DOCUMENT CONTAINING DISCLOSURES AS PER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED BY SEBI (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 AND COMPANIES ACT, 2013 READ WITH THE RULES MADE THEREUNDER

JM FINANCIAL PRODUCTS LIMITED

JM Financial Products Limited ("Company") was originally incorporated at Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956 with registration number 33397 of 1984 and with the name "J.M. Lease Consultants Private Limited". By virtue of section 43A of the Companies Act, 1956 the Company became a deemed public company with the name "J.M Lease Consultants Limited" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. Our Company further became a Private Company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, the Company's name was changed to "JM Financial Products Private Limited". The Company was converted into a public limited company with the name "JM Financial Products Limited" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. B - 13.00178 dated March 2, 1998.

Corporate Identification Number - U74140MH1984PLC033397
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025
Tel: (022) 6630 3030 **Fax:** (022) 6630 3223 **Website:** www.jmfinancialproducts.com
Compliance Officer/Contact Person: Mr. Rupesh Samani;
Email: investorrelations.products@jmfl.com

DISCLOSURE DOCUMENT (DD) FOR PRIVATE PLACEMENT OF UPTO 2,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE CI-2020 (XXIX) NCDs") OF THE FACE VALUE OF RS. 10 LAKH (RUPEES TEN LAKH) EACH ISSUED AT PAR FOR CASH AGREGATING UPTO TO RS. 200 CRORE (RUPEES TWO HUNDRED CRORE) (THE "ISSUE")

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 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 rating of [ICRA] AA/(Stable (pronounced "ICRA double A with stable outlook") and CRISIL has assigned a rating of CRISIL AA/Stable for the captioned Issue. Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating agency has the right to suspend, withdraw or revise the rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the rating. Further, the Company may avail ratings from SEBI registered Rating Agencies, as and when required.

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, the Companies Act 2013 and Rules made there under and RBI Guidelines, that this 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 BSE Limited ("**BSE**"). The BSE has given its 'in-principle' approval to list the Debentures vide its letter dated November 25, 2020

This Disclosure Document is dated December 1, 2020

REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE
KFin Technologies Private Limited	**IDBI Trusteeship Services Limited**
Selenium Tower – B, Plot No. 31 & 32, Gachibowli	Asian Building, Ground Floor
Financial District, Nanakramguda,	17, R. Kamani Marg, Ballard Estate
Hyderabad – 500 032, Telangana	Mumbai – 400 001
Tel. No. 040 23312454 / 23320751	Tel: +91 22 4080 7000; Fax: +91 22 6631 1776
Fax no. 040 23311968,	E-mail: itsl@idbitrustee.com
E-mail venu.sp@kfintech.com	Website: www.idbitrustee.com
Contact Person: Mr. S.P Venu	Contact Person: Mr. Dinesh Ladwa
Designation: Zonal Head – Corporate Registry	Designation: Vice-President

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

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

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

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

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

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

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

DISCLAIMER CLAUSE OF SEBI

As per the provisions of SEBI (Issue and Listing of 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 copy of this DD has been filed with BSE 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 the BSE should not in any way be deemed or construed to mean that this DD has been reviewed, cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DD. BSE does not warrant that the NCDs will be listed or will continue to be listed on BSE nor does BSE take any responsibility for the soundness of the financial and other conditions of the Company, its promoters, its management or any scheme or project of the Company.

DISCLAIMER CLAUSE OF RBI

The Company is having a valid certificate of registration issued by Reserve Bank of India on March 2, 1998 bearing registration no. B -13.00178 to carry on the activities of an NBFC under section 45 IA of the RBI Act 1934. However, the RBI does not have any responsibility nor guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/discharge of liabilities by the company. It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by RBI.

DISCLAIMER CLAUSE OF THE COMPANY

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

DISCLAIMER IN RESPECT OF JURISDICTION

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

FORCE MAJEURE

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

DEFINITIONS AND ABBREVIATIONS

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

General terms

Term	Description
JM Financial Products Limited/“We”/ “us”/ “our / JMFPL / the Company/our Company / the Issuer	JM Financial Products Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai –400 025, Maharashtra, India

Company related terms

Term	Description
Auditor	M/s. Khimji Kunverji & Co. LLP, the statutory auditors of the Company
AOA/Articles/Articles of Association	Articles of Association of our Company, as amended from time to time
Board of Directors/Board	The board of directors of the Company or any committee thereof from time to time
Director(s)	Director(s) of the Company, as may change from time to time, unless otherwise specified
KMP/Key Managerial Personnel	Key Managerial Personnel, as defined under the Companies Act, 2013, Section 2(51) as under: *“key managerial personnel”, in relation to a company, means -* *i. the Chief Executive Officer or the managing director or the manager;* *ii. the company secretary;* *iii. the whole-time director;* *iv. the Chief Financial Officer;* *v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and* *vi. such other officer as may be prescribed”*
MOA/Memorandum/ Memorandum of Association	Memorandum of Association of our Company, as amended from time to time
NBFC	Non-Banking Financial Company as per Reserve Bank of India Act, 1934, as amended from time to time
Registered Office	The registered office of the Company located at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India

Issue related terms

Term	Description
Act	shall mean 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
BSE	BSE Limited

Term	Description
Business Day	Any day of the week excluding Saturdays, Sundays, any 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.
CDSL	Central Depository Services (India) Limited
Debenture(s)	2,000 Secured, Rated, Listed, Redeemable Non-Convertible Debenture(s) [Tranche CI – 2020 (XXIX) NCDs] of the face value of 10 Lakh (Rupees Ten lakh) each issued at par for cash aggregating upto Rs. 200 Crore (Rupees Two Hundred Crore).
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	Debenture Trustee, in this case being IDBI Trusteeship Services Limited
Deemed Date of Allotment	The deemed date of allotment of NCDs being December 3, 2020.
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996
Disclosure Document/ DD	This Disclosure Document through which the Issue is being made 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 and as per Companies Act, 2013, as amended from time to time.
DP-ID	Depository Participant Identification Number
DRR	Debenture Redemption Reserve to be created, if any, in accordance with the provisions of the Companies Act, 2013
EBM	Electronic Book Mechanism for issuance of debt securities on private placement basis
Equity Shares	Equity shares of the Company of face value of Rs. 10/- each
Issue	Private Placement of the Debentures under this DD
Interest / Coupon Rate	The rate of interest payable, if any, on the NCDs for the period specified in the DD
Investor	To whom this Disclosure Document is specifically addressed
IT Act	Income Tax Act
Market Lot	The minimum lot size for trading of the Debentures on the Stock Exchange, being one Debenture.
Moveable Property	Moveable Property shall mean the specific identified Receivables of the Company which shall be provided as security in relation to the Debentures
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NCDs	Debentures issued pursuant to this Issue
NEFT	National Electronic Fund Transfer Service
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Promoter	JM Financial Limited
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time

Term	Description
RBI Guidelines	RBI Guidelines means the guidelines issued by RBI for the purpose of issue of NCDs
RoC	Registrar of Companies, Mumbai, Maharashtra
Rating Agency/Credit Rating Agency	ICRA Limited (ICRA)/CRISIL Limited (CRISIL) or any other SEBI registered Credit Rating Agency appointed from time to time
Receivables	Receivables shall mean all amounts payable to the Company by the obligors including principal, interest, additional interest, overdue charges, premium on prepayment, prepayment proceeds, GST (if any) arising out of any of loans and advances of the Company
Redemption Date	With respect to any Debentures 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.
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 and SEBI (Listing Obligations and Disclosure Requirements), 2015, 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 and/or immovable properties of the Company.
Subsidiary	JM Financial Home Loans Limited
Stock Exchange	BSE Limited
TDS	Tax Deducted at Source
Tranche CI– 2020 (XXIX)	Shall mean all 2,000 NCDs issued under this DD
WDM	Wholesale Debt Market Segment of the BSE

SECTION - II

RISK FACTORS

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

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

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

A. INTERNAL RISK FACTORS

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

3. The Company and its Promoter are involved in certain legal, tax and other proceedings (including criminal proceedings) that if determined against the Company and its Promoter, could have a material adverse effect on business, financial condition and results of operations.

   The Company is a non-deposit taking Systematically Important Non- Banking Finance Company i.e. NBFC-ND-SI and therefore the Company is subject to supervision and regulation by RBI, as an NBFC-ND-SI, and other regulatory authorities. The Company operates in highly regulated business and is subject to various laws and regulations and regulatory investigations. Changes in RBI's regulations and the regulation governing the Company or the industry in which the Company operates may have a material adverse effect on the business, financial condition or results of operation.

4. The Company is dependent on fellow subsidiary company, JM Financial Credit Solutions Limited ("JMFCSL") for origination of loans in real estate segment. Any inability to originate loans will adversely impact the business operations of the Company.

5. The Company's business is dependent on the JM Financial group's goodwill and 'JM Financial' franchise. Any adverse impact on the 'JM Financial' franchise or any change in control of the JM Financial group or any other factor affecting the business and reputation of the JM Financial group may have a concurrent adverse effect on its reputation, business and results of operations.

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

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

8. The loan portfolio of the Company is Rs. 3,682 Crore as on September 30, 2020. Any default and late or non-payment by from the Company's clients could adversely affect the business, results of operations and financial condition. Any such defaults and late or non- payments would result in provisions or write-offs in the financial statements which may materially and adversely affect the asset quality, cash flows and profitability. The Company's gross loan portfolio (excluding inter-corporate deposits) is secured by assets, moveable and immoveable. The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of assets and the Company may not be able to recover the estimated value of the assets, thus exposing it to potential losses. Any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could also expose the Company to potential losses.

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

10. The Company and its subsidiary operate in a highly regulated industry and are subject to various laws and regulations and regulatory investigations which may have a material adverse effect on our business, financial condition or results of operation.

11. Non-compliance with Reserve Bank of India or National Housing Bank inspection / observations may have a material adverse effect on business, financial condition or results of operation.

12. The Company may face asset-liability mismatches that could adversely affect the cash flows, financial condition and results of operations.

13. The Company's business requires substantial funds, and any disruption in funding sources or an increase in the average cost of borrowings could have a material adverse effect on its liquidity and financial condition.

14. The Company reported a Net NPA of Rs. 2.81 as on September 30, 2020. Increase in NPA levels due to client defaults could impact the quality of the Company's portfolio and the business may be adversely affected if the Company is unable to provide for such higher levels of NPAs.

15. ICRA has assigned a rating of '[ICRA] AA/Stable' for the Non-Convertible Debenture programme of upto Rs. 4,000 Crore by the Company and CRISIL has assigned a rating of CRISIL AA/Stable for the Non-Convertible Debenture issue programme of upto Rs. 750.40 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, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

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

17. The Company have a limited operating history in retail mortgage business, which makes it difficult to accurately assess our future growth prospects.

18. The housing finance industry is competitive and increasing competition may result in declining margins of the subsidiary if we are unable to compete effectively.

19. Our Subsidiary has obtained a license to operate as a non-deposit taking housing finance company from the National Housing Bank. If we are not successful in the housing finance business, we may lose some or all of the investments that we have made in it and our reputation, results of operations and financial condition may be adversely affected.

20. The Company has a high concentration of loans to certain customers and in certain geographies and if a substantial portion of these loans were to become non-performing, the quality of credit portfolio could be adversely affected.

21. The Company operates in various segments such as Structured Financing, Real Estate Financing, Retail Mortgage Financing, Capital Market Financing and Financial Institution Financing. Any default by a client coupled with a downturn in the stock markets or any other specific sector could result in substantial losses for our Company.

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

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

24. The Company's business operations are reliant on its information technology and telecommunication systems. Any failure of or disruptions/ security breach in its systems, inability to adapt to the technological changes could have an adverse impact on the business, operations and financial condition.

25. The Company's risk management measures and internal controls, may not be fully effective in mitigating its risks in all market environments or against all types of risks, which may adversely affect the business and financial performance.

26. The Company is dependent on its senior management and other key personnel as well as certain intermediaries, and the loss of, or its inability to attract or retain, such persons could adversely affect the business, results of operations, financial condition and cash flows.

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

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

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

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

31. The Company introduces new products for customers and there is no assurance that new products will be profitable in the future. Further, the Company also faces additional risks as it expands product and service offerings and grow business.

32. The Company's substantial indebtedness and the conditions imposed by the financing and other agreements could adversely affect the ability to conduct its business and operations.

33. The Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that the Company could not have achieved more favorable terms if such transactions had been entered into with third parties.

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

35. Potential investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. Potential investors assume the risk that the

Company will not be able to satisfy its obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

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

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

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

39. In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of the Debenture Trustee Deed and other related documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of the property offered as security, and (ii) finding a willing buyer for such security at a price sufficient to repay the potential investors' amounts outstanding under the Debentures. Further, the security in relation to the Debentures is proposed to be created subsequently and within a maximum period of 3 months of the first issue closure date.

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

41. 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.

42. **Potential Conflicts of Interest:** Investors should ensure that they understand and accept the identities of the parties and the roles they play in relation to the Debentures, as disclosed in the DD.

B. EXTERNAL RISK FACTORS

1. Instability or difficult conditions in the financial markets could adversely affect the Company's business, results of operations and financial condition.

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

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

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

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

6. Adverse changes in the credit markets may also impact the business of the Company.

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

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

9. Differences exist between Indian GAAP and other accounting principles, which may be material to investors' assessments of the Company's financial condition.

10. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect the Company's ability to raise financing and its business.

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

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

13. Acts of terrorism, civil disturbance, communal conflicts, regional conflicts, other act of violence or war involving India and other countries and any other similar threats to security could adversely affect the Company's business, cash flows, results of operations and financial condition.

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

15. We may find it difficult to raise funds in terms of quantum, cost and tenure under the current liquidity scenario which may adversely affect the Company's business and operations.

C. GENERAL RISK FACTORS

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

D. ADDITIONAL ASSUMPTIONS

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

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

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

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

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

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

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

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

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

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

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

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

    (a) investing in the NCDs on the terms and conditions stated herein is within the scope of the fund's investment policy and does not conflict with the provisions of the trust deed / bye laws / regulations currently in force,
    (b) the investment in NCDs is being made by and on behalf of the fund and that the fund is in force and existing and the investment has been ratified by appropriate resolutions, and
    (c) the investment in NCDs has been duly authorised and does not contravene any provisions of the trust deed / bye laws / regulations as currently in force or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets;

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

    (a) the Debenture Holder is not precluded under any law, rules, regulations and / or circular(s) issued by any statutory authority (ies) including under the Act from investing in the NCDs;
    (b) all necessary corporate or other necessary action has been taken and that the Debenture Holder has corporate ability and authority, to invest in the NCDs;
    (c) investment in the NCDs does not contravene any provisions of the Memorandum and Articles of Association or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets;
    (d) the Debenture Holder is not debarred from accessing the capital market or has been restrained by any regulatory authority from directly or indirectly acquiring the said securities; and
    (e) the Debenture Holder shall pay for subscription of the debentures from his own bank account.

SECTION - III

DISCLOSURES AS PER SCHEDULE I OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED

A. ISSUER INFORMATION

A.a. Name and Address of the following:

Sr. No.	Particulars	Details
1.	Name of the Issuer	JM Financial Products Limited
2.	Registered and Corporate Office of the Issuer	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 - 6630 3030 Fax: 022 – 6630 3223
3.	Compliance Officer of the Issuer	**Mr. Rupesh Samani (Company Secretary)** 5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 - 6630 3030 Fax: 022 – 6630 3223 Email: rupesh.samani@jmfl.com/investorrelations.products@jmfl.com
4.	Chief Financial Officer of the Issuer	**Mr. Nishit Shah** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 - 6630 3360 Fax: 022 – 6630 3223 Email: Nishit.Shah@jmfl.com
5.	Trustee of the Issue	**IDBI Trusteeship Services Limited** Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Tel: +91 22 4080 7000; Fax: +91 22 6631 1776 E-mail: dinesh.ladwa@idbitrustee.com Contact Person: Mr. Dinesh Ladwa
6.	Registrar of the Issue	**KFin Technologies Private Limited** Selenium Tower – B Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda Hyderabad – 500 032 Tel. No. 040 23312454 / 23320751, Fax no. 040 23311968 E-mail id: venu.sp@karvy.com Contact Person: Mr. S.P Venu
7.	Credit Rating agencies of the Issue	**ICRA Limited** 1105, Kailash Building, 11th floor, 26 Kasturba Gandhi Marg, New Delhi - 110001 Tel: +91 2335 7940-45 Website: www.icra.in **CRISIL Limited** CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 Telephone: (+91) (022) 3342 3000 Facsimile: (+91) (022) 4040 5800 Website: www.crisil.com
8.	Auditors of the Issuer	**M/s. Khimji Kunverji & Co LLP** Sunshine Tower, Level 19 Senapati Bapat Marg, Elphinstone Road Mumbai – 400 013 Tel: +91 22 6143 7333; Website: www.kkc.in

Investors can contact the Compliance Officer of the Company in case of any pre-Issue or post-Issue related matters.

A.b. A brief summary of the business / activities of the Issuer and its line of business:

A.b.i. Overview:

JM Financial Products Limited (the Company) is a Systematically Important Non-Deposit Taking NBFC (NBFC-ND-SI) registered with the Reserve Bank of India. It is a subsidiary of JM Financial Limited.

The Company is focused on offering a broad suite of loan products which are customised to suit the needs of the corporates, SMEs and individuals. It broadly operates under five verticals viz. (i) Structured Financing; (ii) Real Estate Financing; (iii) Capital Market Financing; (iv) Retail Mortgage Financing and (v) Financial Institution Financing (FIF).

The Company has a subsidiary JM Financial Home Loans Limited. JM Financial Home Loans Limited is registered with National Housing Bank (NHB) and is in the business of affordable housing and education institutions lending.

The Company has also ventured into technology-backed real estate consultancy service, 'Dwello' wherein we assist the buyers in various stages of their home purchase transactions and has set up the 'Institutional Fixed Income' division to expand its debt syndication capabilities. The desk actively trades in secondary market as a market maker in corporate bonds.

Details of the branches of the Company as on September 30, 2020

The Company has branch offices at Delhi, Ashram Road, Kolkata, Basappa Complex, Prabhadevi, Borivali, CG Road, Kalyan, Chennai and Chembur. The addresses are mentioned below:

Delhi:
5G & H, 5th Floor, Hansalaya Building, 15 Barakhamba Road, New Delhi - 110001

Ashram Road:
301, 3rd Floor, Chinubhai Center, Near Nehru Bridge Corner, Ashram Road, Ahmedabad - 380009

Kolkata:
8th Floor, Kankaria Estate, 6 Little Russell Street, Kolkatta - 700071

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

Prabhadevi:
7th floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

Borivali:
1st Floor, B Wing, Suashish IT Park, Plot No. 68 E, Off. Dattapada Road, Opp. Tata Steel, Borivali (East), Mumbai – 400066

CG Road:
Unit No 1001, 10th Floor, Rembrandt Building, Opp Associate Petrol Pump, C.G.Road, Ellisbridge, Ahmedabad - 380006

Kalyan:
102, Shreeji Solitaire, Wing A, Khadakpada Chowk, Kalyan (West), Thane -421 301

Chennai:
Seethakathi Business Centre, Unit No.211 & 212, Second Floor, 684-690, Anna Salai (Mount Road), Chennai, Tamil Nadu – 600002

Hyderabad:
Uma Hyderbad House, 6-3-1090/1/1, 2nd Floor, Somajiguda, Hyderabad – 500082

Chembur:
Office No. 601, 6th Floor, Glamcent, 350 Central Avenue Road, Chembur, Mumbai – 400071

Pune:
JM House, Ashok Nagar, Off range, Hills road, Pune – 411007

Thane:
101, Ashar Millenia, 1st Floor, Near Vijay Sales, Ghodbunder Road, Thane – 400 615

A.b.ii. Corporate Structure:

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

Sr. No.	Name of the Shareholder	Number of shares held	Face value per share (Rs.)	% of total shares
1.	JM Financial Limited along with its nominees	54,14,60,650	10/-	99.44%
2.	JM Financial Group Employees' Welfare Trust	30,39,350	10/-	0.56%
	Total	**54,45,00,000**	**-**	**100.00%**

A.b.iii. Key Operational and Financial Parameters for the last three Audited years:

The Key Operational and Financial Parameters as per IND AS for the last three audited financial years and for the latest half year ended September 30, 2020 (unaudited) are as under:

i. Standalone Basis

Parameters	For half year ended	For year ended		
	September 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	(Rs. Crore, except number of accounts / groups)			
Total Equity	1,750.31	1,707.3	1,560.3	1,467.5
Total Borrowing of which				
i) Debt Securities	2,377.89	2,731.49	3,487.39	4,713.33
ii) Borrowings (Other than Debt Securities)	617.64	826.08	1,036.03	954.17
Property, Plant and Equipments and Other Intangible Assets	79.87	86.48	8.14	6.87
Financial Assets (Other than Cash and Cash equivalents & Loan book)	988.79	1,484.53	627.39	187.23
Non-Financial Assets (including Deferred Tax)	162.13	152.14	70.30	55.88
Cash and Cash equivalents	1.42	46.64	142.38	195.75
Bank balance other than cash and cash equivalents	122.48	60.00	60.05	205.50
Financial Liabilities	3,113.72	3,664.07	4,550.02	5,704.38
Loan Book	3,612.53	3,639.86	5,220.58	6,543.49
Interest Income	253.44	701.75	853.70	891.95
Finance Cost	159.98	453.17	521.96	485.13
Impairment on financial instruments	33.55	60.92	(6.82)	5.98
Total Comprehensive Income	59.38	160.15	204.20	204.23
Stage 3 Assets as a percentage of Loan Book under Ind AS (%)	1.52%	0.13%	0.07%	0.26%
Stage 3 Assets net of stage 3 provision as a % of Loan Book	1.05%	0.08%	0.06%	0.19%
CRAR - Tier I Capital Ratio (%)	35.18%	31.25%	24.87%	21.26%
CRAR - Tier II Capital Ratio (%)	0.76%	0.68%	0.58%	0.41%

ii. Consolidated Basis:

Parameters	For year ended March 31, 2020	March 31, 2019	March 31, 2018
	(Rs. Crore, except number of accounts / groups)		
Total Equity	1,699.72	1,553.24	1,465.84
Total Borrowing of which			
i) Debt Securities	2,795.48	3,546.15	4,713.33
ii) Borrowings (Other than Debt Securities)	931.96	1,073.88	954.17
Property, Plant and Equipments and Other Intangible Assets	94.85	12.70	7.82
Financial Assets (Other than Cash and Cash equivalents & Loan book)	1,337.02	509.41	155.51
Non-Financial Assets (including Deferred Tax)	164.26	75.77	57.66
Cash and Cash equivalents	58.15	147.02	208.34
Bank balance other than cash and cash equivalents	60.05	60.10	205.50
Financial Liabilities	3,843.51	4,649.82	5,705.94
Loan Book	3,937.06	5,421.99	6,561.14
Interest Income	738.09	862.11	831.32
Finance Cost	466.40	524.82	485.13
Impairment on financial instruments	63.30	(5.54)	6.05
Total Comprehensive Income	159.31	197.80	202.61

Gross Debt: Equity Ratio of the Company

	Standalone	Consolidated
Before the issue of NCDs*#	2.08	2.19
After the issue of NCDs*^#	2.20	2.31

* As per audited financials as on March 31, 2020

^ Assuming issue of NCDs of Rs. 200 Crore (Rupees Two Hundred Crore Only)

Gross debt equity ratio without netting off cash / cash equivalents

A.b.iv. Project cost and means of financing, in case of funding new projects:

Not Applicable

A.c. A brief history of the Issuer since its incorporation giving details of its following activities:

History and Change in the name of the Company

The Company was originally incorporated at Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956 with registration number 33397 of 1984 and with the name "J.M. Lease Consultants Private Limited". By virtue of section 43A of the Companies Act, 1956 the Company became a deemed public company with the name "J.M Lease Consultants Limited" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. The Company further became a Private Company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, the Company's name was changed to "JM Financial Products Private Limited". The Company was converted into a public limited company with the name "JM Financial Products Limited" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra.

The Company has obtained a certificate of registration dated March 2, 1998 bearing registration no. B - 13.00178 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act, 1934.

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

Share Capital	Particulars
Authorised Share Capital	Rs. 1,200 Crore comprising: - 110,00,00,000 Equity Shares of Rs. 10 each - 10,00,00,000 Preference Shares of Rs. 10 each
Issued, Subscribed and Paid up Share Capital	Rs. 544.50 Crore comprising: - 54,45,00,000 Equity Shares of Rs. 10 each

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

Details of increase in authorised share capital since incorporation are set forth as below:

Sr. No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised share capital from Rs.50,000.0 to Rs. 1,00,00,000.0 divided into 9,97,000.0 Equity Shares of Rs. 10.0 each and 300 Equity Shares of Rs. 100.0 each	September 1, 1986	EGM
2.	Increase in authorised share capital from Rs. 1,00,00,000.0 to Rs. 1,00,01,000.0 divided into 10,00,000.0 Equity Shares of Rs. 10.0 each and 10 Preference Shares of Rs. 100.0 each	February 6, 1992	EGM
3.	Increase in authorised share capital from Rs. 1,00,01,000.0 to Rs. 10,00,00,000.0 divided into 60,00,000.0 Equity Shares of Rs. 10.0 each and 40,00,000 Preference Shares of Rs. 10.0 each	March 29, 2006	EGM
4.	Increase in authorised share capital from Rs. 10,00,00,000.0 to Rs. 30,00,00,000.0 divided into 1,75,00,000.0 Equity Shares of Rs. 10.0 each and 1,25,00,000 Preference Shares of Rs. 10.0 each	February 9, 2007	EGM
5.	Increase in authorised share capital from Rs. 30,00,00,000.0 to Rs. 50,00,00,000.0 divided into 4,95,00,000.0 Equity Shares of Rs. 10.0 each and 5,00,000 Preference Shares of Rs. 10.0 each	October 29, 2007	EGM
6.	Increase in authorised share capital from Rs. 50,00,00,000.0 to Rs. 1,200,00,00,000.0 divided into 110,00,00,000.0 Equity Shares of Rs. 10.0 each and 10,00,00,000 Preference Shares of Rs. 10.0 each	December 13, 2007	EGM

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

The history of equity share capital raised by the Company is as under:

Date of Allotment	No. of equity shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (Rs.)	Equity Share premium (in Rs.)
Upon Incorporation	20	10	10	Cash	Allotment to Subscribers(1)	20	200	-
March 30, 1992	9,99,980	10	10	Cash	Rights issue(2)	10,00,000	1,00,00,000	-
March 31, 2006	50,00,000	10	100	Cash	Further issue of equity shares (3)	60,00,000	6,00,00,000	45,00,00,000
October 29, 2007	1,15,00,000	10	-	-	Conversion of preference shares to equity shares (4)	1,75,00,000	17,50,00,000	-
October 29, 2007	1,60,00,000	10	125	Cash	Rights issue (5)	3,35,00,000	33,50,00,000	2,29,00,00,000
November 7, 2007	1,60,00,000	10	125	Cash	Rights issue (6)	4,95,00,000	49,50,00,000	4,13,00,00,000
December 14, 2007	49,50,00,000	10	-	-	Allotment of bonus shares (7)	54,45,00,000	544,50,00,000	4,13,00,00,000

1. Allotment of Equity Shares to Mr. Nimesh Kampani (10) and Mr. S. Anantharam (10)

2. Allotment of Equity Shares on right basis to J. M. Financial & Investment Consultancy Services Private Limited (9,99,980)

3. Allotment of Equity Shares to JMFL.(50,00,000)

4. Conversion of Preference Shares held by JMFL to Equity Shares (1,15,00,000).

5. Allotment of Equity Shares on right basis to JMFL.(1,60,00,000)

6. Allotment of Equity Shares on right basis to JMFL. (1,60,00,000)

7. Allotment of Bonus Shares to JMFL. (49,50,00,000)

The history of preference share capital raised by the Company is as under:

Date of allotment	No. of Preference Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment	Cumulative no. of Preference Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
February 6, 1992	10	100.0	100.0	Cash	Further issue of preference shares (1)	10	1,000.0	-
February 6, 2002	(10)	100.0	-	-	Redemption of preference shares (2)	-	-	-
March 31, 2006	40,00,000	10.0	100.0	Cash	Further issue of preference shares (3)	40,00,000	4,00,00,000.0	36,00,00,000.0
February 1, 2007	25,00,000	10.0	100.0	Cash	Further issue of preference shares (4)	65,00,000	6,50,00,000.0	58,50,00,000.0
February 13, 2007	50,00,000	10.0	100.0	Cash	Further issue of preference shares (5)	1,15,00,000	11,50,00,000.0	1,03,50,00,000.
October 29, 2007	(1,15,00,000)	10.0	-	-	Conversion of preference shares to equity shares(6)	-	-	-

1. Allotment of Preference Shares to Mr. Nimesh Kampani jointly with Ms. Aruna Kampani (10)

2. Redemption of Preference Shares (10)

3. Allotment of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares to JMFL (40,00,000)

4. Allotment of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares to JMFL (25,00,000)

5. Allotment of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares to JMFL (50,00,000)

6. Conversion of 9% Optionally Convertible Non-cumulative Redeemable Preference Shares held by JMFL to equity shares (1,15,00,000)

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

None

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

None

A.d. Details of the shareholding of the Company as on the latest quarter end

A.d.i. Shareholding pattern of the Company as on September 30, 2020:

Sr. No.	Name of the Shareholder	Number of equity shares held	Face value per equity share (Rs.)	% of total shares
1.	JM Financial Limited along with its nominees	54,14,60,650	10/-	99.44%
2.	JM Financial Group Employees' Welfare Trust	30,39,350	10/-	0.56%
	Total	**54,45,00,000**	**-**	**100.00%**

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

A.d.ii. List of top 10 holders of equity shares of the Company as on the latest quarter end:

The list of top 10 holders of equity shares of the Company as on September 30, 2020 is as under:

Sr. No.	Name of the Shareholder	Number of equity shares held	Face value per equity share (Rs.)	% of total shares
1.	JM Financial Limited along with its nominees	54,14,60,650	10/-	99.44%
2.	JM Financial Group Employees' Welfare Trust	30,39,350	10/-	0.56%
	Total	**54,45,00,000**	**-**	**100.00%**

A.e. Following details of the directors of the Company

A.e.i. Details of the current directors of the Company:

Sr. No.	Name and Designation	DIN	Age	Address	Director of the Company since	Occupation
1.	Mr. Vaddarse Prabhakar Shetty Non-Executive Chairman	00021773	73	B-1802, Ansal Heights, Dr. G M Bhosale Marg, Worli Naka, Worli, Mumbai – 400 018	21/04/2008	Professional
2.	Mr. Eknath A Kshirsagar, Independent Director	00121824	79	19, Tarangini, Twin Tower Road, Prabhadevi, Mumbai - 400 025	10/05/2010	Professional
3.	Mr. Dhirendra Singh, Independent Director	00852815	75	Flat 102, Earth Court 2, Jaypee Greens, G-Block, Surajpur, Kasna Road, Greater Noida-201306	12/07/2010	Retired
4.	Ms. Roshini Bakshi, Independent Director	01832163	53	1103-B, Surya Apartments Bhulabhai Desai Road Mumbai 400026	21/01/2015	Professional
5.	Mr. Atul Mehra Non-Executive Director	00095542	53	B/4, Clifton Co-op Housing Society, Juhu Tara Road, Juhu, Mumbai 400 049, Maharashtra, India	19/07/2017	Professional
6.	Mr. Subodh Shinkar Non-Executive Director	00095541	53	Flat no. ME-II - 2902, Marathon Era - II Ganpat Rao Kadam Marg, Lower Parel, Mumbai – 400 013	17/07/2018	Professional
7.	Mr. Vishal Kampani Managing Director	00009079	43	C-2301,2302,Floor-23 Tower C, Beau Monde, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025	15/09/2015	Investment Banker

To the best of the Company's knowledge and belief, none of the current Directors are presently appearing in the RBI defaulter list/ ECGC default list in their individual capacity.

