	(65.97)	59.42	(59.42)

47 Financial risk management

The Company's activities expose it to credit risks, liquidity risks and market risks.

Risk management forms an integral part of the business and as it being into distressed credit business it exposed to several risks related to stress assets i.e. non-performing assets (NPA) acquired from banks and financial institutions. The Company has a robust account monitoring system which ensures early detection of risks whereby timely action can be taken to surmount any avoidable slippages. The Company has an effective mechanism of driving business through policies and committees. The Company has well balance and experienced team of resources to drive its business.

The Company has established Risk Management Committee and Asset Acquisition Committee, responsible for identifying, developing, monitoring and mitigating all the risks related to its business. The committees reports to the board of directors on regular basis.

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a) Credit risk

Credit risk is the risk of loss that may occur from the failure of party to abide by the terms and conditions of any financial contract, principally the failure to make the required payments. In order to minimize credit risk, the Company has adopted a policy of acquisition of asset in a transparent manner and at a fair price in a well-informed market, and the transactions are executed at arm's length in exercise of due diligence and adopt an industry / sector neutral and geography neutral approach in targeting financial assets for acquisition. Credit risk management is achieved by considering the factors like cash flow, collateral values, etc.

In order to minimize credit risk, the Company has tasked its Risk Management Committee and Asset Acquisition Committee to develop and maintain the Company's credit risk grading's.

Company has classified its receivables in to following categories:

- Loans given (in the nature of restructuring loans, additional funding for working capital, etc.); and
- Other receivables under distress credit business.

Provision for expected credit loss

1. For loans:

Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company's current credit risk rating and grading framework comprises the following categories:

For stage-1 performing assets- 12 months Expected Credit Loss (ECL);

For stage-2- non-performing assets- lifetime ECL (on default occurred) and

For stage-3-credit impaired assets-based on expected cash flows

(i) Movement of gross carrying amount in loans given:

As at March 31, 2019

(₹ in Crore)

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	263.25	-	9.95	273.20
New assets originated or purchased	225.86	-	4.19	230.05
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Gross carrying amount closing balance	489.11	-	14.14	503.25

As at March 31, 2018

(₹ in Crore)

Particulars	As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	60.33	-	9.95	70.28
New assets originated or purchased	215.97	-	-	215.97
Assets derecognised or repaid (excluding write offs)	(13.05)	-	-	(13.05)
Gross carrying amount closing balance	263.25	-	9.95	273.20

(ii) Movement of provision for impairment (ECL):

As at March 31, 2019

(₹ in Crore)

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.75	-	9.95	11.70
New assets originated or purchased	1.65	-	4.19	5.84
Assets derecognised or repaid (excluding write offs)	-	-	-	-
ECL allowance - closing balance	3.40	-	14.14	17.54

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As at March 31, 2018

(₹ in Crore)

Particulars	As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	0.36	-	9.95	10.31
New assets originated or purchased	1.39	-	-	1.39
Assets derecognised or repaid (excluding write offs)	-	-	-	-
ECL allowance - closing balance	1.75	-	9.95	11.70

2 For other receivables under distressed credit business:

For the purpose of measuring the expected credit loss, including the lifetime expected credit loss allowances for other receivables under distress credit business, 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.

Movement of provision for impairment

As at March 31, 2019

(₹ in Crore)

Particulars	Trade receivables	Other financial assets	Total
Opening balance	2.52	7.67	10.19
Addition	2.74	13.66	16.40
Utilization/ written back	-	(9.57)	(9.57)
Closing balance	5.26	11.76	17.02

As at March 31, 2018

(₹ in Crore)

Particulars	Trade receivables	Other financial assets	Total
Opening balance	5.32	8.03	13.35
Addition	-	-	-
Utilization/ written back	(2.80)	(0.36)	(3.15)
Closing balance	2.52	7.67	10.19

The ageing of trade receivables:

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Past due 1-180 days	55.15	54.64	54.97
More than 180 days	85.49	62.05	124.62
Total	140.64	116.69	179.59

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

However the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

Ultimate responsibility for liquidity risk rest with the management, which has established an appropriate liquidity risk framework for the management of the Company's short term, medium-term and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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The Company has undrawn lines of credit of ₹ 308.99 Crore, ₹ 387.24 Crore and ₹ 212.38 Crore as of March 31, 2019, March 31, 2018 and April 1, 2017 respectively, from its bankers for working capital requirements.

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 and undiscounted.

(₹ in Crore)

As at March 31, 2019	Maturities in				
Particulars	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities					
Borrowings and debt securities	2,519.10	1,029.49	1,290.77	198.84	-
Trade payables	1.93	1.93	-	-	-
Other financial liabilities	171.67	62.71	108.96	-	-
Total	2,692.70	1,094.13	1,399.73	198.84	-
Financial Assets					
Cash and cash equivalents	154.59	154.59	-	-	-
Other Bank balances	1.49	0.73	0.76	-	-
Trade receivables	135.38	135.38	-	-	-
Loans	485.71	255.96	229.75	-	-
Investment	2,997.92	1,508.71	724.00	620.65	144.56
Other financial assets	39.25	38.03	-	-	1.22
Total	3,841.34	2,093.40	954.51	620.65	145.78

(₹ in Crore)

As at March 31, 2018	Maturities in				
Particulars	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities					
Borrowings and debt securities	1,410.63	556.03	842.10	12.50	-
Trade payables	0.70	0.70	-	-	-
Other financial liabilities	17.70	17.70	-	-	-
Total	1,429.03	574.43	842.10	12.50	-
Financial Assets					
Cash and cash equivalents	13.51	13.51	-	-	-
Other Bank balances	0.76	-	0.76	-	-
Trade receivables	114.17	114.17	-	-	-
Loans	261.50	40.24	221.26	-	-
Investment in security receipts	2,027.37	393.32	1,118.38	212.89	302.78
Other Financial Assets	18.67	18.67	-	-	-
Total	2,435.98	579.91	1,340.40	212.89	302.78

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(₹ in Crore)

As at April 1, 2017	Maturities in				
April 1, 2017	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities					
Borrowings and debt securities	1,197.75	833.96	210.08	153.71	-
Trade payables	0.82	0.82	-	-	-
Other financial liabilities	10.53	10.53	-	-	-
Total	1,209.10	845.31	210.08	153.71	-
Financial Assets					
Cash and cash equivalents	17.12	17.12	-	-	-
Other Bank balances	0.76	-	0.76	-	-
Trade receivables	174.27	174.27	-	-	-
Loans	59.97	15.50	44.47	-	-
Investment in security receipts	1695.23	166.90	960.35	295.98	272.00
Other Financial assets	30.99	30.99	-	-	-
Total	1,978.34	404.78	1,005.58	295.98	272.00

Notes:

- The maturities of non-derivative financial liabilities are based on the earliest date on which the Company may be required to pay.
- The maturities of the financial assets are based on the management's estimation on realization.

c) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

1) Currency risk

The functional currency of the Company is Indian Rupee (₹). The Company has not undertaken any transactions denominated in foreign currencies and therefore is not exposure to exchange rate fluctuations. Company has not taken derivative contracts during the year.

2) Interest rate risk

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. 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 and provide appropriate guidelines to the Treasury to manage such risk. The ALCO reviews the interest rate risk on periodic basis and decides on the appropriate funding mix.

Exposure to interest rate risk

The exposure of the Company's borrowings to the interest rates risk at the end of the reporting period is:

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Financial liabilities			
Fixed-rate instruments	2,014.30	1,071.82	1,082.74
Floating-rate instruments	402.77	273.76	72.62
Total	2,417.07	1,345.58	1,155.36

Interest rate Sensitivity analysis:

The sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period

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was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If floating rate of interest had been 100 basis points higher/ lower, the Company's profit for the year ended March 31, 2019 would decrease/ increase by ₹ 4.03 Crore (Previous year: decrease/ increase by ₹ 2.74 Crore).