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

Sr. No.	Name of the Director	Details of other directorship
1.	Mr. Vaddarse Prabhakar Shetty	JM Financial Credit Solutions Limited JM Financial Asset Reconstruction Company Limited JM Financial Asset Management Limited JM Financial Home Loans Limited
2.	Mr. Eknath A Kshirsagar	JM Financial Limited Batliboi Limited Hawkins Cookers Limited Manipal Global Education Services Private Limited
3.	Mr. Dhirendra Singh	Nil
4.	Ms. Roshini Bakshi	Persistent Systems Limited Modern Food Enterprise Private Limited VLCC Health Care Limited
5.	Mr. Atul Mehra	Nil
6.	Mr. Subodh Shinkar	JM Financial Capital Limited JM Financial Commtrade Limited
7.	Mr. Vishal Kampani	JM Financial Limited JM Financial Capital Limited JM Financial Institutional Securities Limited

Sr. No.	Name of the Director	Details of other directorship
		JM Financial Services Limited J M Financial & Investment Consultancy Services Private Limited Infinite India Investment Management Limited JM Financial Singapore Pte. Limited Capital Market Publishers India Private Limited JM Financial Homes Loans Limited JM Financial Credit Solutions Limited JM Financial Asset Reconstruction Company Limited

A.e.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. Atul Mehra, Non - Executive Director	00095542	July 19, 2017	Not Applicable	Appointed as the Non-Executive Director at the AGM held on July 17, 2018 (Appointed as an Additional Director on July 19, 2017)
2.	Mr. Subodh Shinkar, Non - Executive Director	00095541	July 17, 2018	Not Applicable	Appointed as the Non-Executive Director at the AGM held on July 11, 2019 (Appointed as an Additional Director on July 17, 2018)
3.	Mr. E A Kshirsagar Independent Director	00121824	May 10, 2010	Not Applicable	Re-appointed as Independent Directors for a further term not exceeding three (3) years from July 2, 2019 to July 1, 2022.
4.	Mr. Dhirendra Singh Independent Director	00852815	May 10, 2010	Not Applicable	
5.	Ms. Roshini Bakshi Independent Director	01832163	January 21, 2015	Not Applicable	Re-appointed as an Independent Director for a further term not exceeding five (5) years from January 21, 2020 to January 20, 2025.
6.	Mr. M R Umarji Non-Executive Director	00307435	April 11, 2020	December 11, 2008	Resignation

A.f. Following details regarding the auditors of the Company

A.f.i. Details of the auditor of the Company:

Name	Address	Auditor since
M/s. Khimji Kunverji & Co, LLP.	Sunshine Tower, Level 19 Senapati Bapat Marg Elphinstone Road Mumbai – 400 013	17/07/2018

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

Name	Address	Date of Appointment/ Resignation	Auditor of the Company since (in case of resignation)	Remarks
Deloitte Haskins & Sells LLP	Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013, India	17/07/2018 Resignation	10/10/2008	Resignation on account of expiry of the term of engagement of 5 years
M/s. Khimji Kunverji & Co. LLP	Sunshine Tower, Level 19, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013	17/07/2018 Appointment	-	Appointment on account of expiry of the term of engagement of the previous statutory auditor, Deloitte Haskins & Sells LLP, Chartered Accountants, of 5 years

A.g. Details of Borrowings of the Company as on the latest quarter end

A.g.i. Details of Secured Borrowing Facilities as on September 30, 2020:

- **Term Loan:**

Name of Lender	Date of Sanction	Sanctioned Amount (Rs. Crore)	Outstanding Amount (Rs. Crore)	Security	Repayment Date / Schedule
Bank of India	June 28, 2017 and further modified by letters dated August 01, 2017 and November 12, 2018	200.0	19.8	Secured by a first pari-passu charge by way of hypothecation of loan receivables/book-debts of company. Minimum 1.25 times security cover to be maintained at all the times	Repayment in 12 quarterly equal instalments of Rs. 16.67 crore, after 4 quarters of moratorium i.e. door to door tenor of 16 quarters.
Canara Bank	September 28, 2017	200.0	83.3	Secured by a first pari-passu charge with other lenders under multiple banking arrangement by the way of hypothecation of standard receivables of the company arising out of the loan and on such other Current assets as may be identified by the company from time to time with asset cover of 1.25 times.	12 equal quarterly instalment of Rs. 16.67 crore after initial moratorium period of 18 months from the date of 1st disbursement. Interest to be paid as and when due at monthly rests.
Canara Bank (e Syndicate Bank)	November 30, 2017 and further modified by sanction letter dated December 26, 2017	100.0	40.0	Secured by a floating pari-passu charge by way of hypothecation of loan receivables / book debts from existing and future customers of the Company which is eligible for bank financing as per the RBI stipulation with a security cover of 1.25 times.	10 equal quarterly instalments commencing after the completion of moratorium period i.e. from 21st month from the date of disbursement.

Name of Lender	Date of Sanction	Sanctioned Amount (Rs. Crore)	Outstanding Amount (Rs. Crore)	Security	Repayment Date / Schedule
State Bank of India	March 10, 2017	200.0	55.2	Secured by a first pari-passu charge with Other lenders under multiple banking arrangement on the entire receivable of the company with minimum asset coverage ratio of 1.33 times.	A total of 18 instalments which was to be paid as follows: (a) 17 instalments of Rs.11.11 Crore to be paid within the period September 2019 – January 2021 (b) 1 instalment of Rs.11.13 Crore to be paid in February 2021.
The Federal Bank Limited	March 23, 2018	50.0	16.7	Secured by a floating pari-passu charge by way of hypothecation of receivables of the Company arising out of loan disbursed for corporate funding and LAP with asset cover of 1.10 times.	6 quarterly equal instalments after a moratorium period of 18 months.
Bank of Baroda	March 23, 2018 and further modified by sanction letter dated July 31, 2018	100.0	50.0	Secured by a first pari-passu charge on the Company's loan receivables with an asset cover of at-least 1.25 times.	Repayable in 14 equal quarterly instalments, which will commence after moratorium of 6 months from the date of first disbursement.
ICICI Bank Limited	November 08, 2018 and further modified by sanction letter dated December 10, 2018	150.0	93.8	Secured by a first pari-passu charge with other lenders under multiple banking arrangement on the entire receivables of the Company with a minimum asset coverage ratio of 1.20 times.	Repayable in 8 equal quarterly instalments, which will commence after moratorium of 4 quarters from the date of first disbursement.
HDFC Bank Limited	March 18, 2019	250.0	55.1	Secured by pari passu charge by way of hypothecation on company's receivables, both present and future. 20% haircut on eligible receivables (not to include receivables, which are used for purposes disallowed by the RBI, related party advances, investments) which are not overdue and will not include any unsecured loans. Receivables will be based on principal outstanding only and should not include future interest.	Upon expiry of 24 months. Equal quarterly instalments from the date of first disbursement
IDFC First Bank Limited	April 30, 2019	75.0	60.0	Secured by first pari-passu charge over identified loan receivable of the company with minimum security cover of 1.1x of outstanding amount of facility	Door to door tenor of 5 years with equal yearly principal repayment for each tranche of disbursement
Bajaj Finance Limited	July 1, 2020 and July 16, 2020	80.0	80.0	First pari-passu charge on the specific pool of receivables of the Borrower, not offered to bank for their credit facilities, to be utilized for borrowing from non-bank lenders by way of hypothecation on the loan instalments receivables, with a minimum asset cover of 1.20x of the principal amount outstanding at any point of time during the currency of the loan.	Repayment in 12 equal quarterly instalments
Total		**1,405**	**553.8**		

Note:

- Aforesaid loan is without considering Interest / Premium accrued but not due and effective interest rate impact. Above loans are secured by pari passu charge over book receivables eligible for banks finance of the Company;
- Aforesaid term loans are rated "[ICRA]AA (Stable)" by ICRA Limited and are standard assets.

- **Overdraft against Fixed Deposit:**

i. The Company has availed overdraft facility by creating an encumbrance over the fixed deposits maintained by the Company with HDFC Bank Limited. As on September 30, 2020, the outstanding amount is Rs 25.3 Crore.

ii. The Company has also availed overdraft facility and working capital demand loans by creating an encumbrance over the fixed deposits maintained by the Company with ICICI Bank Limited. As on September 30, 2020, the outstanding amount is Rs 7.5 Crore.

- **Cash Credit facilities:**

Bank	Date of Sanction	Amount sanctioned	Amount outstanding as on September 30, 2020	Repayment	Security
IDBI Bank Limited*	January 15, 2016 and September 5, 2017 and further modified by letter dated October 25, 2018 & May 20, 2020	60.0	0.0	On demand	Secured by way of a floating first par-passu charge by way of hypothecation of the Company's loan receivables / book debts, with an asset cover of at least 1.25 times.

** We have received revised sanction letter dated May 20, 2020 and the same is under further discussions with the bank*

- Collateralized borrowing and lending obligation (CBLO) - Our Company has borrowed though CBLO and as on September 30, 2020, the outstanding amount was Rs 5 Crore.

A.g.ii. Details of Unsecured Loan Facilities as on September 30, 2020:

- **Commercial Papers**

The Company had issued commercial papers of the face value of Rs. 5 Lakh aggregating to a total face value of Rs. 543.0 Crore as on September 30, 2020. The details of the commercial papers are set forth below.*

Sr. No.	ISIN Numbers	Number of Instrument	Amount (Rs. in Crore)	Maturity Date
1	INE523H14T21	600	30.0	17-Nov-20
2	INE523H14T54	900	45.0	06-Oct-20
3	INE523H14T70	1000	50.0	21-Oct-20
4	INE523H14T88	4000	200.0	30-Dec-20
5	INE523H14T96	4000	200.0	30-Mar-21
6	INE523H14U10	360	18.0	23-Jul-21
	Total		**543.0**	

** Borrowing through commercial papers shown at face value without considering discount.*

- **Inter Corporate Borrowings**

Name of Lender	Date of drawdown	Amount sanctioned (Rs. in Crore)	Total amount outstanding as on September 30, 2020 (Rs. in Crore)	Date of maturity
Reliance Strategic Business Ventures Limited	April 16, 2020	25.0	25.0	April 16, 2021
TOTAL		**25.0**	**25.0**	

Note: Borrowing through inter corporate loan is shown at face value without considering Interest accrued but not due.

A.g.iii. Details of NCDs as on September 30, 2020:

- **Private Placement**

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in %)	Date of Allotment	Amount outstanding as on September 30, 2020 (Rs. in Crore)	Redemption Date/Schedule	Credit Rating
Tranche BC	1094 days	8.81% p.a.	November 15, 2017	10.0	November 13, 2020	ICRA AA/Stable
Tranche BD	1256 days	Zero Coupon	November 21, 2017	50.0	April 30, 2021	ICRA AA/Stable
Tranche BF - Option I	1215 days	Zero Coupon	December 8, 2017	15.0	April 06, 2021	ICRA AA/Stable
Tranche BI - Option I	1180 days	Zero Coupon	January 12, 2018	9.6	April 6, 2021	ICRA AA/Stable
Tranche BJ (Market Linked Debentures)	1048 days	Minimum – 8.55% p.a. (annualised return calculated on XIRR basis), maximum 8.60% p.a. (annualised return calculated on XIRR basis).However, in extreme situation no coupon amount will be paid.	January 31, 2018	2.5	December 14, 2020	PP-MLD [ICRA]AA/ Stable
Tranche BK- Option I	1171 days	9.3387% p.a.	February 7, 2018	100.0	April 23, 2021	ICRA AA/Stable
Tranche BK- Option II	1178 days	Zero Coupon	February 7, 2018	49.8	April 30, 2021	ICRA AA/Stable
Tranche BK- Option III (Market Linked Debentures)	1041 days	Minimum – 8.55% p.a. (annualised Return calculated on XIRR basis) on face value, maximum 8.60% p.a. (annualised return calculated on XIRR basis) on face value. However, in extreme situation no coupon amount will be paid.	February 7, 2018	4.9	December 14, 2020	PP-MLD [ICRA]AA/ Stable
Tranche BL- Option I	1164 days	9.3387% p.a.	February 14, 2018	99.8	April 23, 2021	ICRA AA/Stable

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in %)	Date of Allotment	Amount outstanding as on September 30, 2020 (Rs. in Crore)	Redemption Date/Schedule	Credit Rating
Tranche BL- Option II	1171 days	Zero Coupon	February 14, 2018	49.7	April 30, 2021	ICRA AA/Stable
Tranche BM - Option I	1162 days	Zero Coupon	February 23, 2018	8.4	April 30, 2021	ICRA AA/Stable
Tranche BM - Option II	1155 days	9.3387% p.a.	February 23, 2018	10.0	April 23, 2021	ICRA AA/Stable
Tranche BN	1143 days	Zero Coupon	March 14, 2018	9.0	April 30, 2021	ICRA AA/Stable
Tranche BO - Option I	1111 days	Zero Coupon	March 22, 2018	5.0	April 6, 2021	ICRA AA/Stable
Tranche BP - Option I	1105 days	Zero Coupon	March 28, 2018	25.0	April 6, 2021	ICRA AA/Stable
Tranche BP - Option II	1129 days	Zero Coupon	March 28, 2018	7.0	April 30, 2021	ICRA AA/Stable
Tranche BT - 2018 (XIV) – Option I	1392 days	Floating rate at 220 bps over average of last three auction cut-off yields of 364 Days Treasury Bill (rounded off to two decimal) subject to no rating change , whereby spread over T-Bill will remain fixed for the whole tenor and 364 Days Treasury Bill yield will get reset every year. The applicable coupon for first year will be 9.52%.	September 7, 2018	150.0	June 30, 2022	ICRA AA/Stable and CARE AA (Stable)*
Tranche BU - 2018 (XV) – Option I	1062 days	Zero Coupon	September 14, 2018	16.5	August 11, 2021	ICRA AA/Stable
Tranche BU - 2018 (XV) – Option II	1095 days	Zero Coupon	September 14, 2018	30.0	September 13, 2021	ICRA AA/Stable
Tranche BU - 2018 (XV) – Option III	1298 days	Zero Coupon	September 14, 2018	65.0	April 4, 2022	ICRA AA/Stable
Tranche BV - 2018 (XVI)	1463 days	Zero Coupon	September 27, 2018	45.0	September 29, 2022	ICRA AA/Stable
Tranche BX - 2018 (XVIII)	1068 days	Zero Coupon	October 11, 2018	10.0	September 13, 2021	ICRA AA/Stable
Tranche CA – 2019 (XXI)	1096 days	10.00 % p.a.	October 18, 2019	50.0	October 18, 2022	CRISIL AA/Stable and ICRA AA/Stable
Tranche CB – 2019 (XXII) (Market Linked Debentures)	731 days	Minimum – 9.45% p.a. (annualised return calculated on XIRR basis) Maximum – 9.50%	November 22, 2019	50.0	November 22, 2021	PP-MLD [ICRA]AA/ Stable

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in %)	Date of Allotment	Amount outstanding as on September 30, 2020 (Rs. in Crore)	Redemption Date/Schedule	Credit Rating
		p.a. (annualised return calculated on XIRR basis) However, in extreme situation no coupon amount will be paid.				
Tranche CC	1095 days	9.10% p.a.	July 1, 2020	100.0	June 30, 2023	CRISIL AA/Stable and ICRA AA/Stable
Tranche CD	1094 days	9.10% p.a.	July 28, 2020	25.0	July 27, 2023	ICRA AA/Stable
Tranche CE	672 days	Minimum – 8.70% p.a. (annualised return calculated on XIRR basis) Maximum – 8.75% p.a. (annualised return calculated on XIRR basis) However, in extreme situation no coupon amount will be paid.	August 4, 2020	50.0	June 7, 2022	PP-MLD [ICRA]AA/ Stable
Tranche CG	650 days	Minimum – 8.70% p.a. (annualised return calculated on XIRR basis) Maximum – 8.75% p.a. (annualised return calculated on XIRR basis) However, in extreme situation no coupon amount will be paid.	August 26, 2020	25.0	June 7, 2022	PP-MLD [ICRA]AA/ Stable
			Total	**1,072.2**		

Note:

- Above Non-convertible Debentures are fully secured by assets, moveable and immoveable and are standard assets.
- Non-convertible Debentures issued through private placements is without considering Interest / Premium accrued but not due, premium / unamortized discount on issue and effective interest rate impact.
- *As on date NCDs are rated by ICRA AA/Stable and CRISIL AA/Stable.

- **Public Issue**

Debenture Series	Tenor period of maturity	Coupon / Effective Yield (in percentage)	Date of Allotment	Amounts outstanding as on September 30, 2020 (Rs. in Crore)	Redemption Date
Tranche I dated April 11, 2019					
Public Issue - 24 months - Annual - Series - I	731 days	9.90	May 21, 2019	44.3	May 21, 2021
Public Issue - 24 months - Cumulative - Series - II	731 days	NA		9.5	May 21, 2021
Public Issue - 36 months - Annual - Series - III	1096 days	10.20		138.2	May 21, 2022
Public Issue - 36 months - Cumulative - Series - IV	1096 days	NA		27.9	May 21, 2022
Public Issue - 60 months - Monthly -Series - V	1827 days	10.04		66.9	May 21, 2024
Public Issue - 60 months - Annual - Series – VI	1827 days	10.50		100.1	May 21, 2024
Tranche II dated July 31, 2019					
Public Issue - 38 months - Annual - Series – I	1157 days	10.20	September 11, 2019	64.1	November 11, 2022
Public Issue - 38 months - Cumulative - Series – II	1157 days	NA		10.9	November 11, 2022
Public Issue - 60 months - Monthly - Series – IV	1827 days	10.30		15.4	September 11, 2024
Public Issue - 60 months - Annual - Series – III	1827 days	9.85		29.5	September 11, 2024
Public Issue - 84 months - Cumulative -Series – V	2557 days	NA		8.3	September 11, 2026
Tranche III dated February 10, 2020					
Public Issue - 24 Months - Annual - Series -I	730 days	9.5%	March 16,2020	31.1	March 16, 2022
Public Issue - 24 Months - Cumulative - Series -II	1217 days	NA		30.7	March 16, 2022
Public Issue - 40 Months - Annual - Series -III	1217 days	9.7%		12.5	July 16, 2023
Public Issue - 40 Months - Cumulative - Series -IV	1217 days	NA		4.5	July 16, 2023
Public Issue - 40 Months - Monthly - Series -V	1948 days	9.3%		11.4	July 16, 2023
Public Issue - 60 Months - Annual - Series -VI	1948 days	9.9%		10.3	July 16, 2025
Public Issue - 60 Months - Cumulative - Series -VII	1948 days	NA		4.1	July 16, 2025
Public Issue - 60 Months - Monthly - Series -VIII	3774 days	9.5%		12.7	July 16, 2025
Public Issue - 120 Months - Annual - Series -IX	3774 days	10.0%		2.4	July 16, 2030
Public Issue - 120 Months - Monthly - Series -X	730 days	9.6%		5.0	July 16, 2030
			Total	**639.9**	

Note:

- Above Non-convertible Debentures are rated "[ICRA] AA (Stable)" by ICRA Limited and CRISIL "AA Stable" by CRISIL Limited and are fully secured by assets, moveable and immoveable and are standard assets.
- Amount outstanding as on September 30, 2020 is without considering Interest/Premium accrued but not due.

A.g.iv. List of top 10 Debenture Holders as on October 30, 2020

Sr. No.	Name of Debenture Holders*	Amount (Rs. in Crore)
1	ICICI Prudential Mutual Fund	308.30
2	Bank of Baroda	250.00
3	Bank of India	150.00
4	UTI Mutual Fund	69.60
5	Kotak Mahindra Mutual Fund	65.00
6	Aditya Birla Sun life Mutual Fund	50.00
7	Jindal Steel and Power Limited Employees P F Trust	50.00
8	Britannia Industries Limited	50.00
9	HDFC Mutual Fund	45.00
10	Axis Mutual Fund	35.00

**The name of the debenture holders have been obtained from the beneficiary position statement made available by the RTA, viz., KFin Technologies Private Limited.*

A.g.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:

The Company has issued corporate guarantee in favour of National Housing Bank for an amount of Rs. 15 Crore on behalf of JM Financial Home Loans Limited, subsidiary of the Company.

A.g.vi. Details of Commercial Paper as on September 30, 2020:

The total face value of Commercial Papers outstanding as on September 30, 2020 are as follows:

Maturity Date	Amount Outstanding (Rs. in Crore)
17-Nov-20	30.0
06-Oct-20	45.0
21-Oct-20	50.0
30-Dec-20	200.0
30-Mar-21	200.0
23-Jul-21	18.00
17-Nov-20	30.0
06-Oct-20	45.0
Total	**543.0**

A.g.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

A.g.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

A.g.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

A.h. Details of Promoters of the Company

JM Financial Limited holds 99.35% of the total share capital of the Company. Pursuant to Section 2(69) of the Companies Act, 2013, JM Financial Limited shall be deemed to be the promoter of the Company.

JM Financial Limited (JM Financial), is the flagship listed company of JM Financial Group. JM Financial is one of India's prominent financial services groups, specialising in providing a spectrum of businesses to corporations, financial institutions, high net-worth individuals and retail investors. It is known for diverse businesses which comprises of Investment Banking, Wealth Management and Securities (IWS) which includes fee and fund based activities for its clients, Mortgage Lending which includes both wholesale mortgage lending and retail mortgage lending (housing finance business and LAP and education institution lending), Distressed credit which includes the Asset Reconstruction business and Asset Management which includes the mutual fund business.

A.h.i. Details of Promoter holding in the Company as on September 30, 2020

Sr. No.	Name of the shareholders	Total no. of Equity shares	No. of shares	Total shareholding as % of total share capital	No. of Shares Pledged	% of Shares pledged with respect to shares owned
1.	JM Financial Limited with its nominees	54,14,60,650	54,14,60,650	99.44%	Nil	-

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

Abridged Standalone Balance Sheet as per IndAS

			(Rs. in Crore)
Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2018**
ASSETS			
Financial Assets			
Cash and cash equivalents	46.64	142.38	195.75
Other Bank Balances	60.00	60.05	205.50
Loans	3,639.86	5,220.58	6,543.49
Investments	1,322.46	541.82	98.63
Other Financial assets	162.06	85.56	88.60
Total Financial Assets	**5,231.02**	**6,050.39**	**7,131.97**
Non-financial Assets			
Current tax assets (net)	27.17	24.29	17.29
Deferred tax Assets (net)	30.94	28.60	27.81
Property, Plant and Equipment	85.03	6.19	4.08
Other Intangible assets	1.45	1.54	1.47
Intangible assets under development	-	0.41	1.32
Other non-financial assets	7.55	9.27	3.91
Total Non-Financial Assets	**152.14**	**70.30**	**55.88**
Total Assets	**5,383.16**	**6,120.69**	**7,187.85**
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables			
(I)Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.02	0.01	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	0.49	0.37
Debt Securities	2,731.49	3,487.39	4,713.33
Borrowings (Other than Debt Securities)	826.08	1,036.03	954.17
Other financial liabilities	105.35	26.10	36.51
Total Financial Liabilities	**3,664.07**	**4,550.02**	**5,704.38**
Non-Financial Liabilities			
Current tax liabilities (Net)	2.79	0.31	2.41
Provisions	3.96	3.31	2.60
Other non-financial liabilities	5.07	6.80	11.01
Total Non-Financial Liabilities	**11.82**	**10.42**	**16.02**
EQUITY			
Equity Share capital	544.50	544.50	544.50
Other Equity	1,162.27	1,015.75	922.95
Total Equity	**1,707.27**	**1,560.25**	**1,467.45**
Total Liabilities and Equity	**5,383.16**	**6,120.69**	**7,187.85**

Notes:

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

Abridged Consolidated Balance Sheet as per IndAS

Sr. No.		As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	58.15	147.02	208.34
(b)	Other Bank Balances	60.05	60.10	205.50
(c)	Loans	3,937.06	5,421.99	6,561.14
(d)	Investments	1,173.96	423.02	66.63
(e)	Other Financial assets	163.06	86.39	88.88
	Total Financial Assets	**5,392.28**	**6,138.52**	**7,130.49**
(2)	**Non-financial Assets**			
(a)	Current tax assets (net)	27.43	24.39	17.36
(b)	Deferred tax Assets (net)	33.12	28.66	27.88
(c)	Property, Plant and Equipment	92.20	9.50	4.34
(d)	Intangible assets	2.65	2.82	2.01
(e)	Intangible assets under development	-	0.39	1.47
(f)	Other non-financial assets	8.86	10.01	4.60
	Total Non-financial Assets	**164.26**	**75.77**	**57.66**
	Total Assets	**5,556.54**	**6,214.29**	**7,188.15**
	LIABILITIES AND EQUITY			
(1)	**Financial Liabilities**			
(a)	Payables			
	(I)Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	0.05	0.02	0.01
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.64	1.61	1.11
(b)	Debt Securities	2,795.48	3,546.15	4,713.33
(c)	Borrowings (Other than Debt Securities)	931.96	1,073.88	954.17
(d)	Other financial liabilities	113.38	28.16	37.32
	Total Financial Liabilities	**3,843.51**	**4,649.82**	**5,705.94**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)	2.79	0.31	2.41
(b)	Provisions	5.09	3.77	2.79
(c)	Other non-financial liabilities	5.43	7.15	11.17
	Total Non-Financial Liabilities	**13.31**	**11.23**	**16.37**
(3)	**EQUITY**			
(a)	Equity Share capital	544.50	544.50	544.50
(b)	Other Equity	1,153.73	1,007.54	921.34
	Equity attributable to owners	**1,698.23**	**1,552.04**	**1,465.84**
(c)	**Non Controling Interests**	1.49	1.20	-
	Total Equity	**1,699.72**	**1,553.24**	**1,465.84**
	Total Liabilities and Equity	**5,556.54**	**6,214.29**	**7,188.15**

Abridged Standalone Statement of Profit & Loss as per IndAS

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
				(Rs. in Crore)
(I)	**Revenue from operations**			
(i)	Interest Income	701.75	853.70	831.17
(ii)	Fees and Commission Income	41.62	41.42	13.12
(iii)	Other Operating Income	23.87	7.10	35.83
(iv)	Net gain on fair value changes	56.45	30.98	0.06
(v)	Net gain on derecognition of financial instrument under amortised cost category	13.76	-	-
	Total Revenue from operations	**837.45**	**933.20**	**880.18**
(II)	**Other Income**	3.26	0.35	11.77
(III)	**Total Income (I+II)**	**840.71**	**933.55**	**891.95**
(IV)	**Expenses**			
(i)	Finance Costs	453.17	521.96	485.13
(ii)	Impairment on financial instruments	60.92	(6.82)	5.98
(iii)	Employee Benefits Expenses	46.59	53.86	39.82
(iv)	Depreciation, amortization and impairment	13.25	2.55	2.51
(v)	Operating and other expenses	36.10	46.25	45.17
	Total Expenses	**610.03**	**617.79**	**578.61**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**	**230.68**	**315.76**	**313.34**
(VI)	**Tax Expense:**			
	Current tax	72.90	112.30	114.50
	Deferred tax	(2.35)	(0.84)	(5.64)
	Tax adjustment of earlier years (net)	-	-	0.18
	Total tax expenses	**70.55**	**111.46**	**109.04**
(VII)	**Profit / (loss) for the period from continuing operations (V-VI)**	**160.13**	**204.30**	**204.30**
(VIII)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of employee defined benefit obligation	0.03	0.15	(0.11)
	- Income tax on above	(0.01)	(0.05)	0.04
	Other Comprehensive Income	**0.02**	**0.10**	**(0.07)**
(IX)	**Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and other Comprehensive Income for the period)**	**160.15**	**204.40**	**204.23**
(X)	**Earnings per equity share**			
	Basic EPS (in Rs.) (Not annualised)	2.94	3.75	3.75
	Diluted EPS (in Rs.) (Not annualised)	2.94	3.75	3.75

Abridged Consolidated Statement of Profit & Loss as per IndAS

Rupees in Crore

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
(I)	**Revenue from operations**			
(i)	Interest Income	738.09	862.11	831.32
(ii)	Fees and Commission Income	43.14	42.49	13.48
(iii)	Other Operating Income	23.87	54.21	35.95
(iv)	Net gain on fair value changes	56.73	(15.82)	0.06
(v)	Net gain on derecognition of financial instruments under amortised cost category	13.76	-	-
	Total Revenue from operations	**875.59**	**942.98**	**880.81**
(II)	**Other Income**	6.91	1.84	12.67
(III)	**Total Income (I+II)**	**882.50**	**944.82**	**893.48**
(IV)	**Expenses**			
(i)	Finance Costs	466.40	524.82	485.13
(ii)	Impairment on financial instruments	63.30	(5.54)	6.05
(iii)	Employee Benefits Expenses	66.66	61.77	42.14
(iv)	Depreciation, amortization and impairment	15.50	3.28	2.53
(v)	Operating and other expenses	41.50	51.33	45.95
	Total Expenses	**653.36**	**635.66**	**581.80**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**	**229.14**	**309.16**	**311.68**
(VI)	**Tax Expense:**			
	Current tax	74.15	112.30	114.50
	Deferred tax	(4.42)	(0.84)	(5.68)
	Total tax expenses	**69.73**	**111.46**	**109.00**
(VII)	**Profit / (loss) for the period from continuing operations (V-VI)**	**159.41**	**197.70**	**202.68**
(VIII)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement of employee defined benefit obligation	(0.13)	0.14	(0.11)
	- Income tax on above	0.03	(0.05)	0.04
	Other Comprehensive Income	**(0.10)**	**0.09**	**(0.07)**
(IX)	**Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and other Comprehensive Income for the period)**	**159.31**	**197.80**	**202.61**
	Net Profit Attributable to :			
	Owners of the Company	**159.42**	**197.62**	**202.68**
	Non-Controlling Interest	**(0.01)**	**0.08**	**-**
	Other Comprehensive Income Attributable to :			
	Owners of the Company	**(0.10)**	**0.09**	**(0.07)**
	Non-Controlling Interest	**(0.00)**	**(0.00)**	**-**
	Total Comprehensive Income Attributable to :			
	Owners of the Company	**159.31**	**197.71**	**202.61**
	Non-Controlling Interest	**(0.01)**	**0.08**	**-**
(X)	**Earnings per equity share**			
	Basic EPS (in Rs.) (Not annualised)	2.93	3.63	3.72
	Diluted EPS (in Rs.) (Not annualised)	2.93	3.63	3.72

Abridged Standalone Statement of Cash Flow as per IndAS

	Particulars	As at March 31, 2020	As at March 31, 2019	(Rs. in Crore) As at March 31, 2018
A	Net Profit before tax	230.68	315.76	313.33
	Adjustment for :			
	Depreciation/ Amortisation	13.25	2.55	2.52
	Profit on Sale of Fixed Assets (net)	-	-	(0.13)
	Loan funds written off	-	1.82	4.16
	Interest expenses - Others	453.17	0.03	0.16
	Provision for doubtful loans written back (net)	-	-	(4.14)
	Provision for Non-Performing Assets	1.38	(1.31)	1.68
	Provision for standard assets	-	3.26	2.22
	Interest Income on fixed deposits with Banks and others	(0.01)	(0.05)	(0.67)
	Finance Income on rent deposit	(0.38)	-	-
	Provision for bonus - written back	(0.81)	-	(0.14)
	Impairment on financial instruments	59.54	(6.82)	-
	Net loss on fair value changes	3.34	15.82	-
	Profit on sale of current investments	(59.79)	(46.81)	(30.25)
	Provision for TDS receivable	1.55	-	-
	Operating Profit before Working Capital Changes	**701.92**	**284.25**	**288.74**
	Changes in working capital			
	Adjustment for (increase)/ decrease in operating assets:			
	Loans and advances and other current assets	1,535.62	1,389.16	(1,158.15)
	Stock-in-trade	(91.45)	(49.18)	9.86
	Operating fixed deposits with banks	0.05	145.45	(145.50)
	Accrued interest income related to operating activities	(4.22)	0.13	0.01
	Adjustment for increase/ (decrease) in operating liabilities:			
	Trade payables, other liabilities and provisions	(1.45)	(13.68)	9.04
	Accrued interest expenses related to operating activities	44.15	29.64	108.87
	Cash (used in) operations	**2,184.62**	**1,785.77**	**(887.13)**
	Direct taxes paid (net)	(73.29)	(121.47)	(116.08)
	Net Cash (used in) Operating Activities (A)	**2,111.33**	**1,664.30**	**(1,003.21)**
B	**Cash flow from Investing Activities**			
	Purchase of fixed assets	(2.16)	(2.31)	(4.36)
	Sale of fixed assets	-	0.01	0.26
	Investment in a subsidiary	(29.70)	(86.80)	(20.00)
	Purchase of long term investments	-	-	(0.30)
	Sale of long term investments	442.41	-	95.05

	Sale /(Purchase) of current investments (net)	(1,136.92)	(343.33)	(29.26)
	Interest received	0.01	0.05	0.56
	Net Cash generated from Investing Activities (B)	**(726.36)**	**(432.38)**	**41.95**
C	**Cash flow from Financing Activities**			
	Proceeds / (Repayments) from long term borrowings (net)	(192.48)	(365.96)	1,885.82
	Proceeds from /(Repayments) short term borrowings (net)	(830.22)	(807.71)	(860.96)
	NCD issue Expenses	12.72	-	-
	Lease Rent Paid	(12.17)	-	-
	Interest paid	(445.45)	(0.03)	(0.16)
	Dividend paid (Including Corporate Dividend Tax)	(13.11)	(111.59)	(59.46)
	Net Cash flow from Financing Activities (C)	**(1,480.71)**	**(1,285.29)**	**965.24**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(95.74)	(53.37)	3.98
	Cash and cash equivalents at the beginning of the year	142.38	195.75	191.77
	Cash and cash equivalents at the end of the year	**46.64**	**142.38**	**195.75**
Notes				
(1)	**Reconciliation of cash and cash equivalents:**			
	As per Balance Sheet (Refer note 5 & 6)	106.64	202.43	401.25
	Less: Balances with banks in deposit	60.00	60.05	205.50
	As per Cash-flow statement	**46.64**	**142.38**	**195.75**
(2)	Balances with banks in deposit includes Rs. 60.00 Crore for FY 2019-20 , 60.05 Crore for FY 2018-19 and Rs. 205.50 Crore for FY 2017-18 placed as securities against overdraft facilities availed from the banks.			