48 Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules, 2014, requires companies to create Debenture Redemption Reserve ('DRR') for the purpose of redemption of debentures. The said Rule, inter alia, provides that no DRR is required to be created by NBFCs registered with RBI under Section 45-IA in case of privately placed debentures.

The Company, though an NBFC, is also a Securitisation and Reconstruction Company ('SCRC') registered with RBI under Section 3 of the SARFAESI Act 2002. The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended, inter alia, specifies that the provisions of Section 45-IA of RBI Act, 1934 relating to registration shall not apply to an NBFC, which is a SCRC registered with the RBI under Section 3 of SARFAESI Act, 2002. The aforesaid sub-rule, on the similar grounds, also exempts Housing Finance Companies from the requirement of creating DRR. In view of these provisions and background, as per the legal opinion the management of the Company believes that requirement of creating DRR is not applicable to SCRC. Hence no DRR is created by the Company for the outstanding debentures in the financial statements.

Additionally, the Company has written to the Ministry of Corporate Affairs to issue the necessary clarification with regard to the above for which the response is awaited.

49 Reconciliation of net profit and total equity reported under previous GAAP and Ind AS is as under:

(₹ in Crore)

Particulars	Refer note	Net profit Reconciliation	Equity Reconciliation	
		Year ended March 31, 2018	As at March 31, 2018	As at April 1, 2017
Net profit/ total equity as per previous Indian GAAP		108.08	966.86	579.77
IndAS Adjustments:				
Revenue from operations including (loss)/ gain on fair valuation of investments	A	(162.27)	16.50	178.77
Measurement of financial assets at amortised cost through EIR Method	B	(4.55)	(7.61)	(3.06)
Impairment on financial instruments	C	12.67	22.27	9.60
Reclassification of net actuarial loss on employee defined benefit obligations (net of taxes) to OCI	D	#	#	-
Impact of deferred tax on above items	E	47.09	(17.17)	(64.26)
Total adjustment		(107.06)	13.99	121.05
Net profit for the year as per Ind AS		1.02	980.85	700.82
Other comprehensive income (net of tax)	D	#	#	-
Total Comprehensive income / Equity as per Ind AS		1.02	980.85	700.82

Denotes amount less than ₹ 50,000

Impact of Ind AS adoption on the Statements of Cash flows for the year ended March 31, 2018:

(₹ in Crore)

Particulars	Previous GAAP	Adjustments	Ind AS
Cash flow from operating activities	216.47	(224.13)	(7.66)
Cash flow from investing activities	(487.84)	-	(487.84)
Cash flow from financing activities	267.76	224.13	491.89
Net increase in cash and cash equivalents	(3.61)	-	(3.61)
Cash and Cash Equivalents as at April 1, 2017	17.12	-	17.12
Cash and Cash Equivalents as at March 31, 2018	13.51	-	13.51
Net increase in cash and cash equivalents	(3.61)	-	(3.61)

The adjustments are preliminary on account of Ind AS reclassifications.

Notes:

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- A. Under previous GAAP, the investment in security receipts of Trusts under distressed credit business other than subsidiaries were carried at cost net of impairment, if any. However, under Ind AS, these investments are fair valued and management fees income are accounted as per the terms of the contract.
- B. Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortized cost and interest income is recognized as per effective interest rate method.
- C. Under previous GAAP, provision for doubtful trade receivables and loans and loans were calculated using incurred loss model. Under Ind AS, the provision on financial assets, are determined using the expected credit loss model.
- D. Under previous GAAP, Company recognizes actuarial gains/losses on defined benefit plan in the profit and loss account. Under Ind AS, the actuarial gains and losses will be recognized in other comprehensive income as re-measurement.
- E. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to IND AS.

50 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 16, 2016	122,397 Stock Options
April 12, 2018	88,236 Stock Options

The option shall be eligible for vesting as per following schedule:

Vesting/Grant Date	Options series	No. of Stock Options	Status	Exercise Period	Exercise Price in ₹
16th May, 2017	Series – IX	40,799	Vested	Seven years from the date of Grant	1
16th May, 2018	Series – IX	40,799	Vested	Seven years from the date of Grant	1
16th May, 2019	Series – IX	40,799	Vested	Seven years from the date of Grant	1
12th April, 2019	Series – XI	29,412	Vested	Seven years from the date of Grant	1
12th April, 2020	Series – XI	29,412	Vested	Seven years from the date of Grant	1
12th April, 2021	Series – XI	29,412	Vested	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	
	March 31, 2019	March 31, 2018
Outstanding at the beginning of the year	81,598	-
Granted during the year	88,236	1,22,397
Transfer in during the year		
Transfer out during the year		
Lapsed/forfeited during the year	-	-
Exercised during the year	(40,799)	(40,799)
Outstanding at the end of the year	1,29,035	81,598
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.74 Crore (Previous year: ₹ 0.17 Crore).

The options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

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51 Investments: Details of security receipts of trusts held in distressed credit business

(₹ in Crore)