Abridged Consolidated Statement of Cash Flow as per IndAS

(Rupees in Crore)

	PARTICULARS	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
A	**Net Profit before tax**	**229.14**	**309.17**	**311.68**
	Adjustment for :			
	Depreciation/ Amortisation	15.50	3.28	2.54
	Profit on Sale of Fixed Assets (net)	-	-	(0.13)
	Loan funds written off	-	1.82	4.16
	Interest expenses - Others	453.53	0.03	0.16
	Provision for doubtful loans written back (net)	-	-	(4.14)
	Provision for Non-Performing Assets	1.38	(1.31)	1.68
	Provision for standard assets	-	4.53	2.29
	Interest Income on fixed deposits with Banks and others	(0.01)	(0.05)	(1.22)
	Finance Income on rent deposit	(0.38)	-	
	Provision for bonus - written back	(0.81)	-	(0.14)
	Impairment on financial instruments	61.93	(6.82)	-
	Net loss on fair value changes	3.06	15.81	-
	Profit on sale of current investments	(59.79)	(47.12)	(30.37)
	Provision for TDS receivable	1.55	-	-
	Operating Profit before Working Capital Changes	705.10	279.34	286.51
	Changes in working capital			
	Adjustment for (increase)/ decrease in operating assets:			
	Loans and advances and other current assets	1,436.75	1,203.52	(1,176.69)
	Stock-in-trade	(91.45)	(49.18)	9.86
	Operating fixed deposits with banks	0.05	145.45	(145.50)
	Accrued interest income related to operating activities	(4.22)	0.13	0.01
	Adjustment for increase/ (decrease) in operating liabilities:			
	Trade payables, other liabilities and provisions	1.95	(9.12)	10.91
	Accrued interest expenses related to operating activities	44.15	29.64	108.87
	Cash (used in) operations	2,092.33	1,599.78	(906.03)
	Direct taxes paid (net)	(74.74)	(121.50)	(116.15)
B	**Net Cash (used in) Operating Activities (A)**	**2,017.59**	**1,478.28**	**(1,022.18)**
	Cash flow from Investing Activities			
	Purchase of fixed assets	(3.80)	(6.69)	(5.32)
	Sale of fixed assets	-	0.01	0.26
	Investment in a subsidiary	-	1.20	-
	Purchase of long term investments	-	-	(0.30)
	Sale of investments	817.40	-	95.17
	Sale / (Purchase) of current investments (net)	(1,511.63)	(343.02)	(29.26)
	Interest received	0.01	0.05	1.11
	Increase in deposits placed (net)	(0.05)	-	-
C	**Net Cash generated from Investing Activities (B)**	**(698.07)**	**(348.45)**	**61.66**
	Cash flow from Financing Activities			
	Proceeds / (Repayments) from long term borrowings (net)	(119.30)	(271.82)	1,885.83
	Proceeds from issue of equity share capital	0.30		-
	Proceeds from /(Repayments) short term borrowings (net)	(830.22)	(807.71)	(860.96)
	NCD issue Expenses	12.72	-	
	Lease Rent Paid	(13.33)		
	Interest paid	(445.45)	(0.03)	(0.16)
	Dividend paid (Including Corporate Dividend Tax)	(13.11)	(111.59)	(59.46)
	Net Cash flow from Financing Activities (C)	(1,408.39)	(1,191.15)	965.25
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(88.87)	(61.32)	4.72
	Cash and cash equivalents at the beginning of the year	147.02	208.34	203.63
Notes,	**Cash and cash equivalents at the end of the year**	**58.15**	**147.02**	**208.34**
(1)	**Reconciliation of cash and cash equivalents:**			
	As per Balance Sheet (Refer note 17)	118.15	207.12	413.84
	Less: Balances with banks in deposit	60.00	60.10	205.50
	As per Cash-flow statement	**58.15**	**147.02**	**208.34**
(2)	Balances with banks in deposit includes Rs.60.05 crore (FY 2018-19 Rs.60.10 Crore and FY 2017-18 Rs 205.50 Crore) placed as securities against overdraft facilities availed from the banks.			

A.j. Abridged version of latest limited review half yearly consolidated (wherever available) and standalone financial information (like profit & loss statement, and balance sheet) and auditors' qualifications, if any

Unaudited Balance Sheet as per IndAS

Particulars	(Rs. In Crore) As per unaudited financials as of September 30, 2020
ASSETS	
Financial Assets	
Cash and cash equivalents	1.42
Other Bank Balances	122.48
Loans	3,612.53
Investments	560.54
Other Financial assets	428.25
Total Financial Assets	**4,725.22**
Non-financial Assets	
Current tax assets (net)	27.37
Deferred tax Assets (net)	42.16
Property, Plant and Equipment	78.64
Other Intangible assets	1.23
Intangible assets under development	-
Other non-financial assets	12.73
Total Non-Financial Assets	**162.13**
Total Assets	**4,887.35**
LIABILITIES AND EQUITY	
Financial Liabilities	
Payables	
(I)Trade Payables	
(i) total outstanding dues of micro enterprises and small enterprises	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.68
Debt Securities	2,377.89
Borrowings (Other than Debt Securities)	617.64
Other financial liabilities	117.49
Total Financial Liabilities	**3,113.72**
Non-Financial Liabilities	
Current tax liabilities (Net)	15.10
Provisions	4.77
Other non-financial liabilities	3.45
Total Non-Financial Liabilities	**23.32**
EQUITY	
Equity Share capital	544.50
Other Equity	1,205.81
Total Equity	**1,750.31**
Total Liabilities and Equity	**4,887.35**

Unaudited Financial Results as per IndAS

Sr. No.	Particulars	(Rs. In Crore) Half year ended September 30, 2020
(I)	**Revenue from operations**	
(i)	Interest Income	253.44
(ii)	Fees and Commission Income	12.08
(iii)	Other Operating Income	24.50
(iv)	Net gain on fair value changes*	18.30
(v)	Net gain on derecognition of financial instruments under amortised cost category	6.50
	Total Revenue from operations	**314.82**
(II)	Other Income	0.65
(III)	**Total Income (I+II)**	**315.47**
(IV)	**Expenses**	
(i)	Finance Costs	159.98
(ii)	Impairment on financial instruments	33.55
(iv)	Employee Benefits Expenses	22.99
(v)	Depreciation, amortization and impairment	6.68
(vi)	Operating and other expenses	12.66
	Total Expenses	**235.86**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**	**79.61**
(VI)	**Tax Expense:**	
	Current tax	31.50
	Deferred tax	(11.23)
	Total tax expenses	**20.27**
(VII)	**Profit / (loss) for the period from continuing operations (V-VI)**	**59.34**
(VIII)	**Other Comprehensive Income**	
	Items that will not be reclassified to profit or loss	
	- Remeasurement of employee defined benefit obligation	0.05
	- Income tax on above	(0.01)
	Other Comprehensive Income	**0.04**
(IX)	**Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and other Comprehensive Income for the period)**	**59.38**
(X)	**Earnings per equity share**	
	Basic EPS (in Rs.) (Not annualised)	1.09
	Diluted EPS (in Rs.) (Not annualised)	1.09

A.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.

A.l. Name of the Debenture Trustee:

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

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

IDBI Trusteeship Services Limited has given its consent to the Company under regulation 4 (4) of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended 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 Holder(s) shall without any further act or deed be deemed to have irrevocably given their authority and consent to IDBI Trusteeship Services Ltd. 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 and this DD, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the 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.

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

ICRA has assigned '[ICRA] AA/Stable' (pronounced "ICRA double A rating with stable outlook") rating to the captioned Issue. As per rating letters, instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and such instruments carry very low credit risk.

CRISIL Limited has assigned 'CRISIL AA/Stable' rating to the captioned Issue. As per rating letters, instruments with this rating are considered to have high degree of safety regarding timely servicing 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. Further, the Company may avail ratings from SEBI registered Rating Agencies, as and when required.

A copy of the rating letters obtained from ICRA Limited and CRISIL Limited is enclosed in Annexure A.

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

None

A.o. Copy of Consent Letter from the Trustee:

A copy of the consent letter of IDBI Trusteeship Services Limited to this Issue is enclosed in Annexure B.

A.p. Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange:

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

As per SEBI Circular dated October 5, 2020 (SEBI/HO/DDHS/CIR/P/2020/198), the Company shall complete the listing of NCDs within T+4 trading day (T being the date of closure of the Issue).

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

A.q. Other Details:

A.q.i. Debenture Redemption Reserve:

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

A.q.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 Act, regulations/guidelines/directions of RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time. The Debenture-holders, by purchasing the Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures.

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

A.q.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 in block letters in English by the investors., The amount to be paid for the subscription of NCDs should be paid from the bank account of the person subscribing to such NCDs.

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

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

Who can apply

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

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

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

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

Submission of Documents

Investors should submit the following documents, wherever applicable:

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

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

Submission of completed Application Form

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

Applications under Power of Attorney / Relevant Authority

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

Application by Mutual Funds

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

Right to Accept or Reject Applications

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

Fictitious Applications

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

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

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

Debentures in Dematerialised mode

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

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

B. ISSUE DETAILS

The Company proposes to issue upto 2,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("Debentures" or "NCDs" or Tranche CI - 2020 (XXIX) NCDs") of the face value of Rs. 10,00,000 (Rupees Ten Lakh only) each issued at par for cash aggregating upto Rs. 200,00,00,000/-(Rupees Two Hundred Crore only) on private placement basis .

Pursuant to a resolution dated October 25, 2018 passed by the Company's shareholders in accordance with provisions of the Companies Act, 2013, the Board has been authorised to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to Rs.14,000 Crore. The present issue of NCDs in terms of this DD is within the overall powers of the Board as per the above resolution.

This present private placement of NCDs is being made pursuant to the resolution of the Board of Directors passed at its meeting held on October 24, 2018 and by the members at its Annual General meeting held on July 23, 2020, inter-alia approving the issue of Non-Convertible Debentures of Rs. 4,000 Crore by way of private placement of NCDs and Rs. 3,000 Crore by way of public issuance of NCDs.

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

SUMMARY TERM SHEET –TRANCHE CI – 2020 (XXIX)

Private Placement of upto 2,000 Secured, Rated, Listed, Redeemable Non-Convertible Debentures (“Debentures” or “NCDs or “Tranche CI-2020 (XXIX) NCDs”) of the face value of Rs. 10,00,000/ (Rupees Ten Lakh Only) aggregating upto Rs. 200,00,00,000/- (Rupees Two Hundred Crore Only) issued at par on a private placement.

Terms of the Tranche CI -2020 (XXIX) NCDs

Security Name	8.65%JMFPL3/12/2030
Issuer	JM Financial Products Limited
Type of Instrument	Secured, Rated, Listed, Redeemable 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	The Tranche CI -2020 (XXIX) NCDs are proposed to be listed on WDM segment of BSE Limited. BSE has given its in-principle approval to list the NCDs to be issued and allotted in terms of the DD vide its letter November 25, 2020. As per SEBI Circular dated October 5, 2020 (SEBI/HO/DDHS/CIR/P/2020/198), the Company shall complete the listing of NCDs within T+4 trading day (T being the date of closure of the Issue). In case of delay in listing of NCDs beyond the timeline specified above, the Company will pay penal interest, of 1% p.a. over and above the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) and the Company would be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchange.
Rating of the Instrument	ICRA Limited has assigned “‘[ICRA] AA/Stable” rating for long term borrowings upto Rs. 4,000 Crore through NCDs and CRISIL Limited has assigned CRISILAA/Stable rating for long term borrowings upto Rs. 750.40 Crore through NCDs.
Number of Debentures	Upto 2,000 Tranche CI -2020 (XXIX) NCDs
Issue Size	Upto 200 Crore
Option to retain oversubscription (Amount)	Not applicable
Objects of the Issue	For disbursement of loans to borrowers, repayment of borrowings and interest, augmenting the working capital requirements of the Company and for general corporate purpose.
Details of the utilization of the Proceeds	For disbursement of loans to borrowers, repayment of borrowings and interest, augmenting the working capital requirements of the Company and for general corporate purpose.
Day Count Basis	Actual/ Actual
Interest on Application Money	Not Applicable
Minimum Application and in multiples of 1 Debt securities	Minimum 10 Debentures and in multiples of 1 thereafter

thereafter	
Interest/Coupon Rate	8.65%
Implicit yield	Not applicable
Step Up/Step Down Coupon Rate	None
Coupon Payment Frequency	Semi Annually
Coupon payment dates	June 3, 2021 December 3, 2021 June 3, 2022 December 5, 2022 June 5, 2023 December 4, 2023 June 3, 2024 December 3, 2024 June 3, 2025 December 3, 2025 June 3, 2026 December 3, 2026 June 3, 2027 December 3, 2027 June 5, 2028 December 4, 2028 June 4, 2029 December 3, 2029 June 3, 2030 December 3, 2030
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	None
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the documented rate will be payable by the Company for the defaulting period.
Tenor	10 years (3,652 days)
Issue Price	Rs. 10,00,000/- per Debenture
Redemption Premium/Discount	Nil
Redemption Amount	Rs. 10,00,000 per NCD
Redemption Schedule and dates	In equal instalments at the end of 7th, 8th, 9th and 10th year from the date of allotment. 1st instalment : December 3, 2027 2nd instalment : December 4, 2028 3rd instalment : December 3, 2029 4th instalment : December 3, 2030
Discount at which security is issued and the effective yield as a result of such discount.	None
Put Option Date	None

Put Option Price	Not Applicable
Call Option Date	None
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Face Value	Rs. 10,00,000/- (Rs. Ten Lakh only) per Tranche CI -2020 (XXIX) NCDs
Issue Timing 1. Issue Opening Date 2. Bidding Date 3. Issue Closing Date 4. Pay-in Date 5. Deemed Date of Allotment	 December 1, 2020 December 1, 2020 December 1, 2020 December 3, 2020 December 3, 2020
Bidding Type	Close Bidding
Type of Bidding	Yield Based
Allocation Option	Uniform Yield
Mechanism of Settlement	Indian Clearing Corporation Limited (ICCL)
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Direct Credit / ECS / NEFT / RTGS / NACH / other permitted mechanisms
Depository(ies)	NSDL / CDSL
Business Day Convention	Any day of the week excluding Saturdays, Sundays, any 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 each Coupon payment/ 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 November 16, 2018 including any amendment, from time to time.
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.]	The NCDs being issued under the DD are secured through a first ranking pari pasu charge on the immovable properties and charge / hypothecation over the moveable properties (both present and future) or such other property as may be identified by the Company. A debenture trust deed dated November 16, 2018 has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating security to the extent of Rs. 2,000 Crore in favour of the Debenture Trustee to cover various issuances up to Rs. 2,000 Crore. Under the above Debenture Trust Deed, the NCD issued and allotted amount is Rs. 887.50 Crore as on the date of issue of these NCDs (excluding the amount of the present issue of NCDs). This DD is issued under the said Debenture Trust Deed dated November 16, 2018. The security cover will be maintained post issuance of Tranche CI – 2020 (XXIX) NCDs. The Debenture Trustee shall not be required to obtain any prior consent of or provide any intimation to the Debenture Holders for the creation of any additional charge on the movable, provided that no Event of Default has occurred as specifically laid out in Debenture Trust Deed. The Company shall maintain a security cover of 1.25 times.

	The other details with respect to the security of Tranche CI – 2020 (XXIX) NCDs issue are as per Notes 9 and 10 of this Disclosure Document and the Debenture Trust Deed dated November 16, 2018.
Rating downgrade, if any	If the long term 'AA' rating of the NCDs issued by the Company is downgraded at any point of time during the currency of the NCDs: • the Debenture Holder reserves the right to reset the interest rate based on the downgraded rating with effect from the date of downgrading. • the Debenture holder shall reserve the right to recall its outstanding principal amount on the aforesaid debentures along with all other monies / accrued interest due in respect thereof including compensation for all real / notional losses calculated on the basis as the Corporation may deem fit.
Transaction Documents	Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement and any other document that may be designated by the Debenture Trustee as a Transaction Document. This Disclosure Document shall be read in conjunction with the other Transaction Documents and in case of any ambiguity or inconsistency or differences with any Transaction Document including the Debenture Trust Deed, this Disclosure Document shall prevail.
Conditions Precedent to Disbursement	As per Disclosure Document, if any
Condition Subsequent to Disbursement	As per Debenture Trust Deed, if any
Events of Default (including manner of voting/ Conditions of joining Inter Creditor Agreement)	As per Note 11 and as per the Debenture Trust Deed dated November 16, 2018 including any amendment, from time to time.
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.
Provisions related to Cross Default	Not applicable
Conditions for breach of covenants	All conditions for breach of covenants of this issue are covered in Debenture Trust Deed dated November 16, 2018 including any amendment, from time to time.
Risk Factors pertaining to this Issue	As per Section II of this Disclosure Document.
Role and Responsibilities of Debenture Trustee	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, the Companies Act, 2013 and the rules made thereunder, the Debenture Trustee Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and all other related transaction documents, with due care, diligence and loyalty.
Governing Law and Jurisdiction	The Debenture Documents shall be governed by the laws of India. The Courts in Mumbai will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.
Registrar and Transfer Agents	KFin Technologies Private Limited
Trustees	IDBI Trusteeship Services Limited

Illustrative Cash flows for the above Tranche CI -2020 (XXIX):

Cash flows	**Day and Date**	**No. of days in coupon / principal payment**	**Amount (in Rupees) (per NCD)**
1st Coupon Date	Thursday, June 3, 2021	182	43,132
2nd Coupon Date	Friday, December 3, 2021	183	43,368
3rd Coupon Date	Friday, June 3, 2022	182	43,132
4th Coupon Date	Monday, December 5, 2022	185	43,842
5th Coupon Date	Monday, June 5, 2023	182	43,132
6th Coupon Date	Monday, December 4, 2023	182	43,132
7th Coupon Date	Monday, June 3, 2024	182	43,014
8th Coupon Date	Tuesday, December 3, 2024	183	43,250
9th Coupon Date	Tuesday, June 3, 2025	182	43,132
10th Coupon Date	Wednesday, December 3, 2025	183	43,368
11th Coupon Date	Wednesday, June 3, 2026	182.	43,132
12th Coupon Date	Thursday, December 3, 2026	183	43,368
13th Coupon Date	Thursday, June 3, 2027	182	43,132
14th Coupon Date	Friday, December 3, 2027	183	43,368
1st Principal Instalment Date	Friday, December 3, 2027	-	2,50,000
15th Coupon Date	Monday, June 5, 2028	185	32,792
16th Coupon Date	Monday, December 4, 2028	182	32,260
2nd Principal Instalment Date	Monday, December 4, 2028	-	2,50,000
17th Coupon Date	Monday, June 4, 2029	182	21,566
18th Coupon Date	Monday, December 3, 2029	182	21,566
3rd Principal Instalment Date	Monday, December 3, 2029	-	2,50,000
19th Coupon Date	Monday, June 3, 2030	182	10,783
20th Coupon Date	Tuesday, December 3, 2030	183	10,842
4th Principal Instalment Date	Tuesday, December 3, 2030	-	2,50,000

Note:

- The Company reserves the right to amend the above timetable.
- Face value is reduced by Rs. 2,50,000/- per year from 7th year.
- Year 2024 and 2028 considered as leap year (366 days) for the purpose of above cash flow.

Note 1. Interest on coupon bearing NCDs:

a. <u>Interest rate</u>

The Interest Rate shall be payable as per agreed Term Sheet/s.

Any interest payable on the Debentures may be subject to deduction at source at the rates prevailing from time to time under the provisions of the Income tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by the Company. Please refer to the note 13 on Tax Deduction at Source (TDS) for further details.

b. Computation of Interest

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

c. Payment of Interest

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

Note 2. Redemption:

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

Note 3. Payment on Redemption:

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

Note 4. 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 dematerialized form:

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

Note 5. Issue Schedule:

The schedule for the Debentures issued under this Issue shall be specified in the DD issued.

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

Note 6. Deemed Date of Allotment:

The Deemed Date of Allotment will be mentioned in the respective DD issued in respect of such Tranche. 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 7. Payment of outstanding amounts on the NCDs:

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

Note 8. Effect of 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 interest accrued on the NCDs.

Note 9. Security:

The NCDs being issued under the DD are secured through a first ranking pari pasu charge on the immovable properties and charge/hypothecation over the moveable properties or such other property as may be identified by the Company. A debenture trust deed dated November 16, 2018 has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating security to the extent of Rs. 2,000 Crore in favour of the Debenture Trustee to cover various issuances up to Rs. 2,000 Crore. Under the above Debenture Trust Deed, the NCD issued and allotted amount is Rs. 887.50 Crore as on the date of issue of these NCDs (excluding the amount of the present issue of NCDs). This DD is issued under the said Debenture Trust Deed dated November 16, 2018. The security cover will be maintained post issuance of Tranche CI -2020 (XXIX) NCDs.

The Company shall maintain a security cover of 1.25 times of outstanding amount at all times.

The Issuer undertakes that the assets on which charge is created under this Disclosure Document are free from any encumbrances (except to the extent already disclosed) and the charge is on pari-passu basis. It is further clarified that necessary consent and/or no objection certificate has been obtained from existing lenders and/or creditors in respect of the assets provided as security under this Disclosure Document.

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

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

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

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

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

In case the actual Security Cover falls below that stipulated in the DD, the Company shall restore the Security Cover to the stipulated level within 7 days from the end of the month where such shortfall has occurred.

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

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

Note 10. Time Limit for creation of Security:

A debenture trust deed dated November 16, 2018 has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating an upfront security in favour of the Debenture Trustee to cover various issuances up to Rs. 2,000 Crore. Under the above Debenture Trust Deed, the NCD issued and allotted amount is Rs. 887.50 Crore as on the date of issue of these NCDs (excluding the amount of the present issue of NCDs). This DD is issued under the said Debenture Trust Deed dated November 16, 2018. The security cover will be maintained post issuance of Tranche CI -2020 (XXIX) NCDs.

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

Note 11. Events of Default: -

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

a) When the Company fails to make payment when due on any given series/tranche of Debentures which ought to have been paid in accordance with the terms of the issue of such series/tranche of Debentures;

b) When the Company without the consent of Debenture Holders ceases to carry on its business or gives notice of its intention to do so;

c) When an order has been made by the Tribunal or a special resolution has been passed by the members of the Company for winding up of the Company;

d) When any breach of the terms of the relevant Information Memorandum/Pricing Supplement pertaining to any series/tranche of Debentures or of the covenants of this Deed is committed by the Company;

e) When the Company creates or attempts to create any charge on the Mortgaged Properties or any part thereof without the prior approval of the Debenture Trustee/Debenture Holders; and/or

f) When the value of the Security not being sufficient to maintain the Security Cover, and the Company fails to cure such default within a maximum period of 7 days from the end of the month where such shortfall has occurred. and in the opinion of the Debenture Trustee the Security by reason of this is in jeopardy.

Consequence of Event of Default

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

   i) accelerate the redemption of the relevant series/ tranche of the Debentures and the amounts due under the security documents shall become immediately due and payable; and/or

ii) enforce its charge over the Security in terms of the security documents to recover the amounts due in respect of the relevant series/ tranche of the Debentures; and/or

iii) exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.

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

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

Additional covenants:

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

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

c. **Maintenance of Security Cover:** Non- maintenance of security cover will attract penal interest of 2% p.a. over the coupon rate for the period of non- compliance.

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

Note 12. Governing Law and Jurisdiction:

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

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

Note 13. Tax Deduction at Source (TDS):

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

a) In the event the NCDs are rematerialized and the Company is required to make a tax deduction, the Company shall make the payment required in connection with that tax deduction within the time allowed and in the minimum amount required by applicable law;

b) The Company shall within 30 (thirty) days after the due date of payment of any tax or other amount which it is required to pay, deliver to the Debenture Trustee evidence of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

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

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

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

Note 14. Currency of Payment:

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

Note 15. Right of the Company to Purchase, Re-sell and Re-issue NCDs:

a. Purchase and Resale of NCDs:

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

b. Reissue of Debentures:

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

Note 16. Future Borrowings:

The Company shall be entitled, from time to time, to make further issue of secured debentures to the public, members of the Company and/or any other person(s) on the security or otherwise of its assets / properties by intimating the same to the Debenture Trustee.

Note 17. 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 18. Modification of Rights:

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

Note 19. Notices:

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

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

Note 20. 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 21. Transfers:

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

Note 22. 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 23. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed:

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

a. Debenture Trustee Agreement
b. Debenture Trust Deed including Supplemental Trust Deed, if any.

Note 24. Additional information

a. The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
b. It shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed within specified time frame;
c. Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding;
d. It shall use a common form of transfer for the NCDs;

e. The Company shall disclose the complete name and address of the Debenture Trustee in its Annual Report;
f. The Company undertakes that the necessary documents for the creation of the charge, including the addendum to the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. 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 second or *pari passu* charge being created, where applicable, in favor of the trustees to the proposed issue would be obtained.

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

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

1. Memorandum and Articles of Association of the Company, as amended from time to time
2. NBFC registration certificate dated March 2, 1998 issued by Reserve Bank of India
3. Resolution passed by the shareholders at the Annual General Meeting of the Company held on July 12, 2018 appointing Khimji Kunverji & Co. LLP as Auditors of the Company
4. Resolution passed by the shareholders of the Company at the Extra-Ordinary General Meeting held on October 25, 2018 authorising the Board of Directors to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to Rs. 14,000 Crore.
5. Resolution passed by the shareholders of the Company at the Annual General Meeting held on July 23, 2020 approving borrowing through issuance of Non-Convertible Debentures for an amount upto Rs. 4,000 Crore through Private Placement and Rs. 3,000 Crore through Public Issue;
6. Annual Reports for the five years ended March 31, 2016, 2017, 2018, 2019 and 2020 of the Company;
7. Letter from ICRA Limited and CRISIL Limited assigning the credit rating to the NCDs;
8. Consent letter issued by IDBI Trusteeship Services Limited dated November 5, 2020 to act as the Debenture Trustee to this Issue.
9. Consent letter issued by KFin Technologies Private Limited dated November 3, 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. Letter dated November 25, 2020 from BSE Limited giving its in-principle approval to 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 does 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 Offer letter;

I am authorized by the Board of Directors of the Company vide resolution dated July 11, 2019 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

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

For JM Financial Products Limited

Place: Mumbai
Date: December 1, 2020

Rupesh Samani
Company Secretary

SECTION IV

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 17
ii.	Date of incorporation of the company.	July 10, 1984
iii.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	Page 18 - 19
iv.	Brief particulars of the management of the company.	Page 25-26
v.	Names, addresses, Director Identification Number (DIN) and occupations of the directors.	Page 25-26
vi.	Management's perception of risk factors.	Page 9-16
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 17
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 20 - 21
ii.	Date of passing of board resolution.	October 24, 2018
iii.	Date of passing of resolution in the general meeting, authorising the offer of securities.	July 23, 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 2,000 NCDs
v.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Rs. 10,00,000 per NCD

vi.	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer;	Not Applicable
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 47
ix.	The proposed time within which the allotment shall be completed;	December 3, 2020
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;	Upto Rs. 200 Crore
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 date and schedule	 10 years 8.65% Page 53 Page 53
xv.	Proposed time schedule for which the private placement offer cum application letter is valid.	Page 53
xvi.	Purposes and objects of the offer.	Page 51
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 53
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 - 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	None

	years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	
c.	Remuneration of directors (during the current year and last three financial years).	Refer Financial Statements 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 Financial Statements 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:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	Page 22
(b)	Size of the present offer; and	Page 51
(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 22-23
	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	Not applicable

<table>
<tr><td></td><td>allotments made for considerations other than cash and the details of the consideration in each case.</td><td></td></tr>
<tr><td>b.</td><td>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.</td><td>Page 38-39</td></tr>
<tr><td>c.</td><td>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).</td><td><table><tr><th>Financial year</th><th>Amount per equity share</th></tr><tr><td>2019-20</td><td>Re. 0.30</td></tr><tr><td>2018-19</td><td>Re. 0.90 (including interim dividend of Re. 0.70)</td></tr><tr><td>2017-18</td><td>Re. 1</td></tr></table></td></tr>
<tr><td>d.</td><td>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</td><td>Page 36- 42</td></tr>
<tr><td>e.</td><td>Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter</td><td>Page 41-42</td></tr>
<tr><td>f.</td><td>Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.</td><td>None</td></tr>
<tr><td colspan="3"></td></tr>
<tr><td colspan="2">Part – B (To be filed by the Applicant)</td><td>Refer Annexure D</td></tr>
<tr><td colspan="3"></td></tr>
</table>

SECTION - V

ANNEXURES

A – CREDIT RATING LETTER FROM ICRA LIMITED AND CRISIL LIMITD

B – CONSENT LETTER OF THE DEBENTURE TRUSTEE

C – FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR 2019-20, 2018-19 AND 2017-18 AND UNAUDITED FINANCIAL RESULTS AS ON SEPTEMBER 30, 2020

D - APPLICATION FORM

ICRA

ICRA Limited

CONFIDENTIAL

Ref: MUM/20-21/2304
Date: November 04, 2020

Mr. Nishit Shah
Chief Financial Officer
JM Financial Products Limited
5B, 5th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

Dear Sir,
Re: ICRA rating for the Rs. 4,000 crore Non-convertible Debenture (NCD) Programme of JM Financial Products Limited

Please refer to your request dated October 31, 2020 for revalidating the rating letter issued for the captioned Rs. 4,000 crore NCD programme.