Name of Trust	As on March 31, 2019		As on March 31, 2018		As on April 1, 2017	
	No. of SRs	Amount	No. of SRs	Amount	No. of SRs	Amount
(A) Subsidiary Trusts						
(At cost less impairment)						
JMFARC - BOI 2009 I - Trust	36,000	-	36,000	-	36,000	3.60
JMFARC -DB-ICICI- Trust	1,15,000	-	1,15,000	-	1,15,000	11.50
JMFARC -DB-SBI- Trust	61,000	-	61,000	-	61,000	6.10
JMFARC -DB-DCB- Trust	7,500	-	7,500	-	7,500	0.75
JMFARC -JORD-SUUTI Trust	8,000	-	8,000	-	8,000	0.80
JMFARC -Pasupati- SASF- Trust	2,50,000	-	2,50,000	-	2,50,000	4.00
JMFARC -Central bank - Tube - Trust	50,000	-	50,000	-	50,000	5.00
JMFARC -UTI - Tube - Trust	6,000	-	6,000	-	6,000	0.60
JMFARC – Yarn 2010 – Trust	1,00,000	-	1,00,000	0.01	1,00,000	0.01
JMFARC – SASF Tube – Trust	62,000	-	62,000	6.20	62,000	6.20
JMFARC-UCO Bank March 2011-Trust	16,500	1.65	16,500	1.65	16,500	1.65
JMFARC- Kruti 2012- Trust	-	-	-	-	5,64,587	0.06
JMFARC- Green December 2012- Trust	4,78,900	-	23,945	37.99	-	-
JMFARC- Kruti II 2013- Trust	6,86,600	-	6,86,600	-	6,86,600	33.72
JMFARC- Textile 2013- Trust	91,000	0.01	91,000	0.01	91,000	0.01
JMFARC- Corp Textile 2013- Trust	1,50,000	15.00	1,50,000	15.00	1,50,000	15.00
JMFARC-Corp Apparel 2013-Trust	1,20,000	0.01	1,20,000	0.01	1,20,000	0.01
JMFARC-Corp Biotech 2013-Trust	1,14,000	-	1,14,000	11.40	1,14,000	11.40
JMFARC- Central India 2013- Trust	2,89,360	28.94	2,89,360	28.94	2,89,360	28.94
JMFARC-Stancy Textiles 2013-Trust	1,000	-	1,000	-	1,000	-
JMFARC- Dena Bank March 2014 Trust	67,000	6.70	67,000	6.70	67,000	6.70
JMFARC- Gelatine March 2014 Trust	6,28,672	48.26	6,28,672	48.26	6,28,672	50.90
JMFARC- Petro BOB 2014 Trust	1,35,500	0.08	1,35,500	3.03	1,35,500	5.38
JMFARC- Petro UCO 2014 Trust	1,40,000	0.08	1,40,000	3.13	1,40,000	5.56
JMFARC- Petro CBOI 2014 Trust	51,500	0.03	51,500	1.15	51,500	2.04
JMFARC- ICICI Bank July 2014 Trust	20,000	-	20,000	-	20,000	0.54
JMFARC- Axis Bank Cement March 2015-Trust	2,30,000	23.00	2,30,000	23.00	2,30,000	23.00
JMFARC- ICICI Bank Cement June 2015-Trust	1,70,500	17.05	1,70,500	17.05	1,70,500	17.05
JMFARC-United Bank Cement September 2015-Trust	1,80,000	18.00	1,80,000	18.00	1,80,000	18.00
JMFARC -ICICI Geometric-Trust	61,500	6.15	61,500	6.15	61,500	6.15
JMFARC -Axis Bank February 2016-Trust	87,500	0.01	87,500	6.26	87,500	8.75
JMFARC -OBC Cement March 2016-Trust	49,700	4.97	49,700	4.97	49,700	4.97
JMFARC - Indian Bank I March 2016- Trust	16,010	-	16,010	0.23	16,010	1.16
JMFARC – Axis Iris II March 2016 Trust	60,000	6.00	60,000	6.00	60,000	6.00
JMFARC SBI Geometric October 2016 Trust	4,53,000	44.56	4,53,000	45.30	4,53,000	45.30
JMFARC - IRIS Cash 2016 - Trust	4,26,200	38.28	4,26,200	41.72	4,26,200	42.62
JMFARC - Tata Capital December 2016 - Trust	1,30,000	6.58	1,30,000	6.58	1,30,000	8.69
JMFARC – IDBI March 2017- Trust	30,000	2.81	30,000	3.00	30,000	3.00
JMFARC – Retreat II March 2017 – Trust	3,94,000	36.50	3,94,000	37.94	3,94,000	39.41
JMFARC - IRIS IIFL May 2017 - Trust	27,500	2.51	27,500	2.75	-	-
JMFARC - IRIS Cash July 2017 - Trust	2,64,000	23.42	2,64,000	25.36	-	-
JMFARC - Woods October 2017 Trust	1,87,500	11.60	1,87,500	15.78	-	-
JMFARC IRIS Cash March 2018 Trust	78,500	7.70	78,500	7.84	-	-
JMFARC - Fabrics June 2018 - Trust	8,30,000	74.02	-	-	-	-
JMFARC- Metallica July 2018- Trust	1,66,500	16.64	-	-	-	-

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Name of Trust	As on March 31, 2019		As on March 31, 2018		As on April 1, 2017	
	No. of SRs	Amount	No. of SRs	Amount	No. of SRs	Amount
JMFARC – Fabrics August 2018 I – Trust	80,20,000	802.00	-	-	-	-
JMFARC - Fabrics September 2018 I - Trust	7,53,500	75.35	-	-	-	-
JMFARC - Fabrics September 2018 II - Trust	5,35,300	53.51	-	-	-	-
JMFARC - Fabrics September 2018 IV - Trust	3,00,000	30.00	-	-	-	-
JMFARC - PNB IRIS II September 2018 – Trust	11,510	1.15	-	-	-	-
JMFARC - Fabrics March 2019 I - Trust	3,37,800	33.78	-	-	-	-
JMFARC – BOB 2008 – Trust	1,11,600	-	1,11,600	-	1,11,600	-
JMFARC-SME Retail 2011-Trust	13,365	-	13,365	-	13,365	-
JMFARC-IOB II March 2011-Trust	1,04,200	10.24	1,04,200	10.24	1,04,200	10.24
JMFARC-IOB II March 2011-Trust	5,800	0.58	5,800	0.58	5,800	0.58
JMFARC- Federal Bank March 2013- Trust	10,00,000	2.49	70,000	7.68	-	-
JMFARC- Corp I 2013- Trust	93,000	4.05	93,000	4.05	93,000	4.06
JMFARC- Corp II 2013- Trust	58,800	0.01	58,800	4.07	58,800	4.64
JMFARC - ICICI Bank September 2016 - Trust	8,55,495	84.73	8,55,495	85.55	8,55,495	85.56
JMFARC - Allahabad Bank June 2017 Trust	36,000	2.71	36,000	2.70	-	-
JMFARC - Allahabad Bank Textile June 2017 Trust	69,000	6.03	69,000	6.60	-	-
JMFARC - Federal Bank June 2017 – Trust	15,72,000	59.59	15,72,000	107.52	-	-
JMFARC-Retail June 2011-Trust	4,69,884	0.05	4,69,884	0.01	4,69,884	-
JMFARC-Retail Aug 2011-Trust	7,039	-	7,039	-	7,039	-
JMFARC- Metallica February 2018- Trust	-	-	13,22,500	131.72	-	-
		1,606.83		792.13		529.65
Less: Impairment loss allowance		(37.24)		(17.43)		(3.13)
Total (A)		1,569.59		774.70		526.52

(₹ in Crore)

Name of Trust	As on March 31, 2019		As on March 31, 2018		As on April 1, 2017	
	No. of SRs	Amount	No. of SRs	Amount	No. of SRs	Amount
(B) Non Subsidiary Trusts						
(At fair Value)						
JMFARC - BOI 2009 - Trust	48,600	-	48,600	-	48,600	1.22
JMFARC-Swarna 2011-Trust	1,24,600	-	1,24,600	-	1,24,600	-
JMFARC-Swarna 2011-Trust	72,199	3.61	72,199	7.22	72,199	7.22
JMFARC- Swarna II 2012- Trust	66,200	6.24	66,200	6.24	66,200	6.24
JMFARC- Swarna II 2012- Trust	12,500	0.94	12,500	1.25	12,500	1.25
JMFARC- Media 2013- Trust	12,500	-	12,500	-	12,500	1.10
JMFARC- Media II 2013- Trust	34,030	-	34,030	-	34,030	3.40
JMFARC- Fed Textile 2013 Trust	8,820	0.44	8,820	0.66	8,820	0.66
JMFARC-BOI Textile 2013-Trust	41,000	1.03	41,000	1.64	41,000	1.64
JMFARC- OBC March 2014 Trust	34,500	2.07	34,500	2.07	34,500	2.59
JMFARC- Fed Gelatine March 2014 Trust	17,500	0.44	17,500	1.31	17,500	1.75
JMFARC- OBC March 2014 II Trust	4,760	0.32	4,760	0.43	4,760	0.44
JMFARC- UBOI March 2014 Trust	66,750	4.34	66,750	5.01	66,750	5.01
JMFARC- SBI Ceramics June 2014 Trust	1,56,000	6.14	1,56,000	6.14	1,56,000	7.68
JMFARC- Indian Bank June 2014 Trust	32,200	2.25	32,200	2.42	32,200	2.42
JMFARC- Vijaya Bank June 2014 Trust	25,360	1.78	25,360	1.90	25,360	1.27
JMFARC- Hotels June 2014 Trust	3,29,099	0.29	44,56,592	56.53	44,56,592	138.37
JMFARC- Hotels June 2014 Trust	20,71,631	145.01	20,71,631	186.45	20,71,631	186.45
JMFARC- Central Bank of India June 2014 Trust	32,000	-	32,000	2.42	32,000	3.20

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(₹ in Crore)

Name of Trust	As on March 31, 2019		As on March 31, 2018		As on April 1, 2017	
	No. of SRs	Amount	No. of SRs	Amount	No. of SRs	Amount
JMFARC- CSB Ceramics September 2014 Trust	32,625	2.45	32,625	2.45	32,625	3.26
JMFARC- LVB Ceramics September 2014 Trust	27,900	2.09	27,900	2.09	27,900	2.79
JMFARC-SBOP Ceramics December 2014-Trust	11,850	0.89	11,850	0.89	11,850	1.19
JMFARC-SBH Ceramics December 2014-Trust	60,000	4.50	60,000	4.50	60,000	6.00
JMFARC-SBT Ceramics March 2015-Trust	23,250	1.74	23,250	1.74	23,250	2.33
JMFARC-SBI Steel March 2015-Trust	93,150	4.19	93,150	4.66	93,150	9.32
JMFARC- SBM Ceramics March 2015-Trust	12,750	0.96	12,750	0.96	12,750	1.28
JMFARC- Karnataka Bank Cement March 2015-Trust	49,500	4.95	49,500	6.19	49,500	6.19
JMFARC- Vijaya Bank Ceramics March 2015-Trust	27,000	2.16	27,000	2.16	27,000	2.70
JMFARC - SBH Cement June 2015 - Trust	66,000	4.95	66,000	6.60	66,000	6.60
JMFARC-United Bank Textile September 2015-Trust	27,075	2.71	27,075	2.71	27,075	2.71
JMFARC-PNB Ceramics November 2015-Trust	4,01,640	30.12	4,01,640	30.12	4,01,640	40.16
JMFARC-Corp Bank Ceramics September 2015-Trust	46,065	4.61	46,065	4.61	46,065	4.61
JMFARC -SBOP Geometric-Trust	61,560	0.21	61,560	9.23	61,560	9.23
JMFARC -Dena Ceramics January 2016-Trust	15,750	1.58	15,750	1.58	15,750	2.36
JMFARC - UBOI Steel March 2016 – Trust	63,000	3.97	63,000	3.15	63,000	6.30
JMFARC -OBC March 2016-Trust	72,000	7.58	72,000	7.92	72,000	7.92
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	5.43	57,180	5.43	57,180	8.58
JMFARC - EXIM Ceramics March 2016 – Trust	17,101	1.71	17,101	1.71	17,101	2.57
JMFARC - UCO Geometric March 2016 – Trust	88,965	0.12	88,965	13.34	88,965	13.34
JMFARC - KVB Iris II March 2016 – Trust	37,500	5.63	37,500	5.63	37,500	5.63
JMFARC - Indian Bank March 2016- Trust	97,515	1.57	97,515	2.19	97,515	11.70
JMFARC - IOB March 2016- Trust	50,250	5.03	50,250	5.03	50,250	5.03
JMFARC-Iris March 2016-Trust	10,00,165	147.38	10,00,165	147.66	10,00,165	150.02
JMFARC-Exim Iris March 2016-Trust	60,000	9.00	60,000	9.00	60,000	9.00
JMFARC – Axis Iris March 2016 Trust	1,50,000	22.50	1,50,000	22.50	1,50,000	22.50
JMFARC - KB Metals September 2016 - Trust	22,500	2.25	22,500	2.25	22,500	2.25
JMFARC - Andhra Resin September 2016 - Trust	37,605	-	37,605	0.01	37,605	3.76
JMFARC - Dena SEZ September 2016 - Trust	7,335	0.73	7,335	0.73	7,335	0.73
JMFARC - IDBI Geometric Dec 2016 - Trust	41,250	0.33	41,250	6.19	41,250	4.13
JMFARC - IRIS December 2016 - Trust	31,110	4.67	31,110	4.67	31,110	4.67
JMFARC-IRIS UBOI December 2016 - Trust	16,005	2.40	16,005	2.40	16,005	2.08
JMFARC-IRIS PNB January 2017 - Trust	41,550	6.18	41,550	6.18	41,550	6.23
JMFARC – IOB CHN March 2017 - Trust	37,500	3.75	37,500	3.75	37,500	3.75
JMFARC - IOB Ceramics March 2017 - Trust	33,000	2.48	33,000	2.48	33,000	3.30
JMFARC-IRIS United March 2017 - Trust	66,900	9.75	66,900	9.75	66,900	6.69
JMFARC - SBP March 2017 - Trust	31,665	2.60	31,665	3.17	31,665	3.17
JMFARC - IRIS UCO March 2017 - Trust	38,310	5.71	38,310	5.71	38,310	3.83
JMFARC - SBP Retreat March 2017 - Trust	77,600	7.76	77,600	7.76	77,600	7.76

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(₹ in Crore)

Name of Trust	As on March 31, 2019		As on March 31, 2018		As on April 1, 2017	
	No. of SRs	Amount	No. of SRs	Amount	No. of SRs	Amount
JMFARC – SBI Retreat March 2017 – Trust	1,66,800	16.68	1,66,800	16.68	1,66,800	16.68
JMFARC – SBI Tollways March 2017 – Trust	1,53,000	10.81	1,53,000	13.39	1,53,000	15.30
JMFARC-Karnataka Bank September 2017-Trust	20,310	2.25	20,310	2.03	-	-
JMFARC- Syndicate Ceramics September 2017 Trust	1,25,250	9.39	1,25,250	9.39	-	-
JMFARC - Allahabad Bank December 2017 Trust	76,275	7.63	76,275	7.63	-	-
JMFARC - Motors December 2017 Trust	94,500	6.33	94,500	9.45	-	-
JMFARC- IOB Metallica February 2018- Trust	3,60,000	39.60	3,60,000	36.00	-	-
JMFARC - Township February 2018 Trust	4,80,000	48.00	4,80,000	48.00	-	-
JMFARC- Metallica February 2018- Trust	1,98,375	24.56	-	-	-	-
JMFARC IRIS Canara March 2018 Trust	18,225	2.73	18,225	1.82	-	-
JMFARC IDBI March 2018 Trust	60,000	5.93	60,000	6.00	-	-
JMFARC - Alphahealth 2018 - Trust	11,91,000	297.88	-	-	-	-
JMFARC – Fabrics August 2018 II – Trust	3,80,000	39.14	-	-	-	-
JMFARC - Fabrics September 2018 III - Trust	40,200	4.14	-	-	-	-
JMFARC- Metallica November 2018- Trust	1,03,725	12.97	-	-	-	-
JMFARC - Metallica December 2018 – Trust	1,08,000	13.50	-	-	-	-
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	4.77	-	-	-	-
JMFARC – KTK Metallica December 2018 – Trust	55,500	6.94	-	-	-	-
JMFARC – Infra March 2019 – Trust	60,000	6.00	-	-	-	-
JMFARC – UCO Bank 2010 – Trust	31,500	-	31,500	-	31,500	-
JMFARC-IOB March 2011-Trust	2,80,000	-	2,80,000	-	2,80,000	28.10
JMFARC-IOB March 2011-Trust	96,500	-	96,500	-	96,500	-
JMFARC- UCO Bank March 2014 Trust	4,62,500	21.25	4,62,500	27.91	4,62,500	28.41
JMFARC- SBI March 2014 I Trust	1,73,750	8.81	1,73,750	9.33	1,73,750	9.33
JMFARC- SBI March 2014 II Trust	45,250	1.79	45,250	2.54	45,250	3.39
JMFARC- Cosmos March 2014 Trust	1,54,500	7.05	1,54,500	8.78	1,54,500	9.12
JMFARC- Indian Bank March 2014 Trust	44,500	1.78	44,500	3.34	44,500	3.34
JMFARC- BOI March 2014 II Trust	2,15,750	13.43	2,15,750	16.18	2,15,750	16.18
JMFARC- OBC June 2014 Trust	8,915	0.67	8,915	1.11	8,915	1.11
JMFARC- UBOI June 2014 Trust	59,915	1.50	59,915	1.50	59,915	1.50
JMFARC-Karnataka Bank December 2014-Trust	1,72,500	10.83	1,72,500	10.83	1,72,500	13.82
JMFARC-CSB September 2015-Trust	63,000	6.22	63,000	7.91	63,000	8.79
JMFARC-PNB December 2015- Trust	24,765	1.44	24,765	3.10	24,765	2.48
JMFARC-SBH December 2015-Trust	73,380	7.34	73,380	11.01	73,380	11.01
JMFARC - KVB March 2016-Trust	3,55,095	32.01	3,55,095	35.51	3,55,095	35.51
JMFARC - Federal Bank March 2016 – Trust	73,350	6.43	73,350	6.66	73,350	7.31
JMFARC - PAN INDIA 2016 - Trust	15,46,908	154.69	15,46,908	154.67	15,46,908	154.69
JMFARC - PNB March 2017 - Trust	2,22,075	14.99	2,22,075	16.72	2,22,075	22.19
JMFARC - SBT March 2017 - Trust	55,875	4.19	55,875	5.57	55,875	5.57
JMFARC- Federal Bank March 2013- Trust	-	-	-	-	70,000	3.5
JMFARC- Green December 2012- Trust	4,78,900	-	-	-	23,945	2.97
JMFARC - LTF June 2017 – Trust	6,00,000	44.79	6,00,000	59.07	-	-
JMFARC-Central Bank Retail 2011-Trust	88,872	0.64	88,872	0.75	88,872	0.83
Total (B)		1,400.64		1,173.67		1,168.71