We confirm that the **[ICRA]AA** (pronounced as ICRA double A) rating, with Stable outlook, assigned to your captioned programme and last communicated to you vide our letter dated **July 31, 2020** stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same as communicated vide our letters Ref MUM/20-21/1285 dated July 31, 2020.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold non-convertible debenture 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

KARTHIK SRINIVASAN
2020.11.04 11:27:48 +05'30'

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

August 06, 2020

JM Financial Products Limited: Ratings reaffirmed for revised limits; rating withdrawn for matured instruments and part of unused limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture (NCD) Programme	500.00	0.00	[ICRA]AA (stable); reaffirmed and withdrawn
NCD Programme	2,000.00	2,000.00	[ICRA]AA (stable); reaffirmed
NCD Programme (Public Issue)	2,000.00	2,000.00	[ICRA]AA (stable); reaffirmed
Long term Market Linked Debentures (Principal Protected) {MLD (PP)} Programme	250.00	0.00	PP-MLD[ICRA]AA (stable); reaffirmed and withdrawn
MLD (PP) Programme	250.00	250.00	PP-MLD[ICRA]AA (stable); reaffirmed
Long-term, Bank Lines (Cash Credit)	249.00	60.00	[ICRA]AA (stable); reaffirmed
Long-term, Bank Lines (Term Loan)	1,325.00	1,325.00	[ICRA]AA (stable); reaffirmed
Long-term, Bank Lines (Unallocated)	926.00	615.00	[ICRA]AA (stable); reaffirmed
Commercial Paper (CP) Programme	4,500.00	2,500.00	[ICRA]A1+; reaffirmed
CP Programme (IPO Financing)	3,500.00	3,500.00	[ICRA]A1+; outstanding
Total	**15,500.00**	**12,250.00**	

**Instrument details are provided in Annexure-1*

Rationale

ICRA has withdrawn the ratings assigned to the Rs. 500-crore NCD programme, the Rs. 250-crore MLD programme and the Rs. 500-crore bank facilities of JM Financial Products Limited's (JMFPL) 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 the demonstrated track record and established franchise of the JM Financial Group (the Group) in the domestic financial services industry, its diversified revenue stream and healthy financial profile with steady profitability and an adequate capitalisation level. While assigning the rating, ICRA has taken a consolidated view of the Group (i.e. JM Financial Limited (JMFL) on a consolidated basis) due to the close linkages between the Group entities, given the common promoters and senior management team, shared brand name, and strong financial and operational synergies. Moreover, ICRA expects the financial, managerial and operational support from the Group to continue to be available to all key Group companies.

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 risks are further aggravated by the current environment, given the continued slowdown in the real estate sector coupled with the liquidity squeeze faced by developers and financiers. The asset quality, though healthy, 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 also due to the base effect of a declining loan book). The SMA 2 accounts 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, 2020. Further, a sizeable share of the loans is under moratorium, typical of the industry, which has also helped support the asset quality. The presence of adequate collateral along with 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, which 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 Covid-19 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 customers coupled with 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 the Group's business. Going forward, the Group's ability to manage its asset quality and liquidity profile over the near-to-medium-term would remain critical. The ratings also take into account the risks associated with the distressed assets business, given the nature of the underlying assets, the focus on large ticket exposures, the protracted resolution process and the uncertainty associated with the same.

While assigning the rating, ICRA has also noted the increased challenges in resource mobilisation stemming from the current operating environment and the risk-averse sentiment of investors towards non-banks, particularly wholesale oriented entities. This has resulted in an increase in the Group's cost of funds (~80 bps YoY increase in FY2020) and the same is expected to limit the Group's growth potential in the lending business in the near-to-medium-term. However, ICRA notes that the Group has raised ~Rs. 350 crore from banks in Q1 FY2021 under the targeted long-term repo operations (TLTRO) of the Reserve Bank of India (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. 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 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.

Diversification in business profile – The Group, which forayed into the non-capital market lending business in 2008, subsequently diversified its lending portfolio to wholesale mortgage, retail mortgage, and corporate lending. It forayed into the small and medium enterprises (SME) segment in FY2017 and housing finance in FY2018. Currently, the lending business has emerged as a key contributor to revenues. On an overall basis, the Group's loan book contracted by ~18.3% YoY to Rs. 11,531 crore as on March 31, 2020 from Rs. 14,107 crore as on March 31, 2019. The loan book contracted from the peak level of Rs. 17,108 crore as on September 30, 2018 due to the liquidity issues prevailing in the industry over the past one and a half years. With the decline in the granular capital markets loan book exceeding the decline in the portfolio, the share of wholesale loans in the total portfolio increased further. As on March 31, 2020, wholesale mortgage, corporate lending, capital markets lending, and retail mortgage accounted for 70%, 20%, 4% and 6%, 3 respectively, of the loan book. While lending has emerged as the largest business activity for the Group, the fee-based businesses continue to account for a sizeable share of the net operating income[1] (~43% in FY2020).

Adequate capitalisation and low leverage at Group level – The Group's capitalisation remains adequate with a consolidated net worth (including non-controlling interest of the Group and net of goodwill on consolidation) of Rs. 7,993 crore and a capital adequacy ratio (CRAR) of 38.7% as on March 31, 2020 (Rs. 7,229 crore and 31.5%, respectively, as of March 31, 2019). Total borrowings at the consolidated level declined to Rs. 11,756 crore as on March 31, 2020 from Rs. 13,991 crore as on March 31, 2019 (peak debt of Rs. 17,794 crore as on September 30, 2018).

The Group had raised equity capital of Rs. 1,380 crore from external investors during FY2018-FY2019, thereby supporting the overall capitalisation levels and helping it maintain a low leverage. JMFL raised Rs. 770-crore equity through the qualified institutional placement (QIP) route in Q1 FY2021, which further enhanced the Group's capitalisation profile. The consolidated gearing was low at 1.47 times as on March 31, 2020 (1.94 times as on March 31, 2019) compared to 2.54 times as on March 31, 2018. The Group's capitalisation profile remains healthy, with lower leverage compared to peers, and provides adequate cushion against losses, if required. With the Group planning to curtail wholesale lending in the near term and increase its focus on retail lending, the leverage is

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[1] Net Operating income = Revenue from Operations (excludes net gain on derecognition of financial assets and investments carried at fair value) less finance cost and sub-brokerage, fee and commission expense

expected to remain low over the near term. Over the medium-to-longer-term, the management intends to cap the gearing at 3 times for the real estate lending business and 2 times for the distressed credit business.

Adequate profitability indicators – The Group's total income declined marginally to Rs. 3,454 crore in FY2020 from Rs. 3,499 crore in FY2019 owing to a moderation in the performance of the asset management business and the distressed assets business. The net interest margins (NIMs) remained stable at 6.6% in FY2020 with the transmission of the increase in the cost of funds to the borrowers. JMFL reported a consolidated net profit of Rs. 545 crore in FY2020 with adequate return on assets (RoA)[2] of 3.6% (3.7% in FY2019). The return on equity (RoE)[2] moderated to 10.2% in FY2020 from 12.8% in FY2019.

Credit challenges

Fund-raising challenges for non-bank financiers impacting business; ability to maintain asset and liability profile remains critical – The operating environment for NBFCs and housing finance companies (HFCs), especially for entities with sizeable real estate exposure, has remained challenging since September 2018. The risk-averse sentiments of lenders/investors towards real estate lenders has constrained the ability of NBFCs and HFCs, including JMFL, to mobilise long-term resources from diversified sources. The cost of funds increased by ~80 bps YoY in FY2020. This, coupled with the subdued macro-economic and operating environment, has impacted JMFL's ability to grow the lending business and the margins (even for the non-real estate lending businesses). While the Group raised long-term funds of ~Rs. 3,700 crore in FY2020, the same was largely used for meeting debt repayment obligations and reducing commercial paper (CP) borrowings.

Following the onset of the liquidity crisis for NBFCs, there has been a change in JMFL's debt maturity profile. As on March 31, 2020, the share of short-term debt in the total borrowings was ~9% compared to ~27% as on March 31, 2019. ICRA also notes that these short-term liabilities, predominantly in the form of CP, are largely matched by assets of similar maturity such as capital market assets. Given the rising prominence of the lending business, the Group's ability to manage its asset and liability profile would remain critical. ICRA takes comfort from the Group's adequate liquid assets (cash and liquid investments) of Rs. 3,412 crore and undrawn bank lines of Rs. 442 crore as on March 31, 2020, and its ability to raise funds from the market when required, as demonstrated in the past.

High concentration and inherent credit risk in wholesale segment; moderation in asset quality in current fiscal, though it remains healthy – The Group's loan portfolio largely comprises wholesale lending (~90% of the total book as on March 31, 2020), which includes real estate, promoter funding and corporate loans. The concentration in the wholesale segment could result in a sharp deterioration in the asset quality in case of slippages. The risks are further aggravated by the current environment, given the continued slowdown in the real estate sector and the liquidity squeeze faced by developers and financiers.

The Group's asset quality, which remained stable over the last few years, witnessed some deterioration in FY2020 due to a few lumpy slippages in the real estate lending segment. This coupled with a decline in loan book resulted in moderation in asset quality indicators, as reflected by the increase in the GNPAs and the NNPAs to 1.65% and 1.13%, respectively, as on March 31, 2020 from 0.68% and 0.55%, respectively, as on March 31, 2019. Similarly, the SMA 2 assets also increased to 2.64% of the loan book as on March 31, 2020 compared to 1.25% as on March

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[2] *RoA and RoE are as per ICRA calculations*

31, 2019. In ICRA's view, despite the moderation in recent quarters, the Group's asset quality indicators remain comfortable. The Group's ability to maintain a healthy asset quality once the moratorium offered to the customers as per the RBI's Covid19 regulatory package ends, given the currently challenging operating environment for the real estate sector, will be critical from a credit perspective. The presence of adequate collateral along with the Group's conservative underwriting norms, adequate risk management systems, and proactive monitoring and resolution process provide comfort. ICRA also draws comfort from the Group's leverage being lower than that of its peers, which provides it with the ability to absorb losses, if needed.

Risks associated with distressed assets business, given the nature of underlying assets, uncertainty associated with resolution process and large ticket exposures – The Group, through JM Financial Asset Reconstruction Company Limited (JMFARCL), is one of the prominent players in the asset reconstruction business, with distressed credit assets under management (AUM) of Rs. 11,489 crore as on March 31, 2020. JMFARCL focusses on the large single borrower corporate segment, which is riskier than the retail segment on account of the larger ticket size, higher complexity involved in the transactions and the resolution process, and the high degree of engagement required with the promoters. This, along with JMFARCL's strategy of focusing 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 and lumpy cashflows. The presence in the corporate and SME portfolios consisting of multiple borrowers provides some diversification to the AUM.

Liquidity position: Adequate

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 the near-term maturities. The Group used the liquidity buffer to buy its bonds back 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 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.

As on June 30, 2020, JMFPL had cash and cash equivalents of Rs. 891 crore (equivalent to ~30% of total borrowing, excluding IPO financing related borrowings, as on June 30, 2020) and sizeable undrawn bank lines, which are adequate to meet its near-term debt repayment.

Rating sensitivities

Positive triggers – ICRA could upgrade the ratings if the Group posts a substantial and sustained improvement in its business performance, characterised by well-diversified growth in the lending portfolio with an increase in granularity, healthy growth in fee-based income and improvement in profitability while maintaining the current capital structure profile and asset quality.

Negative triggers - The ratings or the outlook could be revised if the asset quality deteriorates significantly with the reported GNPAs increasing above 5% on a sustained basis or if there is an increase in the vulnerability of the wholesale loan book/asset reconstruction business. Pressure on the ratings could also emerge if the challenges in funding access for NBFCs continue for a prolonged period with the Group not being able to maintain its current scale of lending operations. A significant deterioration in the profitability, a reduction in the fee-based income and weakening of the capitalisation profile would also be credit negatives.

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	Not applicable; while assigning the ratings, ICRA has taken a consolidated view of the Group (JMFL - Consolidated), given the high operational and managerial linkages between the Group companies and the shared brand name.
Consolidation / Standalone	To arrive at the ratings, ICRA has considered the consolidated financial profile of JMFL. As on March 31, 2020, JMFL had 10 subsidiaries, five stepdown subsidiaries, one partnership firm (with two of JMFL's subsidiaries as partners) and one associate company. Details of these companies are provided in Annexure 2.

About the company

JM Financial Products Limited

JMFPL is a non-deposit accepting systemically important, non-banking finance company (NBFC-ND-SI) registered with the Reserve Bank of India (RBI). JMFPL is a 99.4% subsidiary of JMFL, the flagship company of the Group. JMFPL caters to individuals, corporates and SMEs, and operates under various verticals namely structured financing, real estate financing, capital market financing, retail mortgage and financial institution financing. The company forayed into the housing finance business through its 99% subsidiary, JM Financial Home Loans Limited (JMFHL), to diversify its product mix. JMFHL has been granted a license to operate as a housing finance company by the National Housing Bank (NHB) in FY2018. JMFPL had a loan book of Rs. 3,679 crore as on March 31, 2020, a 30% decline compared to Rs. 5,227 crore as on March 31, 2019 (Rs. 4,130 crore as on December 31, 2019). The loan book declined post the crisis in September 2018, impacted further by the uncertainties in the macro-economic and credit environment and the recent Covid-19 pandemic. Over the past few quarters, the company has been focusing on reducing leverage and shoring up on-balance sheet liquidity to meet uncertainties. The company held liquidity of Rs. 1,143 crore (excluding undrawn credit lines) as on March 31, 2020, which constituted ~32% of total borrowings. The liquidity is held in the form of liquid mutual funds and bank balances and is adequate to meet the near-term debt repayments. The loan book as on March 31, 2020 comprised of 47% structured finance, 32% real estate, 10% capital markets, and 12% retail mortgage and financial institution financing book. JMFHL had a loan book of Rs. 305 crore as on March 31, 2020 which comprised of 67% home loans, 15% loan against properties and 18% loans to education institutions.

JMFPL has been reporting steady profitability over the years. The company reported a net profit of Rs. 160 crore on a total income of Rs. 841 crore in FY2020 compared to a net profit of Rs. 204 crore on a total income of Rs. 934 crore in FY2019. As on March 31, 2020, JMFPL reported a net worth of Rs. 1,707 crore, with a capital adequacy ratio of 31.94% and a gearing of 2.08 times. JMFPL's net gearing (net debt to equity) was relatively low at 1.4 times as on March 31, 2020. The company reported a gross stage 3 assets (Gross NPA) of 0.12% as on March 31, 2020. As on March 31, 2020, JMFPL carried a provision for expected credit loss on financial assets of Rs. 95.06 crore (Rs. 34.73 crore as on March 31, 2019), which includes an estimated potential impact due to the pandemic of Rs. 15.67 crore. In FY2020, JMFPL raised Rs. 640 crore through public issue of NCDs with the tenures ranging from 2 to 10 years. The NCDs were primarily subscribed by retail and high net worth individuals. This has helped the company to diversify its sources of borrowing and its investor base. The long-term sources of borrowing formed 91% of JMFPL's total borrowing as on March 31, 2020. The company's capitalisation profile remains healthy with a capital adequacy ratio of 31.9% as of March 31, 2020.

Key financial indicators of JMFPL

	FY2018 Ind-AS	FY2019 Ind-AS	FY2020 Ind-AS
Total Income	888	934	840
Profit after Tax (PAT)	204	204	160
Net Worth	1,467	1,560	1,707
Total Loan Book (Gross*)	6,585	5,255	3,735
Total Assets	7,230	6,155	5,478
Return on Average Assets (ROA)	3.1%	3.1%	2.8%
PAT/ Average Net Worth (ROE)	14.6%	13.5%	9.8%
Gearing (times)	3.9	2.9	2.1
Net Gearing (times)	3.6	2.5	1.4

Source: JM Financial Products Limited and ICRA research; Amounts in Rs. crore; All ratios are as per ICRA calculations
** Gross of impairment loss allowance*

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 management of private equity fund. 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 assets under management (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 across 456 locations spread across 154 cities in India. The equity shares of JMFL 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 Ind-AS	FY2019 Ind-AS	FY2020 Ind-AS
Total Income	3,033	3,499	3,454
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[4]	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	Rating (FY2021)					Rating History for the Past 3 Years																							
		Type	Amount Rated	Amount Outstanding*	Current Rating	Earlier Rating	FY2020								FY2019						FY2018									
					06-Aug-2020	13-Apr-2020	04-Mar-2020	20-Jan-2020	6-Aug-2019	2-Jul-2019	3-Jun-2019	17-May-2019	17-Apr-2019	1-Apr-2019	14-Jan-2019	4-Sep-2018	27-Jul-2018	2-Jul-2018	10-May-2018	18-Apr-2018	9-Mar-2018	5-Feb-2018	15-Jan-2018	8-Dec-2017	7-Nov-2017	17-Oct-2017	10-Oct-2017	26-Jul-2017	6-Jul-2017
1	NCD Programme	Long Term	2,000	1,094.50	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]A (stable
2	NCD	Long Term	500	0.00	[ICRA]AA (stable); reaffirmed and withdrawn	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]A (stable
3	NCD Programme (Public Issue)	Long Term	2,000	639.90	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]A (stable
4	MLD (PP) Programme	Long Term	250	82.40	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)	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)	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)	PP-MLD[ICRA]AA (stable)	PP-MLD[ICRA]AA (stable)	PP-MLD[ICRA]AA (stable)	[ICRA]A (stable
5	MLD (PP)	Long Term	250	0.00	PP-MLD[ICRA]AA (stable); reaffirmed and 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)	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)	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)	PP-MLD[ICRA]AA (stable)	PP-MLD[ICRA]AA (stable)	PP-MLD[ICRA]AA (stable)	PP-MLD[IC]AA (stable
6	Bank Lines (Cash Credit)	Long Term	60	NA	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]A (stable
7	Bank Lines (Term Loan)	Long Term	1,325	1,325	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Bank Lines (Unallocated)	Long Term	615	NA	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	[ICRA]AA (stable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	CP Programme	Short Term	2,500	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A
10	CP Programme (IPO Financing)	Short Term	3,500	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+																				

*Amount in Rs. crore   * amount outstanding as on June 30, 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
INE523H07833	NCD	20-Jul-17	0.00%	2-Sep-20	14.7	[ICRA]AA (stable)
INE523H07866%	NCD	28-Sep-17	8.80%	28-Sep-20	120.0	[ICRA]AA (stable)
INE523H07874#	NCD	15-Nov-17	8.81%	13-Nov-20	300.0	[ICRA]AA (stable)
INE523H07882	NCD	21-Nov-17	0.00%	30-Apr-21	173.9	[ICRA]AA (stable)
INE523H07916	NCD	8-Dec-17	0.00%	6-Apr-21	54.6	[ICRA]AA (stable)
INE523H07940	NCD	7-Feb-18	9.34%	23-Apr-21	209.8	[ICRA]AA (stable)
INE523H07999	NCD	7-Sep-18	364-day T-bill linked	30-Jun-22	150.0	[ICRA]AA (stable)
INE523H07AB3	NCD	14-Sep-18	0.00%	11-Aug-21	16.5	[ICRA]AA (stable)
INE523H07AC1	NCD	14-Sep-18	0.00%	13-Sep-21	40.0	[ICRA]AA (stable)
INE523H07AD9	NCD	14-Sep-18	0.00%	4-Apr-22	65.0	[ICRA]AA (stable)
INE523H07AE7	NCD	27-Sep-18	0.00%	29-Sep-22	45.0	[ICRA]AA (stable)
INE523H07AR9	NCD	18-Oct-19	10%	18-Oct-22	50.0	[ICRA]AA (Stable)
INE523H07BE5	NCD	28-Jul-20	9.10%	27-Jul-23	25.0	[ICRA]AA (stable)
INE523H07BD7	NCD	1-Jul-20	9%	30-Jun-23	100.0	[ICRA]AA (stable)
NA	NCD *	NA	NA	NA	635.5	[ICRA]AA (stable)
INE523H07AG2	NCD^	21-May-19	9.90%	21-May-21	44.3	[ICRA]AA (stable)
INE523H07AH0	NCD^	21-May-19	0.00%	21-May-21	9.5	[ICRA]AA (stable)
INE523H07AI8	NCD^	21-May-19	10.20%	21-May-22	138.2	[ICRA]AA (stable)
INE523H07AJ6	NCD^	21-May-19	0.00%	21-May-22	27.9	[ICRA]AA (stable)
INE523H07AK4	NCD^	21-May-19	10.04%	21-May-24	66.9	[ICRA]AA (stable)
INE523H07AL2	NCD^	21-May-19	10.50%	21-May-24	100.1	[ICRA]AA (stable)
INE523H07AM0	NCD^	11-Sep-19	10.20%	11-Nov-22	64.1	[ICRA]AA (stable)
INE523H07AN8	NCD^	11-Sep-19	0.00%	11-Nov-22	10.9	[ICRA]AA (stable)
INE523H07AO6	NCD^	11-Sep-19	10.30%	11-Sep-24	29.5	[ICRA]AA (stable)
INE523H07AP3	NCD^	11-Sep-19	9.85%	11-Sep-24	15.4	[ICRA]AA (stable)
INE523H07AQ1	NCD^	11-Sep-19	0.00%	11-Sep-26	8.3	[ICRA]AA (stable)
INE523H07AW9	NCD^	16-Mar-20	9.50%	16-Mar-22	31.1	[ICRA]AA (stable)
INE523H07AT5	NCD^	16-Mar-20	N.A.	16-Mar-22	30.7	[ICRA]AA (stable)
INE523H07AX7	NCD^	16-Mar-20	9.70%	16-Jul-23	12.5	[ICRA]AA (stable)
INE523H07AU3	NCD^	16-Mar-20	N.A.	16-Jul-23	4.5	[ICRA]AA (stable)
INE523H07AY5	NCD^	16-Mar-20	9.29%	16-Jul-23	11.4	[ICRA]AA (stable)
INE523H07AZ2	NCD^	16-Mar-20	9.90%	16-Jul-25	10.3	[ICRA]AA (stable)
INE523H07AV1	NCD^	16-Mar-20	N.A.	16-Jul-25	4.1	[ICRA]AA (stable)
INE523H07BA3	NCD^	16-Mar-20	9.48%	16-Jul-25	12.7	[ICRA]AA (stable)
INE523H07BB1	NCD^	16-Mar-20	10.00%	16-Jul-30	2.4	[ICRA]AA (stable)
INE523H07BC9	NCD^	16-Mar-20	9.57%	16-Jul-30	5.0	[ICRA]AA (stable)
NA	NCD (Public	NA	NA	NA	1,360.1	[ICRA]AA (stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
	Issue) *					
INE523H07783&	MLD (PP)	26-May-17	10-yr G-Sec linked	29-Sep-20	50.0	PP-MLD[ICRA]AA (Stable)
INE523H07924~	MLD (PP)	14-Dec-17	10-yr G-Sec linked	14-Dec-20	17.4	PP-MLD[ICRA]AA (Stable)
INE523H07AS7	MLD (PP)	22-Nov-19	10-yr G-Sec linked	22-Nov-21	50.0	PP-MLD[ICRA]AA (Stable)
NA	MLD (PP) *	-	-	-	132.6	PP-MLD[ICRA]AA (Stable)
NA	Term Loan	2017-20	NA	2020-2023	1,325.0	[ICRA]AA (Stable)
NA	Cash Credit	NA	NA	NA	60.0	[ICRA]AA (Stable)
NA	Unallocated *	NA	NA	NA	615.0	[ICRA]AA (Stable)
NA	CP Programme	NA	NA	7-365 days	2,500.0	[ICRA]A1+
NA	CP Programme (IPO Financing)	NA	NA	7-30 days	3,500.0	[ICRA]A1+
INE523H07569	NCD	12-Jan-17	0.00%	12-May-20	63.0	[ICRA]AA (stable); reaffirmed and withdrawn
INE523H07577	NCD	12-Jan-17	0.00%	4-May-20	1.8	[ICRA]AA (stable); reaffirmed and withdrawn
INE523H07585	NCD	23-Jan-17	0.00%	7-Apr-20	9.6	[ICRA]AA (stable); reaffirmed and withdrawn
INE523H07627	NCD	27-Feb-17	0.00%	1-Jul-20	27.5	[ICRA]AA (stable); reaffirmed and withdrawn
INE523H07718	NCD	22-Mar-17	0.00%	6-May-20	2.0	[ICRA]AA (stable); reaffirmed and withdrawn
INE523H07775	NCD	26-May-17	0.00%	12-May-20	20.0	[ICRA]AA (stable); reaffirmed and withdrawn
INE523H07858	NCD	28-Jul-17	8.90%	28-Jul-20	150.0	[ICRA]AA (stable); reaffirmed and withdrawn
INE523H07981	NCD	24-Aug-18	9.42%	25-Feb-20	75.0	[ICRA]AA (stable); reaffirmed and withdrawn
NA	Unused NCD Limit	NA	NA	NA	151.1	[ICRA]AA (stable); reaffirmed and withdrawn
INE523H07AA5	MLD (PP)	6-Sep-18	G-Sec linked	28-Feb-20	25.0	PP-MLD[ICRA]AA (Stable); reaffirmed and withdrawn
INE523H07AF4	MLD (PP)	3-Jan-19	10-yr Govt bond linked	3-Jul-20	21.0	PP-MLD[ICRA]AA (Stable); reaffirmed and withdrawn
NA	Unused MLD (PP) Limit	NA	NA	NA	204.0	PP-MLD[ICRA]AA (stable); reaffirmed and withdrawn

** Proposed; Source: JM Financial Products Limited*
^ Public issue of NCD
 # Rs. 10 crore outstanding due to Rs. 290 crore partial redemption through buyback
% Rs. 100 crore outstanding due to Rs. 20 crore partial redemption through buyback
& Rs. 25 crore outstanding due to Rs. 25 crore partial redemption through buyback
~ Rs. 7.4 crore outstanding due to Rs. 10 crore partial redemption through buyback

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership / Relationship with rated entity	Consolidation Approach
JM Financial Limited	Parent	ICRA has taken a consolidated view of the parent and its subsidiaries
JM Financial Asset Management Limited	Fellow Subsidiary	
CR Retail Malls (India) Limited	Fellow Subsidiary	
JM Financial Services Limited	Fellow Subsidiary	
JM Financial Capital Limited	Subsidiary of a Fellow Subsidiary	
JM Financial Credit Solutions Limited	Fellow Subsidiary	
JM Financial Home Loans Limited	Subsidiary	
JM Financial Institutional Securities Limited	Subsidiary of a Fellow Subsidiary	
Infinite India Investment Management Limited	Fellow Subsidiary	
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	
JM Financial Overseas Holding Private Limited	Fellow Subsidiary	
JM Financial Securities Inc.	Subsidiary of a Fellow Subsidiary	
JM Financial Singapore Pte Ltd	Subsidiary of a Fellow Subsidiary	
JM Financial Commtrade Limited	Subsidiary of a Fellow Subsidiary	
JM Financial Properties and Holdings Limited	Fellow Subsidiary	
Astute Investments	Partnership Firm of Fellow Subsidiaries	
JM Financial Trustee Company Private Limited	Associate of JMFL	
J.M. Financial & Investment Consultancy Private Limited	Related Party *	

** Owned by the promoters of JMFL*

Analyst Contacts

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

Samriddhi Chowdhary
+91 22 6114 3462
samriddhi.chowdhary@icraindia.com

Shreekiran Rao
+91 22 6114 3469
shreekiran.rao@icraindia.com

Piyush Kherdikar
+91 22 6114 3414

piyush.kherdikar@icraindia.com

Kruti Jagad
+91 22 6114 3447

kruti.jagad@icraindia.com

Relationship Contact

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
Ahmedabad	+ (91 79) 2658 4924/5049/2008
Hyderabad	+ (91 40) 2373 5061/7251
Pune	+ (91 20) 2556 0194/ 6606 9999

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JMFPPL/256843/NCD/092001264/2
November 2, 2020

Mr. Nishit Shah
CFO
JM Financial Products Limited
1st Floor, B Wing, Suashish IT Park,
Plot No 68E, Off Dattapada Road, Opp Tata Steel,
Borivali East
Mumbai - 400066

Dear Mr. Nishit Shah,

Re: CRISIL Rating on the Rs.750.40 Crore Non-Convertible Debentures of JM Financial Products Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please find in the table below the ratings outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	750.40	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Ratings

CRISIL
An S&P Global Company

Rating Rationale

October 22, 2020 | Mumbai

JM Financial Products Limited

'CRISIL A1+' assigned to CP Programme(IPO Financing)

Rating Action

Total Bank Loan Facilities Rated	**Rs.500 Crore**
Long Term Rating	**CRISIL AA/Stable (Reaffirmed)**

Rs.3500 Crore Commercial Paper Programme(IPO Financing)*	**CRISIL A1+ (Assigned)**
Non-Convertible Debentures Aggregating Rs.750.40 Crore	**CRISIL AA/Stable (Reaffirmed)**
Rs.2000 Crore Non Convertible Debentures	**CRISIL AA/Stable (Reaffirmed)**
Rs.3000 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**
Rs.3500 Crore Commercial Paper Issue*	**CRISIL A1+ (Withdrawn)**
Rs.3500 Crore Commercial Paper Issue*	**CRISIL A1+ (Withdrawn)**

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities
**Assigned for initial/ follow-on public offer financing on episodic basis*

Detailed Rationale

CRISIL has assigned its '**CRISIL A1+**' rating to the Rs.3500 crore commercial paper programme(IPO Financing) of JM Financial Products Limited (JMFPL) and reaffirmed its ratings on other debt instruments and bank facilities at 'CRISIL AA/Stable/CRISIL A1+'. Rating on Rs 7000 crore commercial paper issue has been withdrawn as there was no outstanding against the facility. The same is in line with CRISIL's withdrawal policy.

The ratings continue to reflect JM Financial group's continued healthy capitalisation metrics, comfortable earnings profile and established track record across its businesses. While the group's asset quality metrics have so far remained stable, the vulnerability of the same in the current environment remains a key monitorable. Further, for non-banks with predominantly wholesale book like JM Financial group, the ability to raise funds from diversified sources on regular basis and at optimal rates remains a key monitorable.

Since September 2018, the operating environment for non-banking financiers {non-banking financial companies (NBFCs) including housing finance companies (HFCs)} has been challenging in terms of accessing funds, especially for those with a wholesale lending book. Interest from investors in the debt capital market has reduced in the recent past, and a material turnaround is not expected in the near term. JM Financial group has managed to raise long term funds aggregating over Rs 3,700 crores in FY20 and Rs. 450 Crores from banks in Q1FY21 under the targeted long-term repo operations (TLTRO) of the Reserve Bank of India (RBI). The group's commercial paper (CP) borrowings are largely matched by similar maturity short term assets which include capital market and trading assets and assets having short term contractual maturities.

The group's loan book has reduced since September 2018 and currently stands at Rs 10833 crore as on June 30, 2020 compared to Rs 11531 crore as on March 31, 2020, a de-growth of 6%. The de-growth is mainly attributed to corporate and capital market book.

At a sectoral level, what has supported the asset quality metrics of wholesale non-banks in the past, has been the ability of the entity to get timely repayments/exits via refinancing or event-linked fund inflows. However, the current challenging funding environment has significantly increased refinancing risks especially for real estate players. JM Financial group has put in place adequate credit appraisal, strong risk management and processes which has supported the asset quality metrics. At a group level, GNPA has been low (GNPA of 1.80% as of June-2020) over the last 3 years, while the SMA-2 accounts in the book stood at 2.99% of the loans as on June 30, 2020 compared to 3.61% as on June 30, 2019. The group still has significant portion of the book still under moratorium and therefore ability to get timely refinance/exits especially in the current environment and maintain asset quality metrics remains a key monitorable.

The nationwide lockdown imposed by the GoI to contain the spread of the Covid-19 pandemic has also impacted disbursements and collections of the financial institutions. The lockdown has been eased in a phased manner. However, certain states have implemented local lockdowns. CRISIL believes the eventual lifting of restrictions will continue to be in a phased manner. Any delay in return to normalcy will put further pressure on collections and asset quality metrics of financial institutions.

JM Financial Group has also provided moratorium to its borrowers in line with the relief measures provided by the Reserve Bank of India (RBI). Any change in the payment discipline of borrowers post the moratorium has the potential to affect asset quality metrics and will be a monitorable. Also, while the one-time restructuring scheme announced by RBI will provide the necessary support to affected borrowers in the current environment, the details and operational implementation of the same remains to be seen.

Capitalisation metrics remain healthy with networth (including minority interest) of around Rs 8898 crore as on June 30, 2020 with overall CAR at 40.9% as on June 30, 2020 (38.7% as on March 31, 2020). Over the past five fiscals, the peak gearing for the company was at 2.6 times in March 2018 and currently stands at 1.2 times as on June 30, 2020. The Net Debt to Equity as of June 2020 on a consolidated basis stood at 0.8x. The capitalisation metrics have been supported by proactive capital raises with JM group raising equity of around Rs 1379.4 crores in fiscal 2019 and Rs 770 crores in June 2020. This provides cushion to mitigate potential asset-side slippages. CRISIL believes the gearing would remain below 3.5 times on a steady state basis in the near term.

Earnings profile too is comfortable with well diversified revenue stream marked by the diverse presence of the group. For first quarter ended June 2020, revenue stream is diversified with investment banking, wealth management and securities business (IWS), Mortgage lending, distressed credit and Asset Management businesses contributing 42%, 43%, 14% and 1% respectively. Over the past five fiscals, the group reported average 5 year ROA1of greater than 4.0% which stood at 2.7% for first quarter of fiscal 2021. Any impact on the earnings profile in the event of slippages translating into elevated credit costs remains a monitorable.

Analytical Approach

For arriving at its ratings, team has combined the business and financial risk profiles of all companies within the JM Financial group. This also includes the non-banking financial company (NBFC), JM Financial Credit Solutions Ltd, where a fund raised by Mr. Vikram Pandit has 48.96% stake; as well as JM Financial Asset Reconstruction Company Ltd (JMARC; rated 'CRISIL AA-/Stable/CRISIL A1+'), in which the group has 59.25% stake. The combined approach is because of significant operational and financial integration among group companies, common senior management, and shared brand. All the companies are collectively referred to as the JM Financial group.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths

* **Healthy capitalisation**

The overall wholesale segment is facing challenges on account of funding constraint and lack of demand which makes the segment vulnerable to slippages in asset quality. Since the company maintains healthy capitalisation, it inherently provides cushion against the asset-side risk.

Capitalisation is supported in the form of fresh equity as well as healthy accruals to networth.

Capitalisation metrics remain healthy with networth (including minority interest) of around Rs 8898 crore as on June 30, 2020 with overall CAR at 40.9% as on June 30, 2020 (38.7% as on March 31, 2020). Over the past five fiscals, the peak gearing for the company was at 2.6 times in March 2018 and currently stands at 1.2 times as on June 30, 2020. The Net Debt to Equity as of June 2020 on a consolidated basis stood at 0.8x. The capitalisation metrics have been supported by proactive capital raises with JM group raising equity of around Rs 1379.4 crores in fiscal 2019 and Rs 770 crores in June 2020. This provides cushion to mitigate potential asset-side slippages. CRISIL believes the gearing would remain below 3.5 times on a steady state basis in the near term.

* **Established market position across its businesses**

The group has developed a strong franchise in key operating segments such as investment banking, wealth management, and securities-based lending. This is aided by the track record and reputation of its experienced management and healthy client relationship. Furthermore, management has been conservative in its risk philosophy. The group has strong network of borrowers with whom they have long relationship and has never faced any asset quality issues. Over the years the company has strengthened its risk department.

*** Diversified business model and comfortable earnings profile**

The group's earnings remain comfortable, with total revenue of Rs 691 crore and a profit of Rs 94 crore for first quarter of fiscal 2021. The group benefits from greater diversification of the business profile over the past few years and this has given stability to its earnings profile. The group has grown its investment banking, wealth management and securities business and mortgage lending business and it constituted around 42% and 43% of total revenue, respectively, as on June 30, 2020. Profit after tax (PAT) contribution from these segments has also been high and constituted 47% and 38% of total PAT of the company. The earnings profile for JM group has been comfortable with an average 5 year ROA of greater than 4.0% providing sufficient cushion in the earnings profile to withstand any increase in delinquencies. The group reported a ROA[2] of around 2.7% for first quarter of fiscal 2021 compared to 3.6% for full fiscal 2020. Any impact on the earnings profile in the event of slippages translating into elevated credit costs remains a monitorable.

Weakness

*** Asset quality in the wholesale lending business remains inherently vulnerable; albeit risk management processes are comfortable**

At a sectoral level, what has supported the asset quality metrics of wholesale non-banks in the past, has been the ability of the entity to get timely repayments/exits via refinancing or event-linked fund inflows. However, the current challenging funding environment has significantly increased refinancing risks especially for real estate players. JM Financial group has put in place adequate credit appraisal, strong risk management and processes which has supported the asset quality metrics. At a group level, GNPA has been low (GNPA of 1.8% as of June 2020) over the last 3 years, and the SMA-2 accounts in the book improved to 1.18% of the loans as on December 31, 2019 compared to 3.61% as on June 30, 2019. However it has again increased to 2.99% mainly on account slippages and reduction in advances. The mana gement too has taken steps in order to reduce concentration risk in the portfolio with focus on growing the individual housing loans portfolio. But, what has really supported the asset quality metrics in the past, has been the ability of the entity to get timely repayments/exits via refinancing and scheduled repayments. Nevertheless, with some portion of the book still under moratorium, ability to get timely refinance/exits especially in the current environment and maintain asset quality metrics remains a key monitorable.

The nationwide lockdown imposed by the GoI to contain the spread of the Covid-19 pandemic has also impacted disbursements and collections of the financial institutions. The lockdown has been eased in a phased manner. However, certain states have implemented local lockdowns. CRISIL believes the eventual lifting of restrictions will continue to be in a phased manner. Any delay in return to normalcy will put further pressure on collections and asset quality metrics of financial institutions.

JM Financial Group has also provided moratorium to its borrowers in line with the relief measures provided by the Reserve Bank of India (RBI). Any change in the payment discipline of borrowers post the moratorium has the potential to affect asset quality metrics and will be a monitorable. Also, while the one-time restructuring scheme announced by RBI will provide the necessary support to affected borrowers in the current environment, the details and operational implementation of the same remains to be seen.

*** Potential funding challenges for wholesale-oriented non-banks**
Since September 2018, the operating environment for non-banking financiers {non-banking financial companies (NBFCs) including housing finance companies (HFCs)} has been challenging in terms of accessing funds, especially for those with a wholesale lending book. Interest from investors in the debt capital market has reduced in the recent past, and a material turnaround is not expected in the near term. JM Financial group has managed to raise long term funds aggregating over Rs 3,700 crores in FY20 and Rs. 450 Crores from banks in Q1FY21 under the targeted long-term repo operations (TLTRO) of the Reserve Bank of India (RBI). The group's commercial paper (CP) borrowings are largely matched by similar maturity 'short term assets which include capital market and trading assets and assets having short term contractual maturities.

Liquidity Strong
At a group level, as on June 30, 2020, the group had total debt repayment of Rs 2475* crore till December 2020. In addition to scheduled collections, the group had cash and equivalent of Rs 3394 crore and unutilised bank lines of Rs 399 crores.

**Repayments includes episodic financing amounting to Rs. 700 crores. The episodic loans and advances have been repaid.*

Outlook: Stable
CRISIL believes the JM Financial group will maintain its healthy financial risk profile over the medium term, supported by strong capitalisation, conservative gearing, and high profitability.

Rating Sensitivity Factors
Upward factors
* Maintenance of comfortable asset quality metrics and earnings profile (RoA > 4%) on a steady state basis while substantially increasing the share of non-wholesale lending book at group level.
* Increase in funding access to pre-September 2018 levels on a steady state basis while substantially increasing the scale of operations

Downward factors
* Deterioration in asset quality over an extended period thereby also impacting profitability
* Challenges in raising funds from diversified sources on consistent basis and at optimal rates
* Weakening of capitalisation metrics with gearing inching beyond 3 times for an extended period of time.

About the Group
JM Financial is an integrated and diversified financial services group. The Group's primary businesses include (a) Investment banking, wealth management and securities business (IWS) which includes fee and fund based activities for its clients (b) Mortgage Lending which includes both wholesale mortgage lending and retail mortgage lending (home loans, education institutions lending and LAP) (c) Distressed credit which includes the Asset Reconstruction business (d) Asset Management includes the mutual fund business.

As of June 30, 2020, the consolidated loan book stood at ~Rs. 10833 crore, distressed credit business AUM at ~Rs. 11,441 crore, wealth management AUM at ~Rs. 47579 crore, and mutual fund QAAUM at ~ Rs. 4049 crore.

The Group is headquartered in Mumbai and has a presence across 456 locations spread across 154 cities in India. The equity shares of JM Financial Limited are listed in India on the BSE and NSE.

JM Financial Products Ltd is the Non-Banking Finance Company (NBFC) arm of the JM Financial Group. It is a non-deposit accepting systemically important non-banking finance company registered with the Reserve Bank of India. The Company specializes in borrowing and lending activities including Loan against Securities, IPO financing, ESOP financing, Real estate Financing, Structured Financing etc. The Company's financing business runs broadly through two segments - Wholesale Financing and Retail Financing to cater financing to Real Estate developers, corporate financing and sponsored/promoter/ Structured Financing, SME Loans, Loan against Securities and Loan against Property.

[1]Return on assets is calculated as profit after tax/average total assets and is as per CRISIL calculations
[2]Return on assets is calculated as profit after tax/average total assets and is as per CRISIL calculations.

Key Financial Indicators - JM Financial Group

Particulars	Unit	Jun-20	Mar-20	Mar-19
Total assets (net of goodwill on consolidation)	Rs.Cr.	21,213	20,693	22,588
Total income	Rs.Cr.	691	3,454	3,499

Profit after tax*	**Rs.Cr.**	**139**	**778**	**837**
Gross NPA	**%**	**1.8**	**1.7**	**0.7**
Gearing	**Times**	**1.2**	**1.5**	**1.9**

**Before Minority interest and share of profit of associate*

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL complexity levels are assigned to various types of financial instruments and are included (where applicable) in the Annexure -- Details of Instrument in this Rating Rationale. For more details on the CRISIL complexity levels, please visit www.crisil.com/complexity-levels.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Complexity levels	Issue Size (Rs.Cr)	Rating Outstanding with Outlook
INE523H07999	Non-Convertible Debenture issue	07-Sep-18	9.42%	30-Jun-22	Simple	150.00	CRISIL AA/Stable
INE523H07AR9	Non-Convertible Debenture issue	18-Oct-19	10.00%	18-Oct-22	Simple	50.00	CRISIL AA/Stable
INE523H07BD7	Non-Convertible Debenture issue	01-Jul-20	9.10%	01-Jul-21	Simple	100.00	CRISIL AA/Stable
INE523H07AG2	Non-Convertible Debenture issue^	21-May-19	9.90%	21-May-21	Simple	44.31	CRISIL AA/Stable
INE523H07AH0	Non-Convertible Debenture issue^	21-May-19	0.00%	21-May-21	Simple	9.52	CRISIL AA/Stable
INE523H07AI8	Non-Convertible Debenture issue^	21-May-19	10.20%	21-May-22	Simple	138.23	CRISIL AA/Stable
INE523H07AJ6	Non-Convertible Debenture issue^	21-May-19	N.A.	21-May-22	Simple	27.89	CRISIL AA/Stable
INE523H07AK4	Non-Convertible Debenture issue^	21-May-19	10.04%	21-May-24	Simple	66.92	CRISIL AA/Stable
INE523H07AL2	Non-Convertible Debenture issue^	21-May-19	10.50%	21-May-24	Simple	100.10	CRISIL AA/Stable
INE523H07AM0	Non-Convertible Debenture issue^	11-Sep-19	10.20%	11-Nov-22	Simple	64.08	CRISIL AA/Stable
INE523H07AN8	Non-Convertible Debenture issue^	11-Sep-19	0.00%	11-Nov-22	Simple	10.89	CRISIL AA/Stable
INE523H07AO6	Non-Convertible Debenture issue^	11-Sep-19	10.30%	11-Sep-24	Simple	29.50	CRISIL AA/Stable
INE523H07AP3	Non-Convertible Debenture issue^	11-Sep-19	9.85%	11-Sep-24	Simple	15.38	CRISIL AA/Stable
INE523H07AQ1	Non-Convertible Debenture issue^	11-Sep-19	0.00%	11-Sep-26	Simple	8.31	CRISIL AA/Stable
INE523H07AW9	Non-Convertible Debenture issue^	16-Mar-20	9.50%	16-Mar-22	Simple	31.12	CRISIL AA/Stable
INE523H07AT5	Non-Convertible Debenture issue^	16-Mar-20	N.A.	16-Mar-22	Simple	30.70	CRISIL AA/Stable
INE523H07AX7	Non-Convertible Debenture issue^	16-Mar-20	9.70%	16-Jul-23	Simple	12.52	CRISIL AA/Stable
INE523H07AU3	Non-Convertible Debenture issue^	16-Mar-20	N.A.	16-Jul-23	Simple	4.54	CRISIL AA/Stable
INE523H07AY5	Non-Convertible Debenture issue^	16-Mar-20	9.29%	16-Jul-23	Simple	11.42	CRISIL AA/Stable
INE523H07AZ2	Non-Convertible Debenture issue^	16-Mar-20	9.90%	16-Jul-25	Simple	10.34	CRISIL AA/Stable
INE523H07AV1	Non-Convertible Debenture issue^	16-Mar-20	N.A.	16-Jul-25	Simple	4.14	CRISIL AA/Stable
INE523H07BA3	Non-Convertible Debenture issue^	16-Mar-20	9.48%	16-Jul-25	Simple	12.69	CRISIL AA/Stable
INE523H07BB1	Non-Convertible Debenture issue^	16-Mar-20	10.00%	16-Jul-30	Simple	2.37	CRISIL AA/Stable
INE523H07BC9	Non-Convertible Debenture issue^	16-Mar-20	9.57%	16-Jul-30	Simple	4.96	CRISIL AA/Stable
NA	Non-Convertible Debenture issue**	NA	NA	NA	Simple	1713.36	CRISIL AA/Stable
NA	Commercial	NA	NA	7-365 days	Simple	3000	CRISIL A1+

	Paper Programme						
NA	Long-Term Bank Facility	NA	NA	NA	NA	200	CRISIL AA/Stable
NA	Cash Credit	NA	NA	NA	NA	200	CRISIL AA/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	NA	100	CRISIL AA/Stable
NA	Commercial Paper Issue*	NA	NA	7-30 days	Simple	3500	CRISIL A1+

***Yet to be issued*
**Assigned for initial/follow-on public offer financing on episodic basis*
^Public issue of NCD

Annexure - Details of Rating Withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Complexity levels	Issue Size (Rs. Cr)
NA	Commercial paper Issue*	NA	NA	7-30 days	Simple	3500
NA	Commercial paper Issue*	NA	NA	7-30 days	Simple	3500

**Assigned for initial/follow-on public offer financing on episodic basis*

Annexure - List of Entities Consolidated

Entity consolidated	Extent of consolidation	Rational for consolidation
JM Financial Products Limited	Full	Subsidiary
JM Financial Credit Solutions Limited	Full	Subsidiary
JM Financial Services Limited	Full	Subsidiary
JM Financial Institutional Securities Limited	Full	Subsidiary
JM Financial Capital Limited	Full	Subsidiary
JM Financial Commtrade Limited	Full	Subsidiary
JM Financial Overseas Holdings Private Limited	Full	Subsidiary
JM Financial Singapore Pte Limited	Full	Subsidiary
JM Financial Securities, Inc	Full	Subsidiary
JM Financial Home Loans Limited	Full	Subsidiary
Infinite India Investment Management Limited	Full	Subsidiary
JM Financial Asset Management Limited	Full	Subsidiary
JM Financial Asset Reconstruction Company Limited	Full	Subsidiary
JM Financial Properties and Holdings	Full	Subsidiary
CR Retail Malls (India) Limited	Full	Subsidiary
JM Financial Trustee Company Private	Equity method	Associate
Astute Investments	Full	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2020 (History)		2019		2018		2017		Start of 2017
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	3000.00	CRISIL A1+	30-09-20	CRISIL A1+	03-01-19	CRISIL A1+	29-03-18	CRISIL A1+	15-09-17	CRISIL A1+	CRISIL A1+
				22-09-20	CRISIL A1+					08-09-17	CRISIL A1+	
				08-09-20	CRISIL A1+					01-08-17	CRISIL A1+	
				28-02-20	CRISIL A1+					17-07-17	CRISIL A1+	
				30-01-20	CRISIL A1+					30-06-17	CRISIL A1+	
										19-06-17	CRISIL A1+	
										19-05-17	CRISIL A1+	
										09-05-17	CRISIL A1+	
										26-04-17	CRISIL A1+	
										13-04-17	CRISIL A1+	
										07-03-17	CRISIL	

											A1+	
										03-03-17	CRISIL A1+	
										24-01-17	CRISIL A1+	
Commercial Paper Issue	ST	7000.00	Withdrawal	30-09-20	CRISIL A1+		--	29-03-18	Withdrawal	15-09-17	CRISIL A1+	CRISIL A1+
				22-09-20	CRISIL A1+					08-09-17	CRISIL A1+	
				08-09-20	CRISIL A1+					01-08-17	CRISIL A1+	
				28-02-20	CRISIL A1+					17-07-17	CRISIL A1+	
										30-06-17	CRISIL A1+	
										19-06-17	CRISIL A1+	
										19-05-17	CRISIL A1+	
										09-05-17	CRISIL A1+	
										26-04-17	CRISIL A1+	
										13-04-17	CRISIL A1+	
										07-03-17	CRISIL A1+	
										03-03-17	Withdrawal	
										24-01-17	CRISIL A1+	
Commercial Paper Programme(IPO Financing)	ST	3500.00	CRISIL A1+		--		--		--		--	--
Non Convertible Debentures	LT	2653.29 21-10-20	CRISIL AA/Stable	30-09-20	CRISIL AA/Stable	03-01-19	CRISIL AA/Stable	29-03-18	CRISIL AA/Stable	15-09-17	CRISIL AA/Stable	CRISIL AA/Stable
				22-09-20	CRISIL AA/Stable					08-09-17	CRISIL AA/Stable	
				08-09-20	CRISIL AA/Stable					01-08-17	CRISIL AA/Stable	
				28-02-20	CRISIL AA/Stable					17-07-17	CRISIL AA/Stable	
				30-01-20	CRISIL AA/Stable					30-06-17	CRISIL AA/Stable	
										19-06-17	CRISIL AA/Stable	
										19-05-17	CRISIL AA/Stable	
										09-05-17	CRISIL AA/Stable	
										26-04-17	CRISIL AA/Stable	
										13-04-17	CRISIL AA/Stable	
										07-03-17	CRISIL AA/Stable	
										03-03-17	CRISIL AA/Stable	
										24-01-17	CRISIL AA/Stable	
Fund-based Bank Facilities	LT/ST	500.00	CRISIL AA/Stable	30-09-20	CRISIL AA/Stable	03-01-19	CRISIL AA/Stable	29-03-18	CRISIL AA/Stable	15-09-17	CRISIL AA/Stable	CRISIL AA/Stable
				22-09-20	CRISIL AA/Stable					08-09-17	CRISIL AA/Stable	
				08-09-20	CRISIL AA/Stable					01-08-17	CRISIL AA/Stable	
				28-02-20	CRISIL AA/Stable					17-07-17	CRISIL AA/Stable	
				30-01-20	CRISIL AA/Stable					30-06-17	CRISIL AA/Stable	
										19-06-17	CRISIL AA/Stable	

										19-05-17	CRISIL AA/Stable	
										09-05-17	CRISIL AA/Stable	
										26-04-17	CRISIL AA/Stable	
										13-04-17	CRISIL AA/Stable	
										07-03-17	CRISIL AA/Stable	
										03-03-17	CRISIL AA/Stable	
										24-01-17	CRISIL AA/Stable	

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (Rs.Crore)**	**Rating**	**Facility**	**Amount (Rs.Crore)**	**Rating**
Cash Credit	**200**	**CRISIL AA/Stable**	**Cash Credit**	**200**	**CRISIL AA/Stable**
Long Term Bank Facility	**200**	**CRISIL AA/Stable**	**Long Term Bank Facility**	**200**	**CRISIL AA/Stable**
Proposed Long Term Bank Loan Facility	**100**	**CRISIL AA/Stable**	**Proposed Long Term Bank Loan Facility**	**100**	**CRISIL AA/Stable**
Total	**500**	**--**	**Total**	**500**	**--**

Links to related criteria
[CRISILs Bank Loan Ratings - process, scale and default recognition]
[Rating Criteria for Finance Companies]
[CRISILs Criteria for Consolidation]
[CRISILs Criteria for rating short term debt]

For further information contact:

Media Relations	**Analytical Contacts**	**Customer Service Helpdesk**
Saman Khan Media Relations **CRISIL Limited** D: +91 22 3342 3895 B: +91 22 3342 3000 saman.khan@crisil.com **Naireen Ahmed** Media Relations **CRISIL Limited** D: +91 22 3342 1818 B: +91 22 3342 3000 naireen.ahmed@crisil.com	**Krishnan Sitaraman** Senior Director - CRISIL Ratings **CRISIL Limited** D:+91 22 3342 8070 krishnan.sitaraman@crisil.com **Ajit Velonie** Director - CRISIL Ratings **CRISIL Limited** D:+91 22 4097 8209 ajit.velonie@crisil.com **Kunal Mehra** Rating Analyst - CRISIL Ratings **CRISIL Limited** D:+91 22 3342 3292 Kunal.Mehra@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

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IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

IDBI trustee

Ref. No. 20155/ITSL/OPR/CL/18-19/DEB/1283/15
Date: 05th November, 2020

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

Kind Attn: Mr. Rupesh Samani - Company Secretary

Dear Sir,

Subject: Consent to act as Debenture Trustee for Privately Placed Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs) of face value of Rs. 10,00,000/-per NCDs for cash aggregating upto Rs. 200 Crore - Tranche CI

This is with reference to the discussion we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed Privately Placed Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (NCDs) of face value of Rs. 10,00,000/-per NCDs for cash aggregating upto Rs. 200 Crore - Tranche CI.

In this connection we confirm our acceptance of the assignment.

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

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

2. The Company agrees and undertakes it has already created securities / to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed in the Information Memorandum or Disclosure Document in any case not exceeding 3 months from the date of closure of the Issue.

3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.

4. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Companies Act, 1956/the Companies Act, 2013 and the Rules thereunder as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms of the same on regular basis.

5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by

IDBI Trusteeship Services Ltd.

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

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

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

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

Thanking you,

Yours faithfully,
For IDBI Trusteeship Services Limited

(Authorized Signatory)

IDBI Trusteeship Services Ltd. ITSL

We accept the above terms
For JM Financial Products Limited

(Rupesh Samani)
Company Secretary

Limited review report on unaudited standalone financial results of JM Financial Products Limited under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors,
JM Financial Products Limited
Mumbai

1. We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of JM Financial Products Limited ('the Company') for the year-to-date results for the period from April 1, 2020 to September 30, 2020 attached herewith. The Statement is the responsibility of the Company's Management and has been approved by its Board of Directors in their meeting held on October 19, 2020. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

4. This report is issued in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. Attention is drawn to Note no. 4 of the Statement which describes the impacts of COVID-19 Pandemic on the financial results as also on business operations of the Company, the assessment thereof by the management of the Company based on its internal, external and macro factors, involving certain estimation uncertainties. Our opinion is not modified in respect of this matter.

KHIMJI KUNVERJI & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

6. Due to lockdown, imposed by the Government, to restrict the spread of COVID19, the processes of quarterly limited review were carried out from remote locations i.e. from other than the Office of the Company, based on the data/details made available and based on financial information/records remitted by the management through digital medium. Our report is not modified in respect of this matter.

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm's Registration No: 105146W/W10062

HASMUKH BHAVANJI DEDHIA
Digitally signed by HASMUKH BHAVANJI DEDHIA
Date: 2020.10.19 19:31:38 +05'30'

KHIMJI KUNVERJI & CO LLP
CHARTERED ACCOUNTANTS
MUMBAI

Hasmukh B Dedhia
Partner
Membership No.: 033494
UDIN: 20033494AAAALS6434

Place: Mumbai
Dated: October 19, 2020

JM FINANCIAL

JM FINANCIAL PRODUCTS LIMITED

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR HALF YEAR ENDED SEPTEMBER 30, 2020

(Rupees in Crore)

Sr. No.	Particulars	Half year ended		Year ended
		30.09.2020	30.09.2019	31.03.2020
		Unaudited	Unaudited	Audited
1.	**INCOME**			
I	**Revenue from Operations**			
(a)	Interest income	253.44	375.30	701.75
(b)	Fees and commission income	12.08	13.80	41.62
(c)	Other operating income	24.50	9.95	23.87
(d)	Net gain on fair value changes*	18.30	24.81	56.45
(e)	Net gain on derecognition of financial instruments under amortised cost category	6.50	13.76	13.76
		314.82	**437.62**	**837.45**
II	**Other Income**	0.65	1.01	3.26
	TOTAL INCOME	**315.47**	**438.63**	**840.71**
2.	**EXPENSES**			
(a)	Finance costs	159.98	231.13	453.17
(b)	Impairment on financial instruments	33.55	23.24	60.92
(c)	Employee benefits expense	22.99	26.76	46.59
(d)	Depreciation, amortization and impairment	6.68	6.48	13.25
(e)	Operating and other expenses	12.66	14.59	36.10
	TOTAL EXPENSES	**235.86**	**302.20**	**610.03**
3.	**PROFIT BEFORE TAX (1-2)**	**79.61**	**136.43**	**230.68**
4.	**TAX EXPENSES**			
(i)	Current tax	31.50	37.10	72.90
(ii)	Deferred tax	(11.23)	6.22	(2.35)
	TOTAL TAX EXPENSES	**20.27**	**43.32**	**70.55**
5.	**NET PROFIT FOR THE PERIOD (3-4)**	**59.34**	**93.11**	**160.13**
6.	**OTHER COMPREHENSIVE INCOME**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of employee defined benefit obligation	0.05	0.27	0.03
	- Income tax on above	(0.01)	(0.07)	(0.01)
	OTHER COMPREHENSIVE INCOME	**0.04**	**0.20**	**0.02**
7.	**TOTAL COMPREHENSIVE INCOME (5+6)**	**59.38**	**93.31**	**160.15**
8.	Earning Per Share (EPS)			
	Basic EPS (in Re.) (Not annualised)	1.09	1.71	2.94
	Diluted EPS (in Re.) (Not annualised)	1.09	1.71	2.94

*Total net gain/(loss) on fair value changes includes Rs. 20.89 Crore for half year ended September 30, 2020 (Rs. 30.17 Crore for half year ended September 30, 2019) and (Rs. 59.79 Crore for the year ended March 31, 2020) as 'Net gain or loss on sale of investments'

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL

STATEMENT OF UNAUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(Rupees in Crore)

Sr. No.	Particulars	As at September 30, 2020	As at March 31, 2020
		Unaudited	Audited
	ASSETS		
(1)	**Financial Assets**		
(a)	Cash and cash equivalents	1.42	46.64
(b)	Other Bank Balances	122.48	60.00
(c)	Loans	3,612.53	3,639.86
(d)	Investments	560.54	1,322.46
(e)	Other Financial assets	428.25	162.06
	Total Financial Assets	**4,725.22**	**5,231.02**
(2)	**Non-Financial Assets**		
(a)	Current Tax (net)	27.37	27.17
(b)	Deferred tax Assets (net)	42.16	30.94
(c)	Property, Plant and Equipment	78.64	85.03
(d)	Other Intangible assets	1.23	1.45
(e)	Other non-financial assets	12.73	7.55
	Total Non-Financial Assets	**162.13**	**152.14**
	TOTAL ASSETS	**4,887.35**	**5,383.16**
	LIABILITIES AND EQUITY		
	Liabilities		
(1)	**Financial Liabilities**		
(a)	Payables		
	(I)Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.02	0.02
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.68	1.13
(b)	Debt Securities	2,377.89	2,731.49
(c)	Borrowings (Other than Debt Securities)	617.64	826.08
(d)	Other financial liabilities	117.49	105.35
	Total Financial Liabilities	**3,113.72**	**3,664.07**
(2)	**Non-Financial Liabilities**		
(a)	Current tax liabilities (Net)	15.10	2.79
(b)	Provisions	4.77	3.96
(c)	Other non-financial liabilities	3.45	5.07
	Total Non-Financial Liabilities	**23.32**	**11.82**
(3)	**Equity**		
(a)	Equity Share capital	544.50	544.50
(b)	Other Equity	1,205.81	1,162.77
	Total Equity	**1,750.31**	**1,707.27**
	TOTAL LIABILITIES AND EQUITY	**4,887.35**	**5,383.16**

JM Financial Products Limited
Corporate Identity Number: U74140MH1984PLC033397
Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfinancialproducts.com

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

Notes:

i. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on October 19, 2020. These results have been subjected to a "Limited Review" by the statutory auditors of the Company.

ii. The said financial results have been prepared as per the format prescribed under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended to the extent applicable to the Company and for the purpose of inclusion in the Offer Document to be filed with the Securities and Exchange Board of India, Stock Exchanges and Registrar of Companies, Maharashtra in connection with the proposed issue of Non-Convertible Debentures and Commercial Papers by the Company.

iii. The information as required by Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per Annexure 'I' attached.

iv. The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package and in accordance therewith, the Company had provided moratorium on the payment of all principal amounts and/or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if the said amounts were overdue on February 29, 2020. For all such accounts, where the moratorium was granted, the asset classification remained standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the policy).

Given the uncertainty over the potential macro-economic impact and external developments including the final decision of the Honorable Supreme Court in relation to moratorium and other related matters, the Management has considered internal and external information up to the date of approval of these financial results, and has estimated overlays and made certain judgements in accordance with the policy of the Company for the purpose of determination of the provision for impairment of financial assets carried at amortised cost and in relation to revenue recognition.

The provision for expected credit loss on financial assets as at September 30, 2020 aggregates Rs. 127.75 Crore (as on March 31, 2020 - Rs. 95.06 Crore) which includes management overlay for the potential impact on account of the pandemic is Rs. 45.32 Crore (as on March 31, 2020 – Rs. 15.67 Crore). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate. Accordingly, the impairment provision for the six months period ended September 2020 on account of the pandemic is Rs.29.65 Crore.

The extent to which the pandemic impact future results of the Company will depend on future developments, which are highly uncertain. Given the uncertainty over the potential macro-economic condition and judicial decisions, the impact of the COVID pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

v. The Company has only one business segment i.e. Fund based activities and hence there are no other reportable segments.

vi. Figures in respect of the previous year/period have been rearranged /regrouped wherever necessary to correspond with the figures of the current period.