Notes

to the Standalone Financial Statements

52 Additional disclosure;

The following additional disclosures have been made taking into account RBI guidelines in this regard:

a) Name and address of the banks / financial institutions/NBFCs from whom financial assets were acquired and the value of which such assets were acquired from each such bank/ financial institutions/NBFCs.

(₹ in Crore)

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost Rupees	% to total
Sponsor			
Indian Overseas Bank	763, Anna Salai, Chennai	827.91	4.98%
Sponsor Total		827.91	4.98%
Non- Sponsors			
State Bank of India	State Bank Bhavan, Corporate Centre, Madame Cama Marg, Mumbai, Maharashtra – 400 021	2,660.85	15.99%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	1,311.40	7.88%
UCO Bank	Biplabi Trailokya Maharaj Sarani, Kolkata - 700001	1,064.70	6.40%
Syndicate Bank	Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai - 400005	1,004.27	6.03%
ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051	884.65	5.32%
HDFC Limited	Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020	863.89	5.19%
Union Bank of India	Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai -400021	764.77	4.60%
Axis Bank	Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400005	600.75	3.61%
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	528.97	3.18%
Federal Bank	Federal Towers, Aluva, Ernakulum, Kerala - 683101	402.00	2.42%
Central Bank of India	Chandermukhi, Nariman Point, Mumbai 400021	351.40	2.11%
Indian Overseas Bank	763, Anna Salai, Chennai	350.50	2.11%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005	325.25	1.95%
Cosmos Co-operative Bank Ltd	Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030	309.00	1.86%
L&T Infrastructure Finance Company Limited	3rd Floor, Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400 098	308.43	1.85%
Karur Vysya Bank	Erode Road, Karur - 639002	296.41	1.78%
Vijaya Bank	41/2 M. G. Road, Bangalore - 560001	255.75	1.54%
Diwan Housing Finance	3rd Floor, DHFL House, 19 Sahar Raod, Vile Parle (East), Mumbai - 400 099	240.00	1.44%
State Bank of Mysore	P.B. No. 9727, Kempe Gowda Road, Bangalore - 560009	239.60	1.44%
Bank of Baroda	Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400023	226.31	1.36%
Indian Bank	254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014	222.30	1.34%
Karnataka Bank	Mahavira Circle, Kankanadi, Mangalore - 575002	220.39	1.32%
State Bank of Travancore	34, Poojapura, Thiruvananthapuram - 695012	199.00	1.20%
State Bank of Hyderabad	Head Office- Gunfoundry, Hyderabad - 500001	192.97	1.16%
Oriental Bank of Commerce	Harsh Bhavan, E- Block, Connaught Place, New Delhi - 110001	176.92	1.06%
State Bank of Patiala	The Mall, Patiala - 147105	169.60	1.02%
IDBI Bank	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	144.49	0.87%
Dena Bank	C -10, G Block, Bandra Kurla Complex, Mumbai - 400051	120.93	0.73%
Allahabad Bank	2, Netaji Subhash Road, Kolkata - 700001	112.82	0.68%
Canara Bank	112 J. C. Road, Bangalore	103.67	0.62%
L&T Finance Limited	City 2, Plot No. 177, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai 400 098	91.57	0.55%
Standard Chartered Bank	23, Narain Manzil, Barakhamba Road, New Delhi- 110001	89.84	0.54%
Corporation Bank	Mangladevi Temple Road, Mangalore - 575 001	84.29	0.51%
Sicom Ltd	Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400093	84.07	0.51%
State Bank of Bikaner & Jaipur	Tilaknagar, Jaipur - 302005	83.35	0.50%
United Bank of India	11, Hemanta Basu Sarani, Kolkata	80.65	0.48%
South Indian Bank	SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680001	79.33	0.48%

Notes

to the Standalone Financial Statements

(₹ in Crore)