For JM Financial Products Limited

VISHAL NIMESH KAMPANI Digitally signed by VISHAL NIMESH KAMPANI

Place: Mumbai
Date: October 19, 2020

Vishal Kampani
Managing Director
DIN: 00009079

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

Annexure I - Additional Information

1. Details of payment of principal and interest/premium of the Non-Convertible Debentures and Commercial Papers as required under Regulation 52(4)(d) and Regulation 52(4)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with SEBI Framework for listing of Commercial Papers are as under:

Non-Convertible Debentures

ISIN and Tranche	Previous Due/Payment Date (April 2020 to September 2020)		Principal		Interest / Premium	
	Principal	Interest/Premium	Next due date	Amount (Rs. in Crore)	Next due date	Amount (Rs. in Crore)
Private Placement						
INE523H07585 Tranche - AN **	07-Apr-20	07-Apr-20	-	-	-	-
INE523H07577 Tranche - AM Option II **	04-May-20	04-May-20	-	-	-	-
INE523H07718 Tranche - AR Option II **	06-May-20	06-May-20	-	-	-	-
INE523H07569 Tranche - AM Option I **	12-May-20	12-May-20	-	-	-	-
INE523H07775 Tranche - AT Option V **	12-May-20	12-May-20	-	-	-	-
INE523H07627 Tranche - AP Option III**	01-Jul-20	01-Jul-20	-	-	-	-
INE523H07627 Tranche - AX Option II #**	01-Jul-20	01-Jul-20	-	-	-	-
INE523H07627 Tranche - BA #**	01-Jul-20	01-Jul-20	-	-	-	-
INE523H07AF4 Tranche - BY ^	03-Jul-20	03-Jul-20	-	-	-	-
INE523H07AF4 Tranche - BZ ^#	03-Jul-20	03-Jul-20	-	-	-	-
INE523H07858 Tranche - AZ	28-Jul-20	28-Jul-20	-	-	-	-
INE523H07833 Tranche - AX Option I **	02-Sep-20	02-Sep-20	-	-	-	-
INE523H07866 Tranche - BB	28-Sep-20	28-Sep-20	-	-	-	-
INE523H07783 Tranche - AT Option VI^	29-Sep-20	29-Sep-20	-	-	-	-
INE523H07874 Tranche - BC			13-Nov-20	10.00	13-Nov-20	0.88
INE523H07924 Tranche - BJ ^#	-	-	14-Dec-20	2.50	14-Dec-20	0.70
INE523H07924 Tranche - BK Option III ^#	-	-	14-Dec-20	4.90	14-Dec-20	1.38
INE523H07916 Tranche - BF Option I **	-	-	06-Apr-21	15.00	06-Apr-21	4.89
INE523H07916 Tranche - BO -Option I #**	-	-	06-Apr-21	5.00	06-Apr-21	1.63
INE523H07916 Tranche - BI Option I #**	-	-	06-Apr-21	9.60	06-Apr-21	3.13
INE523H07916 Tranche - BP Option I #**	-	-	06-Apr-21	25.00	06-Apr-21	8.15
INE523H07940 Tranche - BK Option I	-	-	23-Apr-21	100.00	08-Feb-21	9.34
INE523H07940 Tranche - BL Option I #	-	-	23-Apr-21	99.80	08-Feb-21	9.32
INE523H07940 Tranche - BM Option II #	-	-	23-Apr-21	10.00	08-Feb-21	0.93
INE523H07882 Tranche - BD **	-	-	30-Apr-21	50.00	30-Apr-21	16.94
INE523H07882 Tranche - BK Option II #**	-	-	30-Apr-21	49.80	30-Apr-21	16.87
INE523H07882 Tranche - BL Option II #**	-	-	30-Apr-21	49.70	30-Apr-21	16.84
INE523H07882 Tranche - BM Option I #**	-	-	30-Apr-21	8.40	30-Apr-21	2.85
INE523H07882 Tranche - BN #**	-	-	30-Apr-21	9.00	30-Apr-21	3.05
INE523H07882 Tranche - BP Option II #**	-	-	30-Apr-21	7.00	30-Apr-21	2.37
INE523H07999 Tranche - BT Option I	-	07-Sep-20	30-Jun-22	150.00	07-Sep-21	8.66
INE523H07AB3 Tranche - BU Option I **	-	-	11-Aug-21	16.50	11-Aug-21	5.22
INE523H07AC1 Tranche - BU Option II **	-	-	13-Sep-21	30.00	13-Sep-21	9.83
INE523H07AC1 Tranche - BX #**	-	-	13-Sep-21	10.00	13-Sep-21	3.28
INE523H07AD9 Tranche - BU Option III **	-	-	04-Apr-22	65.00	04-Apr-22	26.14
INE523H07AE7 Tranche - BV **	-	-	29-Sep-22	45.00	29-Sep-22	20.91
INE523H07AR9 Tranche - CA	-	-	18-Oct-22	50.00	19-Oct-20	5.00
INE523H07AS7 Tranche - CB ^	-	-	22-Nov-21	50.00	22-Nov-21	9.97
INE523H07BD7 Tranche - CC^^	-	-	01-Jul-21	33.33	01-Jul-21	9.10
INE523H07BE5 Tranche - CD	-	-	27-Jul-23	25.00	28-Jul-21	2.28
INE523H07BF2 Tranche - CE^	-	-	07-Jun-22	50.00	07-Jun-22	8.35
INE523H07BF2 Tranche- CG^#	-	-	07-Jun-22	25.00	07-Jun-22	4.17
Public Issue				-		-
Tranche I				-		-
INE523H07AG2 - Series I	-	21-May-20	21-May-21	44.31	21-May-21	4.39
INE523H07AH0 - Series II	-	-	21-May-21	9.52	21-May-21	1.98
INE523H07AI8 - Series III	-	21-May-20	21-May-22	138.23	21-May-21	14.10
INE523H07AJ6 - Series IV	-	-	21-May-22	27.89	21-May-22	9.44
INE523H07AK4 - Series V	-	01-Sep-20	21-May-24	66.92	01-Oct-20	0.57
INE523H07AL2 - Series VI	-	21-May-20	21-May-24	100.10	21-May-21	10.51
Tranche II						
INE523H07AM0 - Series I	-	11-Sep-20	11-Nov-22	64.08	11-Sep-21	6.54
INE523H07AN8 - Series II	-	-	11-Nov-22	10.89	11-Nov-22	3.93
INE523H07AO6 - Series III	-	11-Sep-20	11-Sep-24	29.50	11-Sep-21	3.04
INE523H07AP3 - Series IV	-	01-Sep-20	11-Sep-24	15.38	01-Oct-20	0.13
INE523H07AQ1 - Series V	-	-	11-Sep-26	8.31	11-Sep-26	8.31
Tranche III				-		-
INE523H07AW9 - Series I	-	-	16-Mar-22	31.12	16-Mar-21	2.96
INE523H07AT5 - Series II	-	-	16-Mar-22	30.70	16-Mar-22	6.11
INE523H07AX7 - Series III	-	-	16-Jul-23	12.52	16-Mar-21	1.21
INE523H07AU3 - Series IV	-	-	16-Jul-23	4.54	16-Jul-23	1.64
INE523H07AY5 - Series V	-	01-Sep-20	16-Jul-23	11.42	01-Oct-20	0.13
INE523H07AZ2 - Series VI	-	-	16-Mar-25	10.34	16-Mar-21	1.02
INE523H07AV1 - Series VII	-	-	16-Mar-25	4.14	16-Mar-25	2.50
INE523H07BA3 - Series VIII	-	01-Sep-20	16-Mar-25	12.69	01-Oct-20	0.15
INE523H07BB1 - Series IX	-	-	16-Mar-30	2.37	16-Mar-21	0.24
INE523H07BC9 - Series X	-	01-Sep-20	16-Mar-30	4.96	01-Oct-20	0.06

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

JM FINANCIAL

During the half year ended September 30, 2020 below NCDs were bought back:

ISIN and Tranche	No. of NCDs	Date of buy back
INE523H07858 Tranche - AZ	270	07-Apr-20
INE523H07858 Tranche - AZ	1200	09-Apr-20
INE523H07783 Tranche - AT Option VI^	112	21-Apr-20
INE523H07866 Tranche - BB	200	24-Apr-20
INE523H07783 Tranche - AT Option VI^	138	24-Apr-20 27-Apr-20
INE523H07874 Tranche - BC	2500	06-May-20
INE523H07924 Tranche - BG ^	100	20-May-20

The Company has paid interest/premium and principal on the NCDs on due dates.
NCD amount shown above are at face value
#NCD issued under the existing ISIN.
** Zero coupon NCD issued at face value. Principal amount is excluding premium to be paid at the time of maturity.
^ Market Linked Debentures, maximum coupon amount upon occurring of event mentioned as interest.
^^NCD would be redeemed in 3 equal instalments on the face value plus applicable interest. First instalment payable on July 1, 2021.

Commercial Papers

	Previous Due/Payment Date (April 2020 to September 2020)	Principal	
ISIN and Tranche Name	Principal	Next repayment	Amount (Rs. in Crore)
Commercial Papers			
INE523H14Q65 CP/FID/00035	15-Apr-20	-	-
INE523H14R80 CP/FID/00117**	23-Apr-20	-	-
INE523H14R98 CP/FID/00121**	23-Apr-20	-	-
INE523H14R49 CP/MTF/00098	24-Jul-20	-	-
INE523H14R49 CP/MTF/00100#	24-Jul-20	-	-
INE523H14U02 JMFPPL/2021/CP/0004	23-Jul-20	-	-
INE523H14U28 JMFPL/2021/CP/00037#	10-Aug-20	-	-
INE523H14U28 JMFPL/2021/CP/00041	10-Aug-20	-	-
INE523H14U36 JMFPL/2021/CP/00044	17-Sep-20	-	-
INE523H14U44 JMFPL/2021/CP/00081	21-Sep-20	-	-
INE523H14U51 JMFPL/2021/CP/00092	30-Sep-20	-	-
INE523H14T88 JMFPPL/2021/CP/0004	-	30-Dec-20	200.00
INE523H14T96 JMFPPL/2021/CP/0005	-	30-Mar-21	200.00

Amount of Commercial Papers are shown above are at face value.
The Company has repaid Commercial Papers on due dates.
#CP issued under the existing ISIN.
**Buyback of CP during the half year ended September 30, 2020.

		30.09.2020
2.	Debt Equity Ratio (Nos. of times):	1.71
3.	Capital Redemption Reserve (Rs in Crore) : *Rs. 1,000	*0.00
4.	Net Worth (Rs in Crore) :	1,750.31

5. Material deviations, if any, in the use of the proceeds from the issue of Non-Convertible Debt Securities - None.

6. The NCDs are secured by way of first pari passu charge on the company's identified immovable property, book debts, loans and advances and receivables.

7. Details of Credit rating:

Rating particulars	Rating Agency	Rating assigned
Short Term Debt Programme Commercial Paper	ICRA Limited CARE Ratings Limited CRISIL Limited	ICRA A1+ CARE A1+ CRISIL A1+
Long Term Debt Programme Non-Convertible Debentures	ICRA Limited CARE Ratings Limited CRISIL Limited	ICRA AA / Stable CARE AA/ Stable CRISIL AA / Stable
Bank Loan facility	ICRA Limited CRISIL Limited	ICRA AA / Stable CRISIL AA / Stable
Long Term Principal Protected Market Linked Debentures Programme	ICRA Limited	PP-MLD[ICRA] AA / Stable

Note: During the half year under review, there has been no change in the credit ratings assigned.

KHIMJI KUNVERJI & CO LLP CHARTERED ACCOUNTANTS MUMBAI

Independent Auditors' Report

To the Board of Directors of JM Financial Products Limited

Introduction

1. We have verified the audited books of account and other relevant records of **JM FINANCIAL PRODUCTS LIMITED** (the "Company") for the year ended 31st March, 2018 to report on matters specified in paragraph 3 and 4 of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, DNBS. PPD.03/66.15.001/2016-17 ("RBI Auditors Report Direction") dated 29th September, 2016, for submission to the Reserve Bank of India (the "RBI").

Management's Responsibility for the Compliance

2. Management of the Company is responsible for maintenance of books of account and other relevant records and documents maintained under the Companies Act, 2013, the Reserve Bank of India Act, 1934 (the "RBI Act") and compliance with the RBI Auditors Report Direction, requirements of the applicable RBI Circular/Master Directions and for providing all the relevant information to the RBI. This includes collecting, collating and validating data and the design, implementation and maintenance of internal controls relevant to ensuring compliance.

Auditors' Responsibility

3. Our responsibility is to report on matters specified in paragraph 3 and 4 of the RBI Auditors Report Directions for the year ended 31st March, 2018 based on our assurance procedures.

4. We conducted our procedures in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Engagement Standards issued by the Institute of Chartered Accountants of India ("ICAI"), in so far as applicable for the purpose of this Report which includes the concepts of test checks and materiality. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India and plan and perform the assurance procedures on matters covered by paragraph 3 and 4 of the RBI Auditors Report Direction.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

6. Our assurance procedures were performed to obtain audit evidence about matters covered by paragraphs 3 and 4 of the RBI Directions. The procedures selected depend on the auditor's judgement, including the assessment of material misstatement of the assertions on matters covered by paragraphs 3 and 4 of the RBI Directions, whether due to fraud or error. In making the risk assessments, the auditor considers the internal control relevant to the entity's monitoring of the compliance process in respect of matters covered by paragraphs 3 and 4 of the RBI Directions in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Our work was planned to verify how each item specified in paragraphs 3 and 4 of the RBI Directions within our assurance scope was complied with by the Management of the Company.

   We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Criteria

7. The criteria against which the matters specified in paragraph 3 and 4 of the RBI Auditors Report Direction were verified are:

   - Certificate of Registration("CoR")
   - Master Direction DNBR.PD.008/03.10.119/2016-17 - Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated as on 23rd February, 2018 ("RBI Direction");
   - Audited books of account for the year ended 31st March, 2018; and
   - Certified true copy of resolution passed at the meeting of the Board of Directors of the Company held on regarding non-acceptance / holding of Public Deposits.

Opinion

8. On the basis of our assurance procedures carried out as aforesaid, we report as follows:

   i. The Company is engaged in the business of Non - Banking Financial Institution as defined in Section 45 I(a) of the Reserve Bank of India Act, 1934 and has obtained revised CoR bearing No. N-13. 02140 dated 3rd November, 2016 from the RBI.

   ii. The Company is entitled to hold CoR based on its asset/income pattern as on 31st March, 2018, which has been computed in the manner laid down in the RBI Circular No. DNBS (PD) C.C. NO. 81 / 03.05.002 /2006-07 dated 19th October, 2006.

Independent Auditors' Report (Contd.)

iii. The Company has met the required net owned fund requirement as laid down in the RBI Direction.

iv. The Board of Directors of the Company has passed a resolution on 27th April, 2017 for non-acceptance / holding of public deposits.

v. The Company has not accepted any public deposit during the year ended 31st March, 2018.

vi. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it during the financial year ended 31st March, 2018 in terms of the RBI Direction.

vii. The Capital Adequacy Ratio (CRAR) of the Company as on 31st March, 2018 has been correctly computed and is in compliance with the requirements of maintaining minimum CRAR of 15% as prescribed by the RBI.

viii. The annual statement of capital funds, risk assets / exposures and risk asset ratio (NBS-7) as on 31st March, 2018 due for submission on or before 30th June, 2018 is pending submission.

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

G.K Subramaniam
Partner
(Membership No. 109839)

Mumbai, 30 April, 2018

Independent Auditors' Report (Contd.)

To The Members of JM FINANCIAL PRODUCTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of JM FINANCIAL PRODUCTS 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 Standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone financial statements.

Opinion

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 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.

    d) In our opinion, the aforesaid standalone 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

Independent Auditors' Report (Contd.)

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, 30 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 PRODUCTS LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the 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. 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 respective1 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, 30 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 deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
2. The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
3. According to the information and explanations given to us, the Company has 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, in respect of which:
    (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
    (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
    (c) There is no amount overdue for more than 90 days at the balance sheet date.
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.
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, Sales Tax, Service Tax, Goods and Service Tax, Value Added 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, Excise Duty and Custom Duty are not applicable to the Company.
    (b) There were no undisputed amounts payables in respect of the Provident Fund, Income Tax, Goods and Service Tax, Value Added 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 Sales Tax, Service Tax and Value Added Tax as applicable.

        Details of dues of Income Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Unpaid (₹)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2013-14	36,241,447
			2014-15	3,709,331

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 through terms 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 etc. 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 is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

G.K Subramaniam
Partner
(Membership No. 109839)

Mumbai, 30 April, 2018

Standalone Balance Sheet

as at March 31, 2018

(₹ in Crore)

	Note No.	As at March 31, 2018		As at March 31, 2017
Equity and Liabilities				
Shareholders' funds				
Share capital	2	544.50		544.50
Reserves and surplus	3	951.76		798.29
			1,496.26	**1,342.79**
Non-Current Liabilities				
Long-term borrowings	4	2,628.86		1,150.12
Other non-current liabilities	5	61.01		12.32
Long-term provisions	6	29.74		27.13
			2,719.61	**1,189.57**
Current Liabilities				
Short-term borrowings	7	1,741.20		2,919.16
Trade payables:	8			
- Dues to micro and small enterprises		-		-
- Others		11.72		13.59
Other current liabilities	9	1,278.49		484.47
Short-term provisions	10	5.45		7.49
			3,036.86	**3,424.71**
Total			**7,252.73**	**5,957.07**
Assets				
Non-current assets				
Property, plant and equipment	11			
Tangible assets		4.09		4.05
Intangible assets		1.47		0.91
Intangible assets under development		1.32		0.66
Non-current investments	12	39.52		114.27
Deferred tax assets (net)	13	12.39		12.43
Long-term loans and advances	14	3,383.08		2,642.34
			3,441.87	**2,774.66**
Current assets				
Current investments	15	59.08		5.71
Stock-in-trade	16	-		9.86
Cash and bank balances	17	401.25		251.77
Short-term loans and advances	18	3,350.29		2,914.93
Other current assets	19	0.24		0.14
			3,810.86	**3,182.41**
Total			**7,252.73**	**5,957.07**
Notes to the standalone financial statements	1 to 41			

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: April 30, 2018

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V. P. Shetty
Chairman
DIN – 00021773

Milind Gandhi
Chief Financial Officer

Reena Sharda
Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Crore)

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	20	872.51	680.13
Other Income	21	35.41	26.27
Total Revenue		**907.92**	**706.40**
Expenses			
Employee benefits expense	22	39.83	23.37
Finance costs	23	488.87	344.11
Provision for loan	24	3.90	-
Depreciation / amortization expense	11	2.52	2.13
Operating and other expenses	25	45.15	33.46
Total Expenses		**580.27**	**403.07**
Profit before Tax		**327.65**	**303.33**
Tax Expense			
Current tax		114.50	104.70
Deferred tax		0.04	1.40
Short provision for income tax in respect of earlier years		0.18	-
Total		**114.72**	**106.10**
Profit after Tax		**212.93**	**197.23**
Earning per Equity Share			
(Face value of ₹ 10/- each)			
Basic and Diluted (in Rupees)	31	3.91	3.62
Notes to the standalone financial statements	1 to 41		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: April 30, 2018

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V. P. Shetty
Chairman
DIN – 00021773

Milind Gandhi
Chief Financial Officer

Reena Sharda
Company Secretary

Standalone Statement Cash Flow

for the year ended March 31, 2018

(₹ in Crore)

	Particulars	As at March 31, 2018	As at March 31, 2017
A.	**Net Profit before tax**	327.65	303.33
	Adjustment for :		
	Depreciation/Amortisation	2.52	2.13
	Loss on fixed assets sold/ discarded (net)	-	0.25
	Profit on Sale of Fixed Assets (net)	(0.13)	-
	Loan funds written off	4.16	0.55
	Interest expenses - Others	0.16	0.23
	Provision for doubtful loans written back (net)	(4.14)	(4.47)
	Provision for Non Performing Assets	1.68	-
	Provision for standard assets	2.22	-
	Interest Income on fixed deposits with Banks and others	(0.67)	(3.78)
	Provision for bonus - written back	(0.14)	(1.26)
	Dividend on long term investments	-	(0.07)
	Loss on sale of long term investments	-	0.41
	Profit on sale of current investments	(30.25)	(16.65)
	Operating Profit before Working Capital Changes	**303.06**	**280.67**
	Changes in working capital		
	Adjustment for (increase)/decrease in operating assets:		
	Loans and advances and other current assets	(1,178.61)	(2,329.62)
	Stock-in-trade	9.86	247.04
	Operating fixed deposits with banks	(145.50)	-
	Accrued interest income related to operating activities	0.01	0.08
	Adjustment for increase/ (decrease) in operating liabilities:		
	Trade payables, other liabilities and provisions	9.04	18.53
	Accrued interest expenses related to operating activities	108.87	20.39
	Cash (used in) operations	**(893.27)**	**(1,762.91)**
	Direct taxes paid (net)	(116.08)	(105.73)
	Net Cash (used in) Operating Activities (A)	**(1,009.35)**	**(1,868.64)**
B.	**Cash flow from Investing Activities**		
	Purchase of fixed assets	(4.36)	(3.95)
	Sale of fixed assets	0.26	-
	Investment in a subsidiary	(20.00)	(12.00)
	Purchase of long term investments	(0.30)	(230.22)
	Sale of long term investments	95.05	226.94
	Sale of investment in a subsidiary	-	-
	Sale/Purchase of current investments (net)	(23.13)	16.65
	(Increase) in other bank balances	-	-
	Interest received	0.56	3.99
	Dividend received	-	0.07
	Net Cash generated from Investing Activities (B)	**48.08**	**1.48**

(₹ in Crore)

	Particulars	As at March 31, 2018	As at March 31, 2017
C.	**Cash flow from Financing Activities**		
	Proceeds from long term borrowings (net)	1,885.83	972.35
	Proceeds from/(Repayments) short term borrowings (net)	(860.96)	567.12
	Interest paid	(0.16)	(0.23)
	Dividend paid (Including Corporate Dividend Tax)	(59.46)	(119.94)
	Net Cash flow from Financing Activities (C)	**965.25**	**1,419.30**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	3.98	(447.86)
	Cash and cash equivalents at the beginning of the year	191.77	639.63
	Cash and cash equivalents at the end of the year	**195.75**	**191.77**
Notes:			
(1)	**Reconciliation of cash and cash equivalents:**		
	As per Balance Sheet (Refer note 17)	401.25	251.77
	Less: Balances with banks in deposit	205.50	60.00
	As per Cash-flow statement	**195.75**	**191.77**

(2) Balances with banks in deposit includes ₹ 205.50 crore (Previous year ₹ 60.00 crore) placed as securities against overdraft facilities availed from the banks.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: April 30, 2018

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V. P. Shetty
Chairman
DIN – 00021773

Milind Gandhi
Chief Financial Officer

Reena Sharda
Company Secretary

Notes

to the Standalone Financial Statements

1. Significant Accounting Policies

Basis of preparation of financial statements

The financial statements of the Company 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. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual and estimates are recognised in the period in which the results are known/materialised.

Property, Plant and Equipment

Property, Plant and Equipment are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/amortization and impairment loss, if any.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.

Assets acquired under finance lease are depreciated over the period of lease.

Assets costing ₹ 5,000/- or less are depreciated at 100%.

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.

Impairment loss

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). 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 sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Investments

Current investments are carried at lower of cost (Scrip wise) and fair value. Long term investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of long term investments.

Stock in Trade

Stock in trade is carried at lower of cost and fair value. Cost is determined on First in First Out basis.

Foreign Currency Transactions

Transactions in foreign currency are recorded at rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realisation/payment of foreign exchange are accounted in the relevant year as income or expense.

Revenue Recognition

Interest income is recognised on accrual basis except in case of non-performing assets where interest is accounted on realization. In other cases, income is recognised when there is no significant uncertainty as to determination or realization exists.

Provision for Non Performing Assets (NPA) and Standard Assets (SA)

All loans and other credit exposures, where the amounts are overdue for a period of three months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" by the Reserve Bank of India (RBI). Additional provisions, if any (over and above the provisioning requirements under the Directions as specified by RBI) are made as per guidelines prescribed by the Board of Directors.

Employee Retirement Benefits

(a) Post Employment Benefits and Other Long Term Benefits:

Defined Contribution Plan:

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statue/ Rules.

Defined Benefit Plans:

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every financial year using "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.

(b) Short term employee benefits:

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

Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets 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. All other borrowing costs are charged to revenue.

Taxes on income

Tax expense comprises both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one 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 which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

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 (Contd.)

to the Standalone Financial Statements

2. Share Capital

(₹ in Crore)

	As at March 31, 2018	As at March 31,
Authorised:		
1,100,000,000 Equity Shares of ₹10/- each	1,100.00	1,100.00
100,000,000 Preference Shares of ₹10/- each	100.00	100.00
Total	**1,200.00**	**1,200.00**
Issued, Subscribed and Paid up Capital:		
544,500,000 Equity Shares of ₹10/- each fully paid up	544.50	544.50
Total	**544.50**	**544.50**

2.1 The Company has issued only one class of shares i.e. equity. The equity shareholders are entitled to dividend as and when dividend is declared and approved by the shareholders.

2.2 Details of Shareholding in excess of 5%:

Names of the Shareholders	Number of shares & % of holding	
JM Financial Limited and its nominees (5 shares held by nominees)	540,664,050	490,050,000
	99.30%	90.00%
JM Financial Institutional Securities Limited	-	50,461,850
	-	9.27%

3. Reserves and Surplus

	As at March 31, 2018	As at March 31, 2017
Securities Premium Reserve		
As per last balance sheet		
	38.23	38.23
Statutory Reserve		
(under Section 45-IC of The Reserve Bank of India Act, 1934)		
As per last balance sheet	233.29	193.29
Add : Transfer from the Statement of Profit and Loss	43.00	40.00
	276.29	233.29
Capital Redemption Reserve		
As per last balance sheet *	0.00	0.00
*₹ 1,000/- (Previous year ₹ 1,000/-)		
Balance in the Statement of Profit and Loss		
As per last balance sheet	526.77	429.51
Profit for the year	212.93	197.23
Final /Interim dividend	(49.40)	(49.83)
Corporate dividend tax	(10.06)	(10.14)
Transferred to statutory reserve	(43.00)	(40.00)
	637.24	526.77
Total	**951.76**	**798.29**

4. Long term Borrowings

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
Secured		
Term Loan from Banks (refer note 4.1)	930.00	400.00
Less: Current maturities of Term loans from Banks	(213.34)	(20.00)
	716.66	380.00
Non-Convertible Debentures (refer note 4.2 and 4.3)	2,543.50	1,012.30
Less: Current maturities of Non-Convertible Debentures	(950.50)	(242.50)
Less: Unamortised discount on Non-Convertible Debentures	(0.02)	(0.07)
Add: Premium on Non-Convertible Debentures	2.22	-
	1,595.20	769.73
Finance lease obligations (refer note 4.4 and 30)	0.01	0.73
Less: Current maturities of finance lease obligations	(0.01)	(0.34)
	-	0.39
Unsecured		
Non-Convertible Debentures (refer note No 4.3)	317.00	177.00
Less: Current maturities of Non-Convertible Debentures	-	(177.00)
	317.00	-
Total	**2,628.86**	**1150.12**

4.1 Term Loan from a Bank :

a) Term Loan is secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of Term Loan:

Maturity profile	Rate of interest	Current Year	Previous Year
2017-18	8.75%	-	20.00
2018-19	8.65% to 8.75%	213.34	180.00
2019-20	8.40% to 8.65%	241.12	77.77
2020-21	8.40% to 8.65%	362.20	122.23
2021-22	8.45% to 8.50%	96.67	-
2022-23	8.50%	16.67	-
		930.00	400.00

4.2 Non-Convertible Debentures are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

Notes (Contd.)

to the Standalone Financial Statements

4.3 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCDs) face value of ₹ 1,000,000/- each:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
0.00% NCD redeemable in year 2017-18 *	-	-	-	100.00
0.00% NCD redeemable in year 2018-19 *	-	278.00	428.00	-
0.00% NCD redeemable in year 2019-20 *	264.70	64.70	-	-
0.00% NCD redeemable in year 2020-21 *	337.10	77.10	-	-
0.00% NCD redeemable in year 2021-22 *	228.90	-	-	-
0.00% NCD redeemable in year 2019-20 ***	317.00	-	-	-
9.55% NCD redeemable in year 2017-18	-	-	-	50.00
8.75% NCD redeemable in year 2017-18***	-	-	-	177.00
8.40% NCD redeemable in year 2018-19	-	75.00	75.00	-
8.81% NCD redeemable in year 2018-19	-	100.00	100.00	-
8.88% NCD redeemable in year 2018-19	-	15.00	15.00	-
8.89% NCD redeemable in year 2018-19	-	95.00	95.00	-
NCD redeemable in year 2017-18**	-	-	-	92.50
NCD redeemable in year 2018-19**	-	60.00	237.50	-
NCD redeemable in year 2019-20**	114.00	5.00	-	-
NCD redeemable in year 2020-21**	438.90	-	-	-
NCD redeemable in year 2021-22**	209.40	-	-	-
Total	**1,910.00**	**769.80**	**950.50**	**419.50**

** Redeemable at premium*

*** Market linked debentures (MLD)*

****Unsecured*

4.4 Finance lease obligations are secured by way of hypothecation of vehicles.

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
5. Other Non-Current Liabilities		
Interest/Premium accrued but not due on borrowings	59.36	11.37
Employee benefits payable	1.65	0.95
Total	**61.01**	**12.32**
6. Long Term Provisions		
For Standard Assets (refer note 37)	28.49	26.27
For employee benefits:		
Gratuity (refer note 28)	1.25	0.86
Total	**29.74**	**27.13**
7. Short Term Borrowings		
Unsecured		
Other loans and advances		
Commercial paper (refer note 7.1 and 7.2)	1,753.30	2,993.70
Less: Unamortised interest on commercial paper	(37.10)	(99.54)
	1,716.20	**2,894.16**
Inter Corporate Deposit	25.00	25.00
Total	**1,741.20**	**2,919.16**

7.1 The maximum amount of commercial paper outstanding at any time during the year was ₹ 5,363.70 crore (Previous year ₹ 6,141.70 crore).

7.2 Interest rate of commercial paper issued during the year ranges from 6.50% to 11.25% p.a. (Previous year 6.40% to 12.00% p.a.)

8. Trade Payables

There are no dues payable to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the company.