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost Rupees	% to total
JM Financial Products Limited	5th Floor Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	70.85	0.43%
Catholic Syrian Bank	CSB Bhavan, St. Mary's College Road, Thrissur,	63.75	0.38%
Yes Bank	9th floor Nehru Centre, Worli, Mumbai - 400018	54.45	0.33%
Lakshmi Vilas Bank	LVB House, 4/1, Sardar Patel Road, guindy, Chennai - 600032. Tamil Nadu	51.32	0.31%
HSBC	52/60, M. G. Road, Fort, Mumbai - 400001	49.03	0.29%
Stressed Assets Stabilisation Fund	IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai 400005	31.20	0.19%
Bank of Maharashtra	"Lokmangal" 1501, Shivajinagar, Pune 411005	30.21	0.18%
Andhra Bank	Dr. Pattabhi Bhawan, 5-9-11, Saifabad, Hyderabad 500 004	25.07	0.15%
Ratnakar Bank	One India Bulls Center, Tower 2 , 6th Floor, 841, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013	25.00	0.15%
Tata Capital Financial Services Limited	One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400001	24.50	0.15%
HUDCO	HUDCO Bhawan, Core-7-A, India Habitat Centre, Lodhi Road, New Delhi - 110 003	21.34	0.13%
Bank of Bahrain & Kuwait B.S.C	Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400021	19.19	0.12%
Deutsche Bank	DB House, Hazarimal Somani Marg, Fort, Mumbai 400001	18.35	0.11%
Small Industries Development Bank of India	Samruddhi Venture Park, Upper Ground Floor, MIDC Road, Marol, Andheri East. Mumbai - 400 093	15.00	0.09%
Kotak Mahindra Bank Limited	27 BKC, Plat No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	7.50	0.05%
Specified Undertaking of UTI	UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	7.30	0.04%
Barclays PLC	801, Ceejay House, Annie Besant Road, Worli, Mumbai 400 018	7.22	0.04%
KKR India Financial Services Pvt. Ltd.	Regus CitiCentre, Level 6, 10/11, Dr. Radhakrishna Salai, Tamil Nadu, Chennai 600 004	6.75	0.04%
Rupee Co-operative Bank	2062, Sadashiv Peth, Astang Ayurved Building, Pune- 411030	6.00	0.04%
SBI Global Factors Limited	6th Floor, Metropolitan Building, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	4.50	0.03%
BNP Paribas	Unit No 203, Sakar II, Ellisbridge, Ahmedabad 380006	3.39	0.02%
IFCI Factors Limited	10Th Floor, IFCI Tower, 61 Nehru Place, New Delhi 110 019	3.13	0.02%
Pegasus Assets Reconstruction Private Limited	507, Dalamal House, Nariman Point, Mumbai 400 021	3.10	0.02%
SBM Bank (Mauritius) Limited	101, Raheja Centre, Nariman Point, Mumbai 400 021	2.85	0.02%
India Infoline Finance Limited (IIFL)	12A-10, 13th Floor, Parinee Crescenzo, C-38 & C-39, G Block, Behind MCA, Bankdra Kurla Complex, Bandra (East), Mumbai 400 051	2.75	0.02%
IL & FS Financial Services Limited	IL & FS Financial Centre, Plat C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051	2.27	0.01%
NKGSB Co-Operative Bank Ltd.	Laxmi Sadan, 361, V. P. Road, Mumbai 400 004	2.10	0.01%
CTBC Bank Co Limited	UGF, Birla Tower, 25, Barakhamba Raod, New Delhi - 110 001	2.02	0.01%
The Saraswat Co-op Bank Ltd	Mittal Court 'A' Wing 1st Floor, Nariman Point, Mumbai - 400004	1.91	0.01%
Dhanalakshmi Bank	Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680001	1.59	0.01%
The Nashik Road Deolali Vyapari Sahakari Bank Ltd	Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422101	1.50	0.01%
Life Insurance Corporation of India	Yogakshema, Jeevan Bima Marg, Mumbai - 400021	1.50	0.01%
L & T Fincorp Limited	Brindavan, Plot no. 177, Vidyanagari Marg, CST Raod, Kalina, Santacruz, Mumbai 400 098	0.81	0.00%
UTI Mutual Fund	UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051	0.60	0.00%
Non Sponsors Total		15,813.14	95.02%
Grand Total		16,641.05	100.00%

* Indian Overseas Bank has ceased to be a sponsor with effect from September 22, 2015. Hence subsequent acquisitions from the same bank has been grouped in Non Sponsor acquisitions.

Notes

to the Standalone Financial Statements

b) Dispersion of various assets industry wise.

(₹ in Crore)

Industry	Acquisition Price	% to total
Hospitality	4,676.13	28.10%
Textiles	2,281.44	13.71%
Real Estate	1,957.05	11.76%
Pharmaceuticals	1,425.19	8.56%
Iron & Steel	1,122.19	6.74%
Ceramics	886.56	5.33%
Healthcare	519.55	3.12%
Infrastructure	378.17	2.27%
Chemicals	297.43	1.79%
Plywood/ laminates	276.51	1.66%
Airlines	238.75	1.43%
Retail	237.20	1.43%
Power	217.40	1.31%
Shipping	195.00	1.17%
Cement	171.52	1.03%
Media	139.71	0.84%
Trading	130.83	0.79%
Information Technology	126.66	0.76%
Metals	125.54	0.75%
Leather	107.15	0.64%
Coal	101.80	0.61%
Plastics	92.79	0.56%
Packaging	92.79	0.56%
Food Products	87.82	0.53%
Others	755.87	4.54%
Total	16,641.05	100.00%

- c) The above table (b) has been prepared by management based on the information and relevant documents available with the Company which has been relied upon by the auditors.
- d) The acquisition price in the tables (a) and (b) above includes financial assets acquired till March 31, 2019 including financial assets resolved till date.
- e) Restructuring Loan disbursed to one borrower amounting to ₹ 26.95 Crore, has been classified as non- performing asset in earlier financial year. Provision of ₹ 14.14 Crore has been made on the same as per Expected Credit Loss method.
- f) The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto

Additional disclosure;

- g) Additional disclosure as per RBI Notification No. DBNS. PD (SC/RC). 8/ CGM (ASR) dated April 21, 2010.

Particulars	₹ in Crore (face value)
Value of financial assets acquired during the financial year either in its own books or in the books of the trust	1,879.72
Value of financial assets realized during the financial year	761.31
Value of financial assets outstanding for realization as at the end of the financial year	13,016.98
Value of Security Receipts redeemed partly during the financial year	752.71
Value of Security Receipts redeemed fully during the financial year (including writeoffs)	47.99
Value of Security Receipts pending for redemption as at the end of the financial year	14,043.83
Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii)	367.49
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-

Notes

to the Standalone Financial Statements

- h) Additional disclosure as per RBI Notification No. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated August 5, 2014
- None of the assets have been acquired during the year at a price higher than the book value (value of assets declared by seller bank in the auction)
 - None of the assets (i.e. total purchase consideration paid at the trust level) have been disposed off during the financial year at a discount of more than 20% of its valuation as on the previous year end
 - Trusts where the value of the SRs (i.e. Net Asset Value) have declined more than 20% below the acquisition value.

(₹ in Crore)

Name of Trust	SRs issued	SRs outstanding	NAV % as on March 31, 2019
JMFARC-SBH Cement June 2015-Trust	44.00	44.00	75%
JMFARC-PNB December 2015-Trust	16.51	16.51	58%
JMFARC-SBOP Geometric-Trust	41.04	41.04	88%
JMFARC -ICICI Geometric-Trust	41.00	41.00	75%
JMFARC - UCO Geometric March 2016 – Trust	59.31	59.31	75%
JMFARC - IDBI Geometric Dec 2016 – Trust	27.50	27.50	75%
JMFARC - SBT March 2017 – Trust	37.25	37.25	75%
Total	266.61	266.61	

53 Figures of previous year have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

54 The financial statements were approved for issue by the Board of Directors on April 30, 2019.

For and on behalf of the Board of Directors

V P Shetty
Chairman
DIN – 00021773

Rupa Vora
Chairperson-
Audit Committee
DIN – 01831916

Anil Bhatia
Managing Director &
Chief Executive Officer
DIN – 01310959

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date: April 30, 2019

CERSAI Fees	5,000.00	To be paid immediately upon acceptance of this Offer Letter and in case the CERSAI fees actually paid are more than this amount, the differential amount shall be reimbursement immediately upon raising of the invoice for the same.
Trust Settlement Amount	1,000.00	The Trust Settlement Fee is payable immediately on the acceptance of this Offer Letter and shall be fully refundable on revocation of the Trust upon due redemption of the Debentures/Bonds to the subscribers

ii) Other Charges:

- All Out of Pocket expenses, including but not limited to documentation expenses, legal counsel expenses, audit expenses, expenses incurred in the execution/ custody of documents, digitisation of documents, legal audit expenses etc. shall be borne by the Company and reimbursed to us within a period of 10 days from the date of invoice.
- All applicable charges and expenses with respect to the filing of security interest created in favour of STCL with the Registrar of Companies (RoC) shall be chargeable separately as applicable and reimbursed to us immediately upon the receipt of invoice.
- As stipulated by SEBI, STCL shall conduct Independent Due Diligence (“IDA”) if applicable and periodical assessment of the compliances with the covenants/terms of the issue/security created (“PAC”) through external agencies i.e. Professional Advisors/ Experts/ Chartered Accountants/ Valuers/ Legal Counsel etc. in such manner as may be prescribed from time to time.
- The external agencies for the IDA and PAC would be appointed by STCL from its panel, and the charges/professional fees payable to the external agencies shall be predetermined based upon the nature of the transaction/manhours involved/ location of the property and mutually agreed to in writing by such external agencies and the Company. STCL shall not be liable either to the Company or the external agency in any manner whatsoever with regard to payment of the fees and/or reimbursement of expenses etc.
- The external agencies will raise the invoice directly in the name of the Company, and the payment shall be made directly by the Company in advance with intimation to STCL based on the confirmation email issued by STCL.
- The Company will engage only STCL empaneled agencies for issuances of reports/ certificates/ Asset cover certificates etc in adherence to SEBI Circulars and in the manner prescribed by SEBI from time to time.
- The Company shall be liable to provide/ furnish relevant documents/ information, as applicable, to enable the external agencies to conduct IDA if applicable and PAC

B. Invoicing and Billing:

- The Goods and Service Tax (GST) details as provided by the Company are as follows:

GST No.: 27AABCJ9062F1ZI

GST Address: 7th Floor, Cnergy Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400025

All the invoices and Bills raised on the Company will mention the above GST No.

- ii. The Invoices and Bills Generated by STCL pursuant to this Offer letter shall be sent to the following address:

Address:

7th Floor, Cnergy Appasaheb Marathe Marg,
Prabhadevi, Mumbai -400025

In case of any change in the above details, the Company shall immediately inform STCL, Whilst making the payment of the above Base Charges and Other Charges, kindly mention the invoice No. against which the payment is being made.

C. Bank Details:

Given below are the Bank details into which payments of all fees and expenses are required to be made, under as stated in this Offer Letter:

RTGS Details:

Beneficiary Name: SBICAP Trustee Company Limited;

Account No.34075964557;

Beneficiary Bank & Code: State Bank of
India (8586); IFSC Code: SBIN0008586

SWIFT Code: SBININBB521

Branch Address: Madame Cama Road Branch, Post Bag No. 11588, Madame Cama Road,
Mumbai - 400021.

- D.** The above- mentioned fees are exclusive of all applicable taxes viz. GST, education cesses and applicable taxes and other charges as may be applicable as per the law for the time being in force, which will be charged separately.
- E.** In case of declaration of an event of default by one or any of the Debenture Holder/ Bondholders/ Lenders/ Lead Bank/ Monitoring Institution and STCL being instructed to take any action on behalf of any such Lenders/ Lead Bank/ Monitoring Institution/ Debenture Holder, STCL may charge, at our sole discretion, such additional fees, charges, expenses, costs etc. for providing such services.

It is further stated that, STCL are not required, to incur/ expend any costs out of their own pocket in providing such services, as referred above, including enforcement/ litigation/ recovery. In case if, STCL is required to make any payment in the course of providing such services, the amount of such payments shall be deposited in advance or recovered/ claimed from the Recovery Expense Fund.

- F.** The Acceptance Charges which are payable by the Company in advance and immediately upon the acceptance of this Offer Letter are non-refundable and shall not be dependent upon initiation/ completion of the transaction for which these fees are being charged.

Annual Charges being levied by STCL are non-refundable and exclusive of any other amount which may be payable/ reimbursed to STCL under Debenture Trustee Agreement/ Transaction documents /Finance/ Security Documents.

- G.** In case of failure to make payment of all the fees, charges and expenses payable under this Offer Letter within a period of 30 days from the date of Invoice, penal interest at the rate of 18% p.a. shall be charged from the date of the invoice till the date of actual payment.

- H.** The liability of STCL shall be limited to the extent of the fees received by it under this Offer Letter.

- I. The terms of this Offer Letter shall be applicable and be limited only to the captioned debenture issue, and any documentation executed related to and with respect to it. Any extension of security to any other lender/ debenture holder, further issuance of debentures/ schemes and any other additional documentation required to be executed in respect thereof, STCL shall charge such additional fees as may be agreed upon.
- J. This Offer Letter shall form and integral part of the finance and security / transaction documents and the terms & conditions hereunder shall be constructed to form a part and parcel of the transaction documents to be executed. In the event of any conflict or contradicting terms & conditions, the terms of this Offer Letter shall prevail.
- K. This Offer Letter may be amended, revised, modified (and the provisions hereof may be waived) only by a written agreement in writing between the parties.
- L. Also please arrange to provide the compliance documents as per the attached standard compliance check list prior to signing of documents. Upon examination of sanction letter/ term sheet/ information memorandum/ title investigation report additional compliance will be required to be submitted, if any.

In case any clarifications are required, please feel free to contact Mr. Prashant Ashok Joshi at 8879150022 or email at prashant.joshi@sbicaptrustee.com.

Please note that the terms and conditions as contained in this Offer Letter, unless accepted earlier, are valid for a period of one month from the date of issuance.

Assuring you of our best services, as always.

For SBICAP Trustee Company Limited

Signature valid

Digitally signed by:
ARDHENDU MUKHOPADHYAY
Tue Nov 24 15:10:51 IST 2020

Authorised Signatory

Agree and Accepted by
For JM Financial Asset Reconstruction Company Limited

VINEET
SUBHASH
SINGH

Digitally signed
by VINEET
SUBHASH SINGH
Date: 2020.11.24
18:48:25 +05'30'

Authorised Signatory

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS AT ITS MEETING HELD ON JANUARY 15, 2018

“RESOLVED THAT in supersession of resolution passed vide Board Minute no. 10 (b) dated October 13, 2017 and subject to the approval of the Members and such other statutory approval(s), consent(s), permission(s) or sanction(s) as may be required and pursuant to Sections 42, 71, 179(3)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Board hereby approves to offer, issue and allot Non-Convertible Debentures (NCDs) for an amount aggregating up to ₹7000 Crore (Rupees Seven Thousand Crore only) to the investors in one or more tranches, from time to time, on a private placement basis on the following broad terms and conditions:

Type of Instrument	: NCDs including Principal Protected Market Linked NCDs
Maximum amount that may be borrowed through the issue of NCDs and remaining outstanding at any given point of time	: ₹7000 Crore
Face value of the NCDs	: up to ₹1 Crore per NCD.”

“RESOLVED FURTHER THAT the proceeds of the issue of NCDs would be utilised by the Company for augmenting the working capital requirements, re-financing existing borrowings, acquisition of financial assets, making investments in Security Receipts and for the general corporate purposes of the Company.”

“RESOLVED FURTHER THAT the NCDs that may be issued by the Company from time to time in pursuance of the above resolution may be admitted for listing on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited and/or Debt Market Segment of the BSE Limited in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 AND THAT the Board hereby approves making the required application to the above stock exchange(s) for the purpose of listing.”

“RESOLVED FURTHER THAT the Company do issue the Shelf Offer Document/Disclosure Document (DD) which shall be prepared in accordance with the provisions of:

- the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- the issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, and RBI Guidelines dated February 20, 2015; and
- the Companies (Prospectus and Allotment of Securities) Rules, 2014 under the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Issue and Allotment Committee of the Board be and is hereby authorised to approve the Offer Document/Disclosure Document/ Form PAS-4 and **JM Financial Asset Reconstruction Company Limited**

(Formerly known as JM Financial Asset Reconstruction Company Private Limited)
Corporate Identity Number : U67190MH2007PLC174287

Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfinancialarc.com

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Mr. Sabyasachi Ray, the Chief Financial Officer and Mr. Nikhil Bhandary, the Company Secretary, be and are hereby severally authorised to issue the said Offer Document/Disclosure Document/Form PAS-4 from time to time.”