(₹ in Crore)

Particulars	As at March 31, 2018	As at March 31, 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 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	-	-
9. Other Current Liabilities		
Current maturities of long term borrowings:		
- Term Loan from Banks (refer note 4.1)	213.34	20.00
- Non-Convertible Debentures (refer note 4.2 and 4.3)	950.50	419.50
Less: Unamortised discount on non convertible debentures	(0.00)	(0.08)
	950.50	**419.42**
- Finance Lease Obligations (refer note 4.4 and 30)	0.01	0.34
Interest/Premium accrued but not due on borrowings	80.23	19.35
Income received in advance	2.72	6.18
Employee benefits payable	21.24	17.15
Statutory dues	8.29	0.88
Directors' commission payable	2.16	1.15
Total	**1,278.49**	**484.47**
10. Short Term Provisions		
For Taxation (net of advance tax)	2.41	2.62
For doubtful loans	1.68	4.14
For employee benefits:		
- Compensated absences	1.03	0.56
- Gratuity (refer note 28)	0.33	0.17
Total	**5.45**	**7.49**

Notes (Contd.)

to the Standalone Financial Statements

11. Property, Plant and Equipment

(₹ in Crore)

Description of Assets	Gross Block (At Cost)				Depreciation / Amortisation				Net Block
	As at April 1, 2017	Additions	Deductions / Adjustments	As at March 31, 2018	Up to March 31, 2017	For the year	Deductions / Adjustments	Up to March 31, 2018	As at March 31, 2018
Tangible Assets									
Own Assets									
Freehold Land (refer note 11.1)	0.21	-	-	0.21	-	-	-	-	0.21
Furniture and Fixtures	0.52	0.07	-	0.59	0.17	0.09	-	0.26	0.33
Computers	0.75	1.16	0.10	1.81	0.46	0.30	0.01	0.75	1.06
Office Equipment	0.34	0.07	0.02	0.39	0.14	0.07	0.00	0.21	0.18
Vehicles	1.60	-	-	1.60	0.07	-	-	0.07	1.53
Leasehold Improvements	2.44	0.83	0.02	3.25	1.63	0.89	-	2.52	0.73
Leased Assets									
Vehicles (refer note 11.2)	1.55	-	0.27	1.28	0.89	0.62	0.27	1.24	0.04
Total	**7.41**	**2.13**	**0.41**	**9.13**	**3.36**	**1.98**	**0.28**	**5.05**	**4.09**
Intangible Assets									
Software	3.35	1.10	-	4.45	2.44	0.54	-	2.98	1.47
Total	**3.35**	**1.10**	**-**	**4.45**	**2.44**	**0.54**	**-**	**2.98**	**1.47**
Intangible assets Under Development									**1.32**

Previous Year

(₹ in Crore)

Description of Assets	Gross Block (At Cost)				Depreciation / Amortisation				Net Block
	As at April 1, 2016	Additions	Deductions / Adjustments	As at March 31, 2017	Up to March 31, 2016	For the year	Deductions / Adjustments	Up to March 31, 2017	As at March 31, 2017
Tangible Assets									
Own Assets									
Freehold Land (refer note 11.1)	0.21	-	-	0.21	-	-	-	-	0.21
Furniture and Fixtures	0.43	0.22	0.13	0.52	0.13	0.08	0.04	0.17	0.35
Computers	0.58	0.17	-	0.75	0.32	0.14	-	0.46	0.30
Office Equipment	0.16	0.19	0.01	0.34	0.08	0.07	0.01	0.14	0.20
Vehicles	-	1.60	-	1.60	-	0.07	-	0.07	1.53
Leasehold Improvements	1.81	1.09	0.46	2.44	1.07	0.86	0.30	1.63	0.81
Leased Assets									
Vehicles (refer note 11.2)	1.55	-	-	1.55	0.40	0.49	-	0.89	0.66
Total	**4.74**	**3.27**	**0.60**	**7.41**	**2.00**	**1.71**	**0.35**	**3.36**	**4.05**
Intangible Assets									
Software	3.11	0.24	-	3.35	2.02	0.42	-	2.44	0.91
Total	**3.11**	**0.24**	**-**	**3.35**	**2.02**	**0.42**	**-**	**2.44**	**0.91**
Intangible assets Under Development									**0.66**

11.1 Mortgaged as security against secured non-Convertible Debentures. (refer note 4.2)

11.2 Vendors have a lien over assets taken on lease.

(₹ in Crore)

		As at March 31, 2018		As at March 31, 2017	
		Nos.	₹ in Crore	Nos.	₹ in Crore
12.	**Non-Current Investments**				
	(Non Traded Fully Paid up)				
a)	**Equity Shares**				
	In Subsidiary (unquoted)				
	JM Financial Home Loans Ltd. of ₹ 10/- each	32,000,000	32.00	12,000,000	12.00
	In Others (unquoted)				
	Fairassets Technologies India Private Limited of ₹ 10/- each*	2	0.00	2	0.00
	*₹ 11,542/- (Previous Year ₹ 11,542)				
b)	**Preference Shares**				
	In Others (unquoted)				
	10% Participating non-cumulative redeemable preference shares of				
	JM Financial Properties & Holdings Limited of ₹ 10/- each	-	-	95,050,000	95.05
	Compulsory Convertible Preference Share				
	Fairassets Technologies India Private Limited - Series A3 of ₹ 5,771.13/- each	12,508	7.22		
	Fairassets Tech India Private Ltd. -Series B of ₹ 7,395.15/- each	406	0.30	-	-
c)	**Debentures**				
	In Others (unquoted)				
	Compulsory Convertible Debentures				
	Fairassets Technologies India Private Limited - Series A of ₹ 5,771.13 each	-	-	12,508	7.22
	Total		**39.52**		**114.27**
12.1	**Aggregate cost of:**				
	Unquoted Investments		39.52		114.27
	Total		**39.52**		**114.27**
13.	**Deferred Tax Assets (Net)**				
	Difference between books and tax written down value of fixed assets		0.77		0.69
	Provision for standard assets		9.86		9.09
	Provision for doubtful loans		-		1.43
	Disallowances under section 43B of the Income Tax Act, 1961		1.76		1.22
	Total		**12.39**		**12.43**

(₹ in Crore)

		As at March 31, 2018	As at March 31, 2017
14.	**Long Term Loans And Advances**		
	(Unsecured unless otherwise stated and considered good)		
	Loan funds:		
	Secured*	3,363.74	2,614.40
	Unsecured	-	2.84
		3,363.74	**2,617.24**
	Advance tax (net of provision for tax)	17.27	16.07
	Security deposits	0.98	8.39
	Capital advances	1.10	0.63
	Staff loans	-	0.01
	Total	**3,383.08**	**2,642.34**

**includes loan funds of ₹178.50 crore (Previous year ₹ 316.00 crore) in the form of Non-convertible debentures.*

Notes (Contd.)

to the Standalone Financial Statements

(₹ in Crore)

		As at March 31, 2018	As at March 31, 2017
15.	**Current Investments**		
i.	**(Quoted)**		
	Mutual Fund Units of ₹ 10/- each fully paid up		
	93,071.574 (Previous year Nil) units		
	HDFC Mutual Fund Floating Rate Income Fund	0.26	-
ii.	**(Unquoted)**		
	Mutual Fund Units of ₹ 10/- each fully paid up		
	745,131.822 (Previous Year Nil) - JM Floater Long Term Fund	2.01	-
	Security Receipts		
	200,000 (Previous Year 200,000) Class A Security Receipts of ₹ 1,000/- each fully paid up	3.26	5.71
	(Face value partly reedemed)		
	5,35,500 Trust - Sr-I Security Receipts of ₹ 1,000/- each fully paid up	53.55	-
	Total	**59.08**	**5.71**
15.1	**Aggregate cost of:**		
	Quoted investments	0.26	-
	Unquoted investments	58.82	5.71
	Total	**59.08**	**5.71**
15.2	**Market Value of quoted Investments**	0.28	-
16.	**Stock-In-Trade**		
	(At lower of cost and fair value)		
	Debt instruments (refer note 16.1)	-	9.86
	Total	**-**	**9.86**
16.1	Debt instruments includes interest accrued of ₹ Nil (Previous year ₹ 0.18 crore)		
17.	**Cash and Bank Balances**		
	Cash and cash equivalents		
	Balances with banks		
	- in current accounts	10.45	14.02
	- in deposit accounts	185.30	177.75
		195.75	**191.77**
	Other bank balances		
	In deposit accounts under lien against which overdraft facilities are availed (refer note 17.1)	205.50	60.00
	Total	**401.25**	**251.77**
17.1	Deposit accounts under lien of ₹ 205.50 crore (Previous year ₹ 60.00 crore) against which overdraft facilities remained outstanding as at the year end of ₹ Nil (Previous year ₹ Nil)		
18.	**Short Term Loans and Advances**		
	(Unsecured unless otherwise stated)		
	Loan funds:		
	Secured	3,161.72	2,281.36
	Unsecured	56.84	600.22
		3,218.56	**2,881.58**
	Accrued Interest on loan funds	41.53	30.93
	Others*	90.20	2.42
	Total	**3,350.29**	**2,914.93**
	** includes prepaid expenses, Goods & Service Tax input credit receivable, receivable on account of warehousing investments etc.*		
19.	**Other Current Assets**		
	Accrued interest on deposits with banks	0.24	0.14
	Total	**0.24**	**0.14**

(₹ in Crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
20.	**Revenue from Operations**		
	Income from funding activities	770.19	603.03
	Income from trading in debt instruments (net)	5.58	36.70
	Interest/premium on debentures	35.18	7.59
	Advisory and other fees	61.56	32.81
	Total	**872.51**	**680.13**
21.	**Other Income**		
	Interest on		
	- Fixed deposits with banks	0.12	2.62
	- Others	0.55	1.16
		0.67	3.78
	Dividend on investments		
	- Long Term	-	0.07
		-	0.07
	Profit on sale of investments		
	- Current (net)	30.25	16.65
	Provision for bonus written back	0.14	1.26
	Provision for doubtful loans written back (net)	4.14	4.47
	Miscellaneous Income	0.08	0.04
	Profit on Sale of Fixed Assets (net)	0.13	-
	Total	**35.41**	**26.27**
22.	**Employee benefits Expense**		
	Salaries, bonus, other allowances and benefits	37.74	22.25
	[net of recoveries of ₹ 8.00 crore, Previous year ₹ 7.94 crore]		
	Contribution to provident and other funds (refer note 28)	1.33	0.77
	Gratuity (refer note 28)	0.56	0.24
	Staff welfare expenses	0.20	0.11
	Total	**39.83**	**23.37**
23.	**Finance Costs**		
	Interest on fixed loans	488.14	343.13
	Interest on bank overdraft	0.57	0.75
	Interest on others	0.16	0.23
	Total	**488.87**	**344.11**
24.	**Provision for Loans**		
	Provision on standard assets	2.22	-
	Provision on non-performing assets	1.68	-
		3.90	**-**

Notes (Contd.)

to the Standalone Financial Statements

(₹ in Crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
25.	**Operating and Other Expenses**		
	Professional and consultancy charges	9.45	4.73
	Space and other related costs (refer note 30)	10.42	7.47
	[net of recoveries of ₹ 0.03 crore (Previous year ₹ 0.03 crore)]		
	Rates and taxes	5.83	8.34
	Membership and subscription	0.90	0.55
	Manpower cost	0.85	0.67
	Auditors' remuneration (refer note 27)	0.12	0.14
	Electricity	0.68	0.40
	Communication expenses	0.10	0.09
	Travelling and conveyance	0.71	0.47
	Insurance	0.28	0.24
	Printing and stationery	0.10	0.05
	Repairs and maintenance - others	0.64	0.27
	Loss on fixed assets sold/discarded (net)	-	0.25
	Loss on sale of long term investment	-	0.41
	Loan funds written off	4.16	0.55
	Donations	6.26	5.70
	Directors' commission	2.16	1.15
	Sitting fees to directors	0.14	0.15
	Miscellaneous expenses	2.35	1.83
	Total	**45.15**	**33.46**
26.	**Contingent Liabilities and commitments**		
(a)	Contingent Liabilities not provided for in respect of:		
	Estimated liability on account of disallowance u/s 14A of Income Tax Act 1961, for AY 2010-11 for which appeal was pending before Income Tax Appellate Tribunal (ITAT). Now during the FY18 the order has been deceided in our favour.	-	0.30
(b)	Capital Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	1.14	4.20
27.	**Payment to Auditors':** (Excluding service tax/goods & service tax)		
	Audit Fees	0.08	0.08
	In any other manner (Certifications, limited reviews, etc.)	0.04	0.06
	Out of pocket expenses *	0.00	0.00
	* ₹ 23,670/- (Previous year ₹ 30,953/-)		
	Total	**0.12**	**0.14**

28. Employee Benefits

Short-term employee benefits:

The Company provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

Defined Contribution Plan:

Contributions are made to Government Provident Fund and Family Pension Fund which covers all regular employees. While both the employees and the Company make predetermined contributions to the provident fund, contribution to the family pension fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate ₹ 1.33 crore (Previous year ₹ 0.77 crore).

(₹ in Crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Defined Benefit Plan: [Gratuity (Unfunded)]			
I.	**Reconciliation of liability recognised in the Balance Sheet**		
	Fair value of plan assets as at the end of the year	-	-
	Present value of obligation as at the end of the year	1.58	1.03
	Net liability in the Balance Sheet	1.58	1.03
II.	**Movement in net liability recognised in the Balance Sheet**		
	Net liability as at the beginning of the year	1.03	0.83
	Net expense recognised in the statement of profit and loss	0.56	0.24
	Liabilities Assumed on Acquisition/(Settled on Divestiture)	0.07	0.05
	Payments during the year	(0.07)	(0.09)
	Net liability as at the end of the year	1.58	1.03
III.	**Expense recognised in the statement of profit and loss (Under the head employee benefit expenses)**		
	Current Service Cost	0.16	0.08
	Interest Cost	0.08	0.07
	Past Service Cost	0.43	-
	Actuarial Losses/ (Gains)	(0.11)	0.09
	Expenses charged to statement of profit and loss	0.56	0.24
IV.	**Reconciliation of defined benefit commitments**		
	Commitments at the beginning of the year	1.03	0.83
	Current Service Cost	0.16	0.08
	Interest Cost	0.08	0.07
	Past Service Cost	0.43	-
	Actuarial Losses/(Gains)	(0.11)	0.09
	Liabilities Assumed on Acquisition/(Settled on Divestiture)	0.07	0.05
	Benefits Paid	(0.07)	(0.09)
	Commitments at the year end	1.58	1.03

		March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
V.	**Experience Adjustments**					
	Defined Benefit Obligation	0.97	0.93	0.83	1.03	1.58
	Plan Assets	-	-	-	-	-
	Surplus/(Deficit)	(0.97)	(0.93)	(0.83)	(1.03)	(1.58)
	Experience Adj. on Plan Liabilities	0.04	(0.03)	0.05	0.03	(0.03)
	Experience Adj. on Plan Assets	-	-	-	-	-

VI.	**Actuarial Assumptions**		**Previous year**
	Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
	Discount rate (per annum)	7.85%	7.20%
	Rate of escalation in salary (per annum)	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Notes (Contd.)

to the Standalone Financial Statements

29. Related Party Disclosure:

Names of related parties and description of Relationship

(i) **Names of related parties and description of relationship where control exists**

Holding Company

JM Financial Limited

Subsidiaries

JM Financial Home Loans Limited (with effect from December 16,2016)

(ii) **Names of related parties and description of relationship where transactions have taken place**

(A) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.

Holding Company

JM Financial Limited

Subsidiaries

JM Financial Home Loans Limited (with effect from December 16,2016)

Fellow Subsidiaries

JM Financial Services Limited

JM Financial Commtrade Limited

Astute Investments

JM Financial Properties & Holdings Limited

CR Retail Malls (India) Limited

JM Financial Investment Managers Limited (upto January 18 2018)

JM Financial Institutional Securities Limited (upto January 18, 2018)

JM Financial Capital Limited

JM Financial Credit Solutions Limited

JM Financial Asset Reconstruction Company Limited

(B) Key Management Personnel and relatives of such Personnel:

Mr. Vishal Kampani

(C) Enterprises over which any person described in (B) is able to exercise significant influence:

JSB Securities Limited

(iii) **Details of transactions with related parties**

(₹ in Crore)

Name of the related party	Nature of relationship	Year ended March 31, 2018	Year ended March 31, 2017
JM Financial Limited	(A)		
Dividend paid		49.01	98.01
Reimbursement of employees expenses		1.94	0.92
Sales of Pref shares of JM Financial Prop Holdings		95.05	-
Inter Corporate Deposit taken		345.00	-
Inter Corporate Deposit repaid		345.00	-
Interest expenses on ICD taken		0.19	-
JM Financial Home Loan Limited	(A)		
Investment in equity shares		20.00	12.00
Recovery of expenses		-	0.13
Sale of Fixed Assets		0.12	-

(₹ in Crore)

Name of the related party	Nature of relationship	Year ended March 31, 2018	Year ended March 31, 2017
JM Financial Services Limited	(A)		
Inter Corporate Deposits given		615.00	500.00
Inter Corporate Deposits repaid		615.00	500.00
Interest income on Inter Corporate Deposits given		0.52	0.50
Issue of market linked debentures		68.89	104.76
Arrangers Fees/Brokerage charges		0.08	0.01
Demat charges paid*		0.00	0.00
* ₹ 1,500/- (Previous year ₹ 1,500/-)			
Transfer of Gratuity/Liability		0.01	-
JM Financial Properties & Holdings Limited	(A)		
Inter Corporate Deposits given		13.07	139.55
Inter Corporate Deposits repaid		61.07	91.55
Interest income on Inter Corporate Deposits given		2.06	1.81
Space & other related cost paid		8.32	5.60
Reimbursement of expenses (paid)		1.52	2.08
Refund of Property Deposit		8.00	-
Security Deposits given		-	2.82
Closing balance as at the year end - ICD given - debit		-	48.00
Closing balance as at the year end - Security Deposit given - debit		-	8.00
JM Financial Institutional Securities Limited	(A)		
Transfer of Gratuity liability received		0.07	-
Reimbursement of expenses		0.01	0.03
JM Financial Investment Managers Limited	(A)		
Inter Corporate Deposits given		2.85	2.70
Inter Corporate Deposits repaid		2.85	5.20
Interest income on Inter Corporate Deposits given		0.02	0.24
Reimbursement of Expenses		0.12	-
Astute Investments	(A)		
Recovery of rent expenses		0.03	0.03
Loan Given		311.12	227.56
Loan repaid		311.12	227.56
Interest income on loan given		0.68	0.24
JM Financial Capital Limited	(A)		
Transfer of Gratuity Liability		0.04	-
Transfer of Staff Loan Liability (Recd.)*		0.00	-
* ₹ 17,000/- (Previous year - ₹ NIL)			
Inter Corporate Deposits taken		137.00	-
Inter Corporate Deposits repaid		137.00	-
Interest expenses on Inter Corporate Deposits taken		0.03	-
Inter Corporate Deposits given		349.00	2.70
Inter Corporate Deposits repaid		349.00	2.70
Interest income on Inter Corporate Deposits taken		0.36	0.01

Notes (Contd.)

to the Standalone Financial Statements

(₹ in Crore)

Name of the related party	Nature of relationship	Year ended March 31, 2018	Year ended March 31, 2017
JM Financial Credit Solutions Limited	(A)		
Inter Corporate Deposits taken		-	75.00
Inter Corporate Deposits repaid		-	75.00
Inter Corporate Deposits given		125.00	130.00
Inter Corporate Deposits repaid		125.00	130.00
Interest income on Inter Corporate Deposits given		0.19	0.08
Interest expenses on Inter Corporate Deposits taken		-	0.02
Transfer of gratuity liability paid		-	0.04
Recovery of expenses/support service charges		8.00	7.94
Closing balance as at the year end - debit		-	0.99
CR Retail Malls (India) Limited	(A)		
Inter Corporate Deposits given		97.72	1.50
Inter Corporate Deposits repaid		67.72	1.50
Interest income on Inter Corporate Deposits given*		0.92	0.00
* Previous year (₹ 35,600/-)			
Closing balance as at the year end - debit		30.00	-
JM Financial Commtrade Limited	(A)		
Inter Corporate Deposits given		-	10.00
Inter Corporate Deposits repaid		-	10.00
Interest income on Inter Corporate Deposits given		-	0.03
JM Financial Assets Reconstruction Company Ltd	(A)		
Inter Corporate Deposits given		200.00	-
Inter Corporate Deposits repaid		200.00	-
Interest income on Inter Corporate Deposits given		0.55	-
Transfer of Gratuity/Liability		0.04	-
Management Fees Paid		0.42	-
Mr. Vishal Kampani	(B)		
Managerial remuneration		13.17	11.23
Closing Balance as at the year end - (credit)		(11.50)	(10.00)
JSB Securities Limited	(C)		
Space cost paid		-	0.50
Security Deposits given		-	0.60
Security Deposits refunded		-	0.60

29.1 There are no provision for doubtful debts/advances or amounts written off or written back for debts due from/due to related parties.

29.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Company as a whole.

29.3 The transactions disclosed above are exclusive of Service Tax/Goods and Services Tax.

30. Lease Transactions

Finance leases

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

(₹ in Crore)

Due	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.02	0.01	0.01
	(0.46)	(0.12)	(0.34)
Later than one year and not later than five years	-	-	-
	(0.48)	(0.09)	(0.39)
Later than five years	-	-	-
	(-)	(-)	(-)
	0.02	0.01	0.01
Total	(0.94)	(0.21)	(0.73)

Figures in brackets are for previous year.

Operating leases

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges upto 60 months. The minimum lease rentals outstanding in respect of these are as under:

Due		Total Minimum Lease Payments outstanding as at 31st March, 2018	Total Minimum Lease Payments outstanding as at 31st March, 2017
Not later than one year		9.20	-
Later than one year and not later than five years		36.05	-
Later than five years		-	-
Total		**45.26**	**-**

Lease payments recognised in the Statement of Profit and Loss for the year are ₹ 8.32 crore (Previous Year ₹ Nil crore).

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 33 months to 60 months.

31. 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	Rupees in crore	**Previous year** Rupees in crore
Profit after tax attributable to equity shareholders (Rupees in crore)	212.93	197.23
Weighted average number of shares outstanding during the year	544,500,000	544,500,000
Basic and Diluted Earnings per share (Rupees)	3.91	3.62
Nominal value per share (Rupees)	10.00	10.00
32. Expenditure in Foreign Currency		
Reimbursement of expenses*	-	0.00
*₹ Nil (Previous year ₹ 13,522)		

Notes (Contd.)

to the Standalone Financial Statements

33. Segment Information

(a) Primary Segment of the Company is business segment. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and the internal reporting structure. The Company has identified two business segments:

- Fund Based Activities: This includes Margin Funding, Initial Public Offering Funding, Loan Against Shares, Wholesale loans etc.

- Trading in Debt Securities: This includes purchase and sale of debt securities and related interest income thereon.

(b) Revenues and expenses have been identified to a segment on the basis of relationships to operating activities of the segment. Revenue and expenses which relates to Company as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "unallocable".

Investments, tax related/other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "unallocable".

(c) Segment information for primary segment reporting (by Business Segment): (₹ in Crore)

Particulars	Funding based activities	Trading in Debt Securities	Total
Segment Revenue	866.93	5.58	872.51
	643.43	*36.70*	*680.13*
Segment Results before unallocated interest and taxes	300.06	0.73	300.78
	264.85	*19.21*	*284.06*
Unallocable Corporate Income/(Expenses) (Net)			26.86
			19.27
Profit before Tax			327.65
			303.33
Tax Expense			114.72
			106.10
Net Profit after Tax			212.93
			197.23
Other Information:			
Segment Assets	7,004.78	10.20	7,014.98
	5,609.64	*20.04*	*5,629.68*
Unallocable Corporate Assets			237.75
			327.39
Total Assets			7,252.74
			5,957.07
Segment Liabilities	5,742.37	9.54	5,751.91
	4,609.31	*1.20*	*4,610.51*
Unallocable Corporate Liabilities			4.57
			3.77
Total Liabilities			5,756.48
			4,614.28
Capital Expenditure	3.24	-	3.24
	3.51	*-*	*3.51*
Depreciation/Amortization	2.52	0.00	2.52
	2.12	*0.01*	*2.13*
Non Cash Expenditure	-	-	-
	-	*-*	*-*
Figures in italics indicates previous year figures.			

(d) The Company operates in only one geographical segment and hence no further information is provided.

34. Employee Stock Option Scheme

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012, 724,998 stock options have been granted on May 6, 2013, 947,991 stock option have been granted on April 01, 2014, 173,991 stock option have been granted on April 16, 2015 , 244,794 stock option have been granted on May 12, 2016 and 208635 stock option have been granted on April 20, 2017. The particulars of vesting of the stock options granted to the Employees are given in the below table.

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 (Rupees)
April 21, 2012	Series - IV	174,606	Vested	Seven years from the date of Grant	1
April 21, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
April 21, 2014	Series - IV	174,605	Vested	Seven years from the date of Grant	1
April 16, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
April 16, 2014	Series - V	248,443	Vested	Seven years from the date of Grant	1
April 16, 2015	Series - V	248,443	Vested	Seven years from the date of Grant	1
May 6, 2014	Series - VI	241,666	Vested	Seven years from the date of Grant	1
May 6, 2015	Series - VI	241,666	Vested	Seven years from the date of Grant	1
May 6, 2016	Series - VI	241,666	Vested	Seven years from the date of Grant	1
April 1, 2015	Series - VII	315,997	Vested	Seven years from the date of Grant	1
April 1, 2016	Series - VII	315,997	Vested	Seven years from the date of Grant	1
April 1, 2017	Series - VII	315,997	Vested	Seven years from the date of Grant	1
April 16, 2016	Series - VIII	57,997	Vested	Seven years from the date of Grant	1
April 16, 2017	Series - VIII	57,997	Vested	Seven years from the date of Grant	1
April 16, 2018	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1
May 12, 2016	Series - IX	81,598	Vested	Seven years from the date of Grant	1
May 12, 2017	Series - IX	81,598	Vested	Seven years from the date of Grant	1
May 12, 2018	Series - IX	81,598	To be vested	Seven years from the date of Grant	1
April 21, 2018	Series - X	69,545	To be vested	Seven years from the date of Grant	1
April 21, 2019	Series - X	69,545	To be vested	Seven years from the date of Grant	1
April 21, 2020	Series - X	69,545	To be 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	597,210	568,660
Granted during the year	208,635	244,794
Transfer in/ (out) during the year	128,862	12,022
Lapsed/ forfeited during the year	30,000	3,999
Exercised during the year	245,351	224,267
Outstanding at the end of the year	659,356	597,210
Exercisable at the end of the year	136,666	104,423

The charge on account of the above scheme is included in employee benefits expense aggregating ₹1.94 crore (Previous year ₹ 0.92 crore). Since the options are granted by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

Notes (Contd.)

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35. Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

a) Loans and advances in the nature of loans given to subsidiaries and associates:

(₹ in Crore)

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Services Limited	Fellow Subsidiary	75.00	-
		(100.00)	(-)
JM Financial Investment Managers Limited (upto January 18, 2018)	Fellow Subsidiary	2.20	-
		(5.10)	(-)
JM Financial Institutional Securities Limited (upto January 18, 2018)	Fellow Subsidiary	-	-
		(-)	(-)
JM Financial Credit Solutions Limited	Fellow Subsidiary	125.00	-
		(130.00)	(-)
JM Financial Properties & Holdings Limited	Fellow Subsidiary	54.00	-
		(48.00)	(48.00)
JM Financial Commtrade Limited	Fellow Subsidiary	-	-
		(10.00)	(-)
Astute Investments	Fellow Subsidiary	80.93	-
		(21.36)	(-)
CR Retail Malls (India) Limited	Fellow Subsidiary	42.61	30.00
		(1.40)	(-)
JM Financial Capital Limited	Fellow Subsidiary	65.00	-
		(2.70)	(-)
JM Financial Asset Reconstruction Private Limited	Fellow Subsidiary	100.00	-
		(51.00)	(-)

Loans and advances shown above are interest bearing, repayable on demand and are utilised for their business purposes.

(figures in brackets indicates previous year figures)

36. Corporate Governance and Disclosure Norms for NBFCs:

(As stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014)

36.1 Capital Risk Adequacy Ratio (CRAR):

(₹ in Crore)

	Particulars	Current year	Previous year
	CRAR (%)	21.67%	21.06%
	CRAR - Tier I capital (%)	21.26%	20.64%
	CRAR - Tier II capital (%)	0.41%	0.42%
	Amount of subordinated debt raised as Tier II capital	-	-
	Amount raised by issue of Perpetual Debt instruments	-	-
36.2	**Exposures**		
I.	**Exposure to Real Estate Sector**		
a)	**Direct Exposure**		
(i)	**Residential Mortgages**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh may be shown separately)	118.49	42.40
	Individual housing loans up to ₹ 15 lakh	1.28	-
(ii)	**Commercial Real Estate***		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	2,051.97	2,776.63

** Also includes Commercial Real Estate exposure in Investments.*

(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
	a) Residential,	-	-
	b) Commercial Real Estate.	-	-
b)	**Indirect Exposure**		
	Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance	32.00	12.00
	Companies (HFCs).	-	-
II	**Exposure to Capital Market**		
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	541.19	326.54
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1,540.24	1,695.70
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	107.33	17.33
(vi)	loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows/issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	**2,188.76**	**2,039.57**
III	**Details of financing of parent company products**	Nil	Nil
IV	**Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC**	Nil	Nil
V	**Unsecured Advances**		
	Amount of advances given against intangible securities	Nil	Nil

36.3 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities: (₹ in Crore)

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	20.00	20.00	20.00	60.00	93.34	586.67	129.99	-	930.00
	(-)	(-)	(-)	(-)	(20.00)	(257.77)	(122.23)	(-)	(400.00)
Market Borrowings	312.20	406.03	760.92	673.42	539.13	1,472.38	439.82	-	4,603.90
	(453.61)	(285.70)	(661.84)	(620.95)	(1,316.83)	(693.01)	(77.10)	(-)	(4,109.04)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Assets									
Advances	532.27	483.66	222.18	510.72	1,469.73	2,507.48	717.35	138.89	6,582.28
	(659.88)	(285.32)	(273.79)	(1,041.72)	(620.87)	(1,992.39)	(482.67)	(142.18)	(5,498.82)
Deposits	-	-	-	-	-	0.01	0.96	0.01	0.98
	(-)	(-)	(-)	(-)	(0.38)	(-)	(8.00)	(0.01)	(8.39)
Investments	2.27	-	-	-	56.81	-	-	39.52	98.60
	(-)	(-)	(-)	(5.71)	(-)	(-)	(-)	(114.27)	(119.98)
Foreign currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Figures in brackets are for previous year

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) The above statement includes only certain items of assets and liabilities (as stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014) and therefore does not reflect the complete asset liability maturity pattern of the Company.

Notes (Contd.)

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36.4 Liabilities side

(₹ in Crore)

		Amount outstanding	Amount overdue
(I)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**		
(a)	**Debentures**		
	(i) Secured	2,682.79	-
		(1,040.26)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	318.60	-
		(177.34)	(-)
(b)	**Deferred Credits**	-	-
		(-)	(-)
(c)	**Term Loans**	930.23	-
		(400.00)	(-)
(d)	**Inter-corporate loans and borrowing**	25.53	-
		(27.07)	(-)
(e)	**Commercial Paper (net of unamortised discount)**	1,716.20	-
		(2,894.16)	(-)
(f)	**Other Loans (Please Specify)**		
	Overdraft Accounts	-	-
		(-)	(-)
	Cash Credits	0.14	-
		(40.74)	(-)
	CBLO Borrowing (net of unamortised discount)	-	-
		(-)	(-)
	Working capital demand loan	-	-
		(-)	(-)
	Due under finance lease	0.01	-
		(0.73)	(-)

(₹ in Crore)

	Assets side	Amount outstanding
(II)	**Break up of Loans and Advances including bills receivables (other than those included in (IV) below):**	
(a)	Secured	6,525.46
		(4,895.76)
(b)	Unsecured	56.84
		(603.06)
(III)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:**	
(a)	**Lease assets including lease rentals under sundry debtors:**	
	(i) Financial Lease	-
		(-)
	(ii) Operating Lease	-
		(-)
(b)	**Stock on hire including hire charges under sundry debtors:**	-
	(i) Assets on hire	(-)
		-
	(ii) Repossessed Assets	(-)
		-
(c)	**Other loans counting towards AFC activities:**	(-)
	(i) Loans where assets have been repossessed	-
		(-)
	(ii) Loans other than (a) above	-
		(-)
(IV)	**Break – up of Investments:**	
(a)	**Current Investments:**	
	1. Quoted:	
	(i) Shares:	
	(a) Equity	-
		(-)
	(b) Preference	-
		(-)
	(ii) Debentures and Bonds	-
		(-)
	(iii) Units of Mutual Funds	0.26
		(-)
	(iv) Government Securities	
	(v) Others (Please Specify)	-
		(-)
	2. Unquoted:	-
	(i) Shares:	(-)
	(a) Equity	-
		(-)
	(b) Preference	-
		(-)
	(ii) Debentures and Bonds	-
		(-)

Notes (Contd.)

to the Standalone Financial Statements

(₹ in Crore)

Assets side				Amount outstanding
	(iii)	Units of Mutual Funds		2.01
				(-)
	(iv)	Government Securities		-
				(-)
	(v)	Others (Please Specify)		-
		Class A Security Receipts		56.81
				(5.71)
1.	Quoted:			
	(i)	Shares:		
		(a)	Equity	-
				(-)
		(b)	Preference	-
				(-)
	(ii)	Debentures and Bonds		-
				(-)
	(iii)	Units of Mutual Funds		-
				(-)
	(iv)	Government Securities		-
				(-)
	(v)	Others (Please Specify)		-
				(-)
2.	Unquoted:			
	(i)	Shares:		
		(a)	Equity	32.00
				(12.00)
		(b)	Preference	7.52
				(95.05)
	(ii)	Debentures and Bonds		-
				(7.22)
	(iii)	Units of Mutual Funds		-
				(-)
	(iv)	Government Securities		-
				(-)
	(v)	Others (Please Specify)		-
				(-)

(V) Borrower group – wise classification of assets financed as in (II) and (III) above:

(₹ in Crore)

Category	Amount net of provisions		
	Secured	Unsecured	Total
(a) Related Parties			
(i) Subsidiaries	-	-	-
	(-)	(-)	(-)
(ii) Companies in the same group	-	30.00	30.00
	(-)	(48.00)	(48.00)
(iii) Other related parties	-	-	-
	(-)	(-)	(-)
(b) Other than related parties	6,525.46	26.84	6,552.29
	(4,895.76)	(555.06)	(5,450.82)
	6,525.46	**56.84**	**6,582.29**
	(4,895.76)	(603.06)	(5,498.82)
Less: Provision for non-performing assets			1.68
			(4.14)
Total			**6,580.61**
			(5,494.68)

(VI) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
(a) Related Parties		
(i) Subsidiaries	30.62	32.00
	(12.00)	(12.00)
(ii) Companies in the same group *	-	-
	(95.05)	(95.05)
(iii) Other related parties	-	-
	(-)	(-)
**(b) Other than related parties ** **	69.62	66.60
	(13.43)	(12.93)
Total	100.23	98.60
	(120.48)	(119.98)

(VII) Other Information

Particulars	Amount
(a) Gross Non – Performing Assets	
(i) Related Parties	-
	(-)
(ii) Other than related parties	16.84
	(4.14)
(b) Net Non – Performing Assets	
(i) Related Parties	-
	(-)
(ii) Other than related parties	15.14
	(-)
(c) Assets acquired in satisfaction of debt	-
	(-)

(figures in brackets indicates previous year figures)
* Non cummulative redeemable preference shares and therefore considered at cost.
** cost is considered whereever fair value is not available

36.5 There are no restructured advances as on March 31, 2018, hence disclosure of information as required in terms of sub-Para 9 of Paragraph 27 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (issued vide Notification No. DNBR.009/CGM(CDS)-2015 dated March 27, 2015) is not warranted.