“RESOLVED FURTHER THAT Mr. V P Shetty, Mr. Anil Bhatia, Mr. Vivek Grover, Mr. Sabyasachi Ray and Mr. Nikhil Bhandary (“Authorised Signatories”) be and are hereby severally authorized to appoint trustee(s), rating agencies, valuation agencies, registrars and transfer agents and to make, apply, sign and/or execute any writings, applications, agreements, undertakings, hypothecation agreements, debenture trustee appointment agreement, debenture trust deed, declarations, contracts, memorandum of understanding, letters of allotment, debenture certificates and/or all such other documents, as may be required in connection with the issue and listing of NCDs as above and to make necessary applications to National Securities Depository Limited and/or Central Depository Services (India) Limited for the purpose of issue of NCDs in electronic mode AND THAT they be further severally authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for the purpose of giving effect to the issue of NCDs.”

“RESOLVED FURTHER THAT the Board hereby approves giving declaration as required under Form PAS-4 annexed to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 AND THAT the Authorised Signatories as above be and are hereby severally authorised to sign, make and file the said Form PAS-4 and such other Form(s) with the Registrar of Companies, Maharashtra, Mumbai, through the Ministry of Corporate Affairs’ website portal.”

“RESOLVED FURTHER THAT the monies borrowed by the Company through the issue of NCDs as above may be secured by way of a mortgage or creation of security interests of any kind, on or in respect of all or any part of the immovable/movable properties including the Security Receipts, current/fixed assets, tangible/intangible assets, book debts/claims as identified by the Company wherever situate, present and future and such mortgage or other security interests may rank either first, exclusive, pari-passu with or subsequent, subservient or subordinate to all or any mortgages and/or other security interests created/to be created by the Company, in favour of the debenture trustees/security trustees/debenture holders AND THAT the Authorised Signatories as above be and are hereby severally authorised to admit the debenture trust deed / hypothecation / mortgage deed for registration, if and to the extent required, with the sub-registrar of assurances.”

“RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to any of the documents to be executed in this regard in the presence of any one of the Directors or any one of the Key Managerial Personnel of the Company or any one of the Authorised Signatories.”

Certified to be true



Vineet Singh
Company Secretary

Place : Mumbai
Date : October 7, 2019



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS AT ITS MEETING HELD ON JULY 12, 2019

“RESOLVED THAT in partial modification of the resolution passed by the Board of Directors vide minute no. 37(b) dated January 15, 2018, the Issue and Allotment Committee of the Board be and is hereby authorised to approve the Offer Document/Disclosure Document/ Form PAS-4 and Mr. Sabyasachi Ray, the Chief Financial Officer and Mr. Vineet Singh, the Company Secretary, be and are hereby severally authorised to issue the said Offer Document/Disclosure Document/Form PAS-4 from time to time.”

“RESOLVED FURTHER THAT Mr. Anil Bhatia, Mr. Vivek Grover, Mr. Sabyasachi Ray, Mr. Rakesh Kashimpuria, Mr. Mahesh Mimani, Mr. Samir Chawla, Mr. Sunil Subramanian, Mr. Harish Lalchandani, Mr. Sanil Panicker, Mr. Vivekh Mehra, Mr. Pankaj Agnihotri, Mr. Vineet Singh, Mr. Kinant Dand and Mr. Pranav Mehta (“Authorised Signatories”) be and are hereby severally authorized to appoint trustee(s), rating agencies, valuation agencies, registrars and transfer agents and to make, apply, sign and/or execute any writings, applications, agreements, undertakings, hypothecation agreements, debenture trustee appointment agreement, debenture trust deed, declarations, contracts, memorandum of understanding, letters of allotment, debenture certificates and/or all such other documents, as may be required in connection with the issue and listing of NCDs as above and to make necessary applications to National Securities Depository Limited and/or Central Depository Services (India) Limited for the purpose of issue of NCDs in electronic mode **AND THAT** they be further severally authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for the purpose of giving effect to the issue of NCDs.”

“RESOLVED FURTHER THAT the Authorised Signatories as above be and are hereby severally authorised to admit the debenture trust deed / hypothecation / mortgage deed for registration, if and to the extent required, with the sub-registrar of assurances.”

“RESOLVED FURTHER THAT save as aforesaid, the resolution passed vide minute no. 37(b) dated January 15, 2018 shall continue to remain in full force and effect.”

Certified to be true



Vineet Singh

Company Secretary

Place : Mumbai

Date : October 7, 2019

JM Financial Asset Reconstruction Company Limited

(Formerly known as JM Financial Asset Reconstruction Company Private Limited)

Corporate Identity Number : U67190MH2007PLC174287

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

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CERTIFIED TRUE COPY OF THE ORDINARY RESOLUTION PASSED BY THE MEMBERS AT THE THIRTEENTH ANNUAL GENERAL MEETING HELD ON JULY 22, 2020

- a) **“RESOLVED THAT** the audited standalone financial statements of the Company consisting of the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors thereon be and are hereby approved and adopted; and
- b) **“RESOLVED THAT** the audited consolidated financial statements of the Company consisting of the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the Auditors’ Report thereon be and are hereby approved and adopted.”

Certified to be true

Place : Mumbai

Date : August 20, 2020

Vineet Singh

Company Secretary

CERTIFIED TRUE COPY OF THE ORDINARY RESOLUTION PASSED BY THE MEMBERS AT THE THIRTEENTH ANNUAL GENERAL MEETING HELD ON JULY 22, 2020

“RESOLVED THAT Mr. V P Shetty (DIN 00021773), who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

Certified to be true

Place : Mumbai

Date : August 20, 2020

Vineet Singh

Company Secretary

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS AT THE THIRTEENTH ANNUAL GENERAL MEETING HELD ON JULY 22, 2020

“RESOLVED THAT pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force, and pursuant to the applicable provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable Securities and Exchange Board of India regulations and guidelines, Reserve Bank of India guidelines along with applicable circulars and clarifications issued by them from time to time and to the extent applicable to the Company and subject to the provisions of the Company’s Memorandum and Articles of Association, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) to offer, issue and allot secured/unsecured redeemable Non-Convertible Debentures, in one or more series/ tranches, aggregating up to ₹ 7000 Crore (Rupees Seven Thousand Crore Only), on private placement basis and/ or through public offer, on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

Certified to be true

Place : Mumbai

Date : August 20, 2020

Vineet Singh

Company Secretary

**CERTIFIED TRUE COPY OF THE STATEMENT ANNEXED TO THE NOTICE
RELATING TO THE SPECIAL RESOLUTION PASSED BY THE MEMBERS AT
THE THIRTEENTH ANNUAL GENERAL MEETING HELD ON JULY 22, 2020**

Item No. 3

Pursuant to Sections 23, 42, 71 and other applicable provisions of the Act, if any, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a private placement or public issue of its securities unless the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the Members of a company by a Special Resolution.

Keeping in mind the further requirement of funds, it is proposed to seek enabling approval from the Members to issue Non-Convertible Debentures (NCDs) on private placement basis and/or through public offer, on such terms and conditions as the Board may, from time to time, determine.

The amount proposed to be raised through the issue of NCDs would be used, inter alia, for acquisition of new financial assets, refinancing existing borrowings, augmenting the working capital requirements and for general corporate purposes.

The Board commends passing of the Special Resolution set out at item no. 3 of the Notice.

None of the other Directors/Key Managerial Personnel of the Company or their relatives, are in any way concerned or interested, financially or otherwise (except to the extent of the NCDs that may be offered to, and/or taken up by them), in the Special Resolution set out at item no. 3 of the Notice.

Certified to be true

Place : Mumbai

Date : August 20, 2020

Vineet Singh

Company Secretary