Notes (Contd.)

to the Standalone Financial Statements

36.6 Investments (₹ in Crore)

	Particulars	Current year	Previous year
(a)	**Value of Investments**		
(i)	Gross Value of Investments		
	(a) in India	98.60	119.98
	(b) outside India	-	-
(ii)	Provision for depreciation		
	(a) in India	-	-
	(b) outside India	-	-
(iii)	Net Value of Investments		
	(a) in India	98.60	119.98
	(b) outside India	-	-
(b)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off/write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

36.7 Additional & Miscellaneous Disclosures

(I)	**Registration obtained from other financial sector regulators**		
	Company has not registered with other financial sector regulators except with Reserve Bank of India		
(II)	**Disclosure of Penalties imposed by RBI and other regulators**	Nil	Nil

(III) Ratings assigned by credit rating agencies and migration of ratings during the year:

Rating particulars	Rating Agency	Rating assigned
Commercial Paper Programme	ICRA Limited	ICRA A1+
	CARE Ratings Limited	Care A1+
	CRISIL Limited	Crisil A1+
Non-Convertible Debentures	ICRA Limited	ICRA AA / Stable
	CARE Ratings Limited	Care AA/Stable
	CRISIL Limited	Crisil AA / Stable
Bank Loan facility	ICRA Limited	ICRA AA / Stable
	CRISIL Limited	Crisil AA / Stable
Long Term Principal Protected Equity Linked Debentures Programme	ICRA Limited	PP-MLD[ICRA] AA / Stable
During the current year, We have obtained rating from Care Ratings Limited.		

(IV) Net Profit or Loss for the period, prior period items and changes in accounting policies:

There are no prior period items and changes in accounting policies impacting net profit for the year

(V) Revenue Recognition:

Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

(VI) Provisions and Contingencies (₹ in Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current year	Previous year
Provisions for depreciation on Investment	-	-
Provision towards NPA	1.68	-
Provision made towards Income tax	114.68	104.70
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	2.22	-
(VII) Draw Down from Reserves	Nil	Nil

(VIII) Concentration of Deposits, Advances, Exposures and NPAs (₹ in Crore)

		Current year	Previous year
(a)	**Concentration of Deposits (for deposit taking NBFCs)**		
	Total Deposits of twenty largest depositors	NA	NA
	Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA
(b)	**Concentration of Advances**		
	Total advances to twenty largest borrowers (₹ in crore)	3,039.32	2,772.98
	Percentage of advances to twenty largest borrowers to total advances of the NBFC	46.17%	53.50%
(c)	**Concentration of Exposures**		
	Total exposure to twenty largest borrowers/customers (₹ in crore)	3,050.74	2,777.04
	Percentage of Exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	46.10%	53.23%
(d)	**Concentration of NPAs**		
	Total exposure to top four NPA accounts (Rupees in crore)	16.83	3.53

(e) Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	0.41%	0.05%
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-
Other loans	-	0.21%

(IX)	**Movement of NPAs**		Current year	Previous year
(i)	**Net NPAs to Net Advances (%)**		0.00%	0.00%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	4.14	20.32
	(b)	Additions during the year	19.91	0.01
	(c)	Reductions during the year	7.22	16.19
	(d)	Closing balance	16.83	4.14
(iii)	**Movement of Net NPAs**			
	(a)	Opening balance	-	11.71
	(b)	Additions during the year	17.86	-
	(c)	Reductions during the year	2.72	11.71
	(d)	Closing balance	15.14	-
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	(a)	Opening balance	4.14	8.61
	(b)	Provisions made during the year	2.05	0.01
	(c)	Write-off/write-back of excess provisions	4.51	4.48
	(d)	Closing balance	1.68	4.14

Notes (Contd.)

to the Standalone Financial Statements

(X) Disclosure of Complaints

Customer Complaints

Particulars		
No. of complaints pending at the beginning of the year		Nil
No. of complaints received during the year		8
No. of complaints redressed during the year		8
No. of complaints pending at the end of the year		Nil

(XI) Disclosure in respect of derivatives, securitisation transactions, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company.

37. Provision for Standard Assets

To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a Notification No. DNBS.222/CGM(US)-2011 dated January 17, 2011, requiring all NBFCs to make a general provision at 0.40 per cent of the outstanding standard assets. The Company had in the past created provision for standard assets as per guidelines prescribed by the Board of Directors which is sufficient to comply with the aforesaid RBI notification.

(₹ in Crore)

Movement in Provision for standard assets	Current year	Previous year
(a) Opening balance as at the beginning of the year	26.27	26.27
(b) Provisions made during the year	2.22	-
(c) Utilisation of Provisions during the year*	-	-
(d) Reversal of Provisions during the year*	-	-
(e) Closing balance as at the end of the year	28.49	26.27

38. 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 – ₹ 5.26 crore (previous year, ₹ 4.70 crore)

b) Amount spent and paid during the year by way of donations to charitable trusts– ₹ 5.26 crore (previous year, ₹ 4.70 crore)

39. Unhedged Foreign Currency Exposure

(₹ in Crore)

Particulars	Current year	Previous year
Foreign Currency Exposures (FCE) as on 31.03.2017	Nil	Nil
Total credit exposures (sanctioned) from banking system on 31.03.2017 (in foreign currency)	Nil	Nil

40. The Board of Directors of the Company has recommended a final dividend of ₹ 1/- per equity share for the year ended March 31, 2018 (Previous Year ₹ 1/- per equity share). The said dividend will be paid after the approval of shareholders at the Annual General Meeting. However, as per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend recommended by the Board of Directors for the year ended March 31, 2018.

41. Figures of previous year have been rearranged/regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V. P. Shetty
Chairman
DIN – 00021773

Milind Gandhi
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date: April 30, 2018

FORM AOC-1

Pursuant to first proviso to sub-section (3) of Section 129 of the Act read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiary company as on March 31, 2018

Name of the Subsidiary	Currency	Share Capital	Reserves	Total assets including investments	Total liabilitiesa	Investments	Turnover	Profit / (Loss) before Tax	Provision for tax	Profit / (Loss) after Tax	Proposed Dividend	% of shareholding
JM Financial Home Loans Limited	₹	320,000,000	(13,823,580)	325,610,112	19,433,692	-	17,433,105	(14,183,232)	(333,290)	(13,849,942)	-	100.00%

Note:
a. Total liabilities exclude share capital and reserve.

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079)

V P Shetty
Chairman
DIN – 00021773

Milind Gandhi
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date: April 30, 2018

Independent Auditors' Report

TO THE MEMBERS OF JM FINANCIAL PRODUCTS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **JM FINANCIAL PRODUCTS LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as the "Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements 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 by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

Opinion

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 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 consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated financial statements.

Independent Auditors' Report (Contd.)

(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, and the Consolidated Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the 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 Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. There were no pending litigations as at 31st March, 2018 which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at 31st March, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

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

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

Mumbai, 30th April, 2018

Independent Auditors' Report (Contd.)

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' 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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of JM FINANCIAL PRODUCTS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are 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 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 internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, 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 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary company incorporated in India.

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

Independent Auditors' Report (Contd.)

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 Holding Company and its subsidiary company incorporated in India, have, 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 internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

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

Mumbai, 30th April, 2018

Consolidated Balance Sheet

as at March 31, 2018

(₹ in Crore)

	Note No.	As at March 31, 2018		As at March 31, 2017
Equity and Liabilities				
Shareholders' funds				
Share capital	2	544.50		544.50
Reserves and surplus	3	950.38		798.29
			1,494.88	1,342.79
Non-Current Liabilities				
Long-term borrowings	4	2,628.86		1,150.12
Other non-current liabilities	5	61.01		12.32
Long-term provisions	6	29.83		27.13
			2,719.70	1,189.57
Current Liabilities				
Short-term borrowings	7	1,741.20		2,919.16
Trade payables:	8			
- Dues to micro and small enterprises		0.01		-
- Others		12.46		13.60
Other current liabilities	9	1,279.45		484.47
Short-term provisions	10	5.60		7.51
			3,038.72	3,424.74
Total			7,253.30	5,957.10
Assets				
Non-current assets				
Property, plant and equipment	11			
Tangible assets		4.33		4.05
Intangible assets		1.47		0.91
Intangible assets under development		2.03		0.66
Non-current investments	12	7.52		102.27
Deferred tax assets (net)	13	12.46		12.46
Long-term loans and advances	14	3,401.84		2,642.34
			3,429.65	2,762.69
Current assets				
Current investments	15	59.08		5.71
Stock-in-trade	16	-		9.86
Cash and bank balances	17	413.84		263.63
Short-term loans and advances	18	3,350.40		2,914.93
Other current assets	19	0.33		0.28
			3,823.65	3,194.41
Total			7,253.30	5,957.10
Notes to the Consolidated Financial Statements	1 to 38			

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: April 30, 2018

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V. P. Shetty
Chairman
DIN – 00021773

Milind Gandhi
Chief Financial Officer

Reena Sharda
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Crore)

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	20	873.23	680.13
Other Income	21	36.43	26.43
Total Revenue		**909.66**	**706.56**
Expenses			
Employee benefits expense	22	42.15	23.37
Finance costs	23	488.87	344.11
Provision for loan	24	3.95	-
Depreciation / amortization expense	11	2.54	2.13
Operating and other expenses	25	45.94	33.62
Total Expenses		**583.45**	**403.23**
Profit before Tax		**326.21**	**303.33**
Tax Expense			
Current tax		114.50	104.73
Deferred tax		0.00	1.37
Short provision for income tax in respect of earlier years		0.18	-
Total		**114.68**	**106.10**
Profit after Tax		**211.53**	**197.23**
Earning per Equity Share			
(Face value of ₹ 10/- each)			
Basic and Diluted (in Rupees)		3.88	3.62
Notes to the consolidated financial statements	1 to 38		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

Place: Mumbai
Date: April 30, 2018

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V. P. Shetty
Chairman
DIN – 00021773

Milind Gandhi
Chief Financial Officer

Reena Sharda
Company Secretary

Consolidated Statement of Cash Flow

for the year ended March 31, 2018

(₹ in Crore)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2018
A.	**Net Profit before tax**	326.23	303.33
	Adjustment for :		
	Depreciation/ Amortisation	2.54	2.13
	Loss on fixed assets sold/ discarded (net)	-	0.25
	Profit on Sale of Fixed Assets (net)	(0.13)	-
	Loan funds written off	4.16	0.55
	Interest expenses - Others	0.16	0.23
	Provision for doubtful loans written back(net)	(4.14)	(4.47)
	Provision for Non Performing Assets	1.68	-
	Provision for standard assets	2.26	-
	Interest Income on fixed deposits with Banks and others	(1.22)	(3.94)
	Provision for bonus - written back	(0.14)	(1.26)
	Dividend on long term investments	-	(0.07)
	Loss on sale of long term investments	-	0.41
	Profit on sale of current investments	(30.37)	(16.65)
	Operating Profit before Working Capital Changes	**301.03**	**280.51**
	Changes in working capital		
	Adjustment for (increase)/ decrease in operating assets:		
	Loans and advances and other current assets	(1,179.52)	(2,329.76)
	Stock-in-trade	9.86	247.04
	Loans disbursed	(17.84)	
	Operating fixed deposits with banks	(145.50)	-
	Accrued interest income related to operating activities	0.01	0.08
	Adjustment for increase/ (decrease) in operating liabilities:		-
	Trade payables, other liabilities and provisions	10.91	18.54
	Accrued interest expenses related to operating activities	108.87	20.39
	Cash (used in) from operations	**(912.18)**	**(1,763.20)**
	Direct taxes paid (net)	(116.15)	(105.74)
	Net Cash (used in) Operating Activities (A)	**(1,028.33)**	**(1,868.94)**
B.	**Cash flow from Investing Activities**		
	Purchase of fixed assets	(5.20)	(3.95)
	Sale of fixed assets	0.14	-
	Purchase of long term investments	(0.30)	(230.22)
	Sale of long term investments	95.05	226.94
	(Purchase)/ sale of current investments (net)	(23.01)	16.65
	Interest received	1.11	4.15
	Dividend received	-	0.07
	Net Cash flow from Investing Activities (B)	**67.79**	**13.64**

(₹ in Crore)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2018
C.	**Cash flow from Financing Activities**		
	Proceeds from long term borrowings (net)	1,885.83	972.35
	Repayments of long term borrowings		-
	Proceeds from short term borrowings (net)	(860.96)	567.12
	Interest paid	(0.16)	(0.23)
	Proceeds from issue of equity share capital	-	-
	Dividend paid (Including Corporate Dividend Tax)	(59.46)	(119.94)
	Net Cash flow from Financing Activities (C)	**965.25**	**1,419.30**
	Net Increase / (decrease) in cash and cash equivalents (A+B+C)	4.71	(436.00)
	Cash and cash equivalents at the beginning of the year	203.63	639.63
	Cash and cash equivalents at the end of the year	**208.34**	**203.63**
Notes:			
(1)	**Reconciliation of cash and cash equivalents:**		
	As per Balance Sheet (Refer note 16)	413.84	263.63
	Less: Balances with banks in deposit	205.50	60.00
	As per Cash-flow statement	**208.34**	**203.63**

(2) Balances with banks in deposit includes ₹ 205.50 crore (Previous year ₹ 60.00 crore) placed as securities against overdraft facilities availed from the banks.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V. P. Shetty
Chairman
DIN – 00021773

Milind Gandhi
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date: April 30, 2018

Notes

to the Consolidated Financial Statements

1. Principles of consolidation:

The consolidated financial statements relate to JM Financial Products Limited ('the Company") and its subsidiary, which together constitutes the Group. The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2018.

b. The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements".

c. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiary when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company's separate financial statements.

The name of the subsidiary of the Company which is included in the consolidation and the Group's holding therein is as under:

Name of the Subsidiary	Country of Incorporation/ Registration	Percentage of Holding
JM Financial Home Loans Limited	India	100%

2. Significant Accounting Policies

Basis of preparation of financial statements

The consolidated financial statements of the Group 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. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

Use of Estimates

The preparation of consolidated financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the consolidated financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Difference between the actual and estimates are recognised in the period in which the results are known / materialised.

Property, Plant And Equipment

Property, Plant And Equipment are recorded at cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation/ amortization and impairment loss, if any.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible Property, Plant And Equipments has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the period of lease or useful life of the asset whichever is lower.

Assets acquired under finance lease are depreciated over the period of lease.

Assets costing ₹ 5,000/- or less are depreciated at 100%.

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.

Impairment loss

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount(s). 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 sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Investments

Current investments are carried at lower of cost (Scrip wise) and fair value. Long term investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of long term investments.

Stock in Trade

Stock in trade is carried at lower of cost and fair value. Cost is determined on First in First Out basis.

Foreign Currency Transactions

Transactions in foreign currency are recorded at rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realisation/ payment of foreign exchange are accounted in the relevant year as income or expense.

Revenue Recognition

Interest income is recognised on accrual basis except in case of non-performing assets where interest is accounted on realization. In other cases, income is recognised when there is no significant uncertainty as to determination or realization exists.

Provision for Non Performing Assets (NPA) and Standard Assets (SA)

"All loans and other credit exposures, where the installments are overdue for a period of four months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the Master Direction - ""Non-Banking Financial Company- Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction- Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016."

Employee Retirement Benefits

(a) **Post Employment Benefits and Other Long Term Benefits:**

Defined Contribution Plan:

The Group contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statue/ Rules.

Defined Benefit Plans:

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every financial year using "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.

(b) **Short term employee benefits:**

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

Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets 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. All other borrowing costs are charged to revenue.

Taxes on income

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one 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 which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

Provisions and contingencies

A provision is recognized when the Group 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 Group 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 (Contd.)

to the Consolidated Financial Statements

2. Share Capital

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
Authorised:		
1,100,000,000 Equity Shares of ₹10/- each	1,100.00	1,100.00
100,000,000 Preference Shares of ₹10/- each	100.00	100.00
Total	**1,200.00**	**1,200.00**
Issued, Subscribed and Paid up Capital:		
544,500,000 Equity Shares of ₹10/- each fully paid up	544.50	544.50
Total	**544.50**	**544.50**

2.1 The Company has issued only one class of shares i.e. equity. The equity shareholders are entitled to dividend as and when dividend is declared and approved by the shareholders.

2.2 Details of Shareholding in excess of 5%:

Names of the Shareholders	Number of shares & % of holding	
JM Financial Limited and its nominees (5 shares held by nominees)	540,664,050	490,050,000
	99.30%	90.00%
JM Financial Institutional Securities Limited	-	50,461,850
	-	9.27%

3. Reserves and Surplus

	As at March 31, 2018	As at March 31, 2017
Securities Premium Reserve	38.23	38.23
Statutory Reserve		
(Under Section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	233.29	193.29
Add : Transfer from the Statement of Profit and Loss	43.00	40.00
	276.29	233.29
Capital Redemption Reserve*		
*₹ 1,000/- (Previous year ₹ 1,000/-)	0.00	0.00
Balance in the Statement of Profit and Loss		
Opening balance	526.77	429.51
Profit for the year	211.54	197.23
Final / Interim dividend	(49.40)	(49.83)
Corporate dividend tax	(10.06)	(10.14)
Transferred to statutory reserve	(43.00)	(40.00)
	635.85	526.77
Total	**950.37**	**798.29**

4. Long-term Borrowings

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
Secured		
Term Loan from a Bank (Refer note 4.1)	930.00	400.00
Less: Current maturities of Term loans from Banks	(213.34)	(20.00)
	716.66	380.00
Non-Convertible Debentures (Refer note 4.2 and 4.3)	2,543.50	1,012.30
Less: Current maturities of Non-Convertible Debentures	(950.50)	(242.50)
Less: Unamortised discount on non-convertible debentures	(0.02)	(0.07)
Add: Premium on non-convertible debentures	2.22	-
	1,595.20	769.73
Finance lease obligations (Refer note 4.4 and 30)	0.01	0.73
Less: Current maturities of Finance Lease Obligations	(0.01)	(0.34)
	-	0.39
Unsecured		
Non-Convertible Debentures (Refer note 4.3)	317.00	177.00
Less: Current maturities of Non-Convertible Debentures	-	(177.00)
	317.00	-
Total	**2,628.86**	**1,150.12**

4.1 Term Loan from a Bank :

a) Term Loan is secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of Term Loan:

Maturity profile	Rate of interest	Current Year	Previous Year
2017-18	8.75%	-	20.00
2018-19	8.65% to 8.75%	213.34	180.00
2019-20	8.40% to 8.65%	241.12	77.77
2020-21	8.40% to 8.65%	362.20	122.23
2021-22	8.45% to 8.50%	96.67	-
2022-23	8.50%	16.67	-
		930.00	400.00

4.2 Non-Convertible Debentures are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

Notes (Contd.)

to the Consolidated Financial Statements

4.3 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCDs) face value of Rs. 1,000,000/- each:

Particulars	Non-Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
0.00% NCD redeemable in year 2017-18 *	-	-	-	100.00
0.00% NCD redeemable in year 2018-19 *	-	278.00	428.00	-
0.00% NCD redeemable in year 2019-20 *	264.70	64.70	-	-
0.00% NCD redeemable in year 2020-21 *	337.10	77.10	-	-
0.00% NCD redeemable in year 2021-22 *	228.90	-	-	-
0.00% NCD redeemable in year 2019-20 ***	317.00	-	-	-
9.55% NCD redeemable in year 2017-18	-	-	-	50.00
8.75% NCD redeemable in year 2017-18***	-	-	-	177.00
8.40% NCD redeemable in year 2018-19	-	75.00	75.00	-
8.81% NCD redeemable in year 2018-19	-	100.00	100.00	-
8.88% NCD redeemable in year 2018-19	-	15.00	15.00	-
8.89% NCD redeemable in year 2018-19	-	95.00	95.00	-
NCD redeemable in year 2017-18**	-	-	-	92.50
NCD redeemable in year 2018-19**	-	60.00	237.50	-
NCD redeemable in year 2019-20**	114.00	5.00	-	-
NCD redeemable in year 2020-21**	438.90	-	-	-
NCD redeemable in year 2021-22**	209.40	-	-	-
Total	**1,910.00**	**769.80**	**950.50**	**419.50**

** Redeemable at premium*

*** Market linked debentures (MLD)*

****Unsecured*

4.4 Finance lease obligations are secured by way of hypothecation of vehicles.

(₹ in Crore)

	As at March 31, 2018	As at March 31, 2017
5. Other Non-Current Liabilities		
Interest/Premium accrued but not due on borrowings	59.36	11.37
Employee benefits payable	1.65	0.95
Total	**61.01**	**12.32**
6. Long Term Provisions		
For Standard Assets (Refer note 37)	28.53	26.27
For employee benefits:		
Gratuity (Refer note 28)	1.30	0.86
Total	**29.83**	**27.13**
7. Short Term Borrowings		
Unsecured		
Other loans and advances		
Commercial paper (Refer note 7.1 and 7.2)	1,753.30	2,993.70
Less: Unamortised interest on commercial paper	(37.10)	(99.54)
	1,716.20	**2,894.16**
Inter Corporate Deposit	25.00	25.00
Total	**1,741.20**	**2,919.16**

7.1 The maximum amount of commercial paper outstanding at any time during the year was ₹ 5,363.70 crore (Previous year ₹ 6,141.70 crore).

7.2 Interest rate of commercial paper issued during the year ranges from 6.50% to 11.25% p.a. (Previous year 6.40% to 12.00% p.a.)

8. Trade Payables

There are no dues payable to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the company.

(₹ in Crore)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.01	-
(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	-	-
9. Other Current Liabilities		
Current maturities of long term borrowings:		
- Term Loan from Banks (Refer note 4.1)	213.34	20.00
- Non-Convertible Debentures (Refer note 4.2 and 4.3)	950.50	419.50
Less: Unamortised discount on non-convertible debentures	(0.00)	(0.08)
Add: Premium on non-convertible debentures	-	-
	950.50	**419.42**
- Finance Lease Obligations (Refer note 4.4 and 30)	0.01	0.34
Interest/Premium accrued but not due on borrowings	80.23	19.35
Income received in advance	2.71	6.18
Employee benefits payable	22.05	17.15
Statutory dues	8.45	0.88
Directors' commission payable	2.16	1.15
Total	**1,279.45**	**484.47**
10. Short Term Provisions		
For Taxation (net of advance tax)	2.41	2.64
For doubtful loans	1.68	4.14
For employee benefits:		
- Compensated absences	1.17	0.56
- Gratuity (Refer note 28)	0.33	0.17
Total	**5.59**	**7.51**

Notes (Contd.)

to the Consolidated Financial Statements

11. Property, Plant and Equipment

(₹ in Crore)

Description of Assets	Gross Block (At Cost)				Depreciation / Amortisation				Net Block
	As at April 1, 2017	Additions	Deductions / Adjustments	As at March 31, 2018	Up to March 31, 2017	For the year	Deductions / Adjustments	Up to March 31, 2018	As at March 31, 2018
Tangible Assets									
Own Assets									
Freehold Land (Refer note 11.1)	0.21	-	-	0.21	-	-	-	-	0.21
Furniture and Fixtures	0.52	0.12	-	0.64	0.17	0.09	0.00	0.27	0.37
Computers	0.75	1.20	0.01	1.95	0.46	0.31	0.01	0.76	1.19
Office Equipment	0.34	0.08	-	0.42	0.14	0.08	0.00	0.22	0.21
Vehicles	1.60	-	-	1.60	0.07	-	-	0.07	1.53
Leasehold Improvements	2.44	0.85	-	3.29	1.63	0.90	-	2.53	0.77
Leased Assets									
Vehicles (Refer note 11.2)	1.55	-	0.27	1.29	0.89	0.62	0.27	1.24	0.05
Total	**7.41**	**2.25**	**0.28**	**9.40**	**3.36**	**2.00**	**0.28**	**5.09**	**4.33**
Intangible Assets									
Software	3.35	1.10	-	4.45	2.44	0.54	-	2.98	1.47
Total	**3.35**	**1.10**	**-**	**4.45**	**2.44**	**0.54**	**-**	**2.98**	**1.47**
Intangible assets Under Development									**2.03**

Previous Year (₹ in Crore)

Description of Assets	Gross Block (At Cost)				Depreciation / Amortisation				Net Block
	As at April 1, 2016	Additions	Deductions / Adjustments	As at March 31, 2017	Up to March 31, 2016	For the year	Deductions / Adjustments	Up to March 31, 2017	As at March 31, 2017
Tangible Assets									
Own Assets									
Freehold Land (Refer note 11.1)	0.21	-	-	0.21	-	-	-	-	0.21
Furniture and Fixtures	0.43	0.22	0.13	0.52	0.13	0.08	0.04	0.17	0.35
Computers	0.58	0.17	-	0.75	0.32	0.14	-	0.46	0.30
Office Equipment	0.16	0.19	0.01	0.34	0.08	0.07	0.01	0.14	0.20
Vehicles	-	1.60	-	1.60	-	0.07	-	0.07	1.53
Leasehold Improvements	1.81	1.09	0.46	2.44	1.07	0.86	0.30	1.63	0.81
Leased Assets									
Vehicles (Refer note 11.2)	1.55	-	-	1.55	0.40	0.49	-	0.89	0.66
Total	**4.74**	**3.27**	**0.60**	**7.41**	**2.00**	**1.71**	**0.35**	**3.36**	**4.05**
Intangible Assets									
Software	3.11	0.24	-	3.35	2.02	0.42	-	2.44	0.91
Total	**3.11**	**0.24**	**-**	**3.35**	**2.02**	**0.42**	**-**	**2.44**	**0.91**
Intangible assets Under Development									**0.66**

11.1 Mortgaged as security against secured Non-Convertible Debentures. (Refer note 4.2)

11.2 Vendors have a lien over assets taken on lease.

(₹ in Crore)

		As at March 31, 2018		As at March 31, 2017	
		Nos.	₹ in Crore	Nos.	₹ in Crore
12.	**Non-Current Investments**				
	(Non Traded Fully Paid up)				
a)	**Equity Shares**				
	In Others (unquoted)				
	Fairassets Technologies India Private Limited of ₹ 10/- each*	2	0.00	2	0.00
	*₹ 11,542/- (Previous Year ₹ 11,542)				
b)	**Preference Shares**				
	In Others (unquoted)				
	10% Participating non-cumulative redeemable preference shares of				
	JM Financial Properties & Holdings Limited of ₹ 10/- each	-	-	95,050,000	95.05
	Compulsory Convertible Preference Share				
	Fairassets Technologies India Private Limited - Series A3 of ₹ 5,771.13/- each	12,508	7.22	-	-
	Fairassets Tech India Private Ltd. -Series B of ₹ 7,395.15/- each	406	0.30	-	-
c)	**Debentures**				
	In Others (unquoted)				
	Compulsory Convertible Debentures				
	Fairassets Technologies India Private Limited - Series A of ₹ 5,771.13 each	-	-	12,508	7.22
	Total		**7.52**		**102.27**
12.1	**Aggregate cost of:**				
	Unquoted Investments		7.52		102.27
	Total		**7.52**		**102.27**
13.	**Deferred Tax Assets (Net)**				
	Difference between books and tax written down value of fixed assets		0.77		0.69
	Provision for standard assets		9.86		9.09
	Provision for doubtful loans		0.01		1.43
	Disallowances under section 43B of the Income Tax Act, 1961		1.82		1.25
	Total		**12.46**		**12.46**

(₹ in Crore)

		As at March 31, 2018	As at March 31, 2017
14.	**Long Term Loans And Advances**		
	(Unsecured unless otherwise stated and considered good)		
	Loan funds:		
	Secured*	3,381.57	2,614.40
	Unsecured	-	2.84
		3,381.57	**2,617.24**
	Advance tax (net of provision for tax)	17.34	16.07
	Security deposits	1.24	8.39
	Unamortised discount on non-convertible debentures	-	-
	Capital advances	1.69	0.63
	Staff loans	-	0.01
	Total	**3,401.84**	**2,642.34**

**includes loan funds of ₹178.50 crore (Previous year 316.00 crore) in the form of Non-convertible debentures.*

Loans granted by the company are secured by equitable mortgage / registered mortgage of the property and / or undertaking to create security and / or assignment of life insurance policies.

Notes (Contd.)

to the Consolidated Financial Statements

(₹ in Crore)

		As at March 31, 2018	As at March 31, 2017
15.	**Current Investments**		
i.	**(Quoted)**		
	Mutual Fund Units of ₹ 10/- each fully paid up		
	93,071.574 (Previous year Nil) units		
	HDFC Mutual Fund Floating Rate Income Fund	0.26	-
ii.	**(Unquoted)**		
	Mutual Fund Units of ₹ 10/- each fully paid up		
	745,131.822 (Previous Year Nil) - JM Floater Long Term Fund	2.01	-
	Security Receipts of ₹ 1,000/- each, fully paid-Up		
	200,000 (Previous Year 200,000) Class A Security Receipts of ₹ 1,000/- each fully paid up	3.26	5.71
	(Face value partly reedemed)		
	Trust - Sr-I Security Receipts of ₹ 1,000/- each fully paid up	53.55	-
	Total	**59.08**	**5.71**
15.1	**Aggregate cost of:**		
	Quoted investments	0.26	-
	Unquoted investments	58.82	5.71
	Total	**59.08**	**5.71**
15.2	**Market Value of quoted Investments**	0.28	-
16.	**Stock-In-Trade**		
	Debt instruments	-	9.86
	Total	**-**	**9.86**
16.1	Debt instruments includes interest accrued of ₹ Nil (Previous year ₹ 0.18 crore)		
17.	**Cash and Bank Balances**		
	Cash and cash equivalents		
	Cash In hand	0.01	-
	Demand Draft on Hand	0.01	-
		0.02	**-**
	Balances with banks		
	- in current accounts	13.77	14.13
	- in deposit accounts	194.55	189.50
		208.32	**203.63**
	Other bank balances		
	In deposit accounts under lien against which overdraft facilities are availed (refer note 17.1)	205.50	60.00
	Total	**413.84**	**263.63**
17.1	Deposit accounts under lien of ₹ 205.50 crore (Previous year ₹ 60.00 crore) against which overdraft facilities remained outstanding as at the year end of ₹ Nil (Previous year of ₹ Nil)		
18.	**Short Term Loans and Advances**		
	(Unsecured unless otherwise stated)		
	Loan funds:		
	Secured	3,161.72	2,281.36
	Unsecured	56.93	600.22
		3,218.65	**2,881.58**
	Accrued Interest on loan funds	41.53	30.93
	Others*	90.22	2.42
	Total	**3,350.40**	**2,914.93**
	** includes prepaid expenses, Goods & Service Tax input credit receivable, receivable on account of warehousing investments etc.*		
19.	**Other Current Assets**		
	Accrued interest on deposits with banks	0.33	0.28
	Total	**0.33**	**0.28**

(₹ in Crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
20.	**Revenue from Operations**		
	Income from funding activities	770.34	603.03
	Income from trading in debt instruments (net)	5.58	36.70
	Interest/premium on debentures	35.18	7.59
	Advisory and other fees	62.13	32.81
	Total	**873.23**	**680.13**
21.	**Other Income**		
	Interest on		
	- Fixed deposits with banks	0.67	2.78
	- Others	0.55	1.16
		1.22	3.94
	Dividend on investments		
	- Long Term	-	0.07
		-	0.07
	Profit on sale of investments		
	- Current (net)	30.37	16.65
	Provision for bonus written back	0.14	1.26
	Provision for doubtful loans written back (net)	4.14	4.47
	Miscellaneous Income	0.43	0.04
	Profit on Sale of Fixed Assets (net)	0.13	-
	Total	**36.43**	**26.43**
22.	**Employee benefits Expense**		
	Salaries, bonus, other allowances and benefits	39.97	22.25
	[net of recoveries of ₹ 8.00 crore, Previous year ₹ 7.94 crore]		
	Contribution to provident and other funds (refer note 28)	1.40	0.77
	Gratuity (Refer note 28)	0.57	0.24
	Staff welfare expenses	0.21	0.11
	Total	**42.15**	**23.37**
23.	**FINANCE COSTS**		
	Interest on fixed loans	488.14	343.13
	Interest on bank overdraft	0.57	0.75
	Interest on others	0.16	0.23
	Total	**488.87**	**344.11**
24.	**Provision for Loans**		
	Provision on standard assets	2.27	-
	Provision on non-performing assets	1.68	-
		3.95	**-**

Notes (Contd.)

to the Consolidated Financial Statements

(₹ in Crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
25.	**Operating and Other Expenses**		
	Professional and consultancy charges	9.81	4.73
	Space and other related costs (Refer note 30)	10.46	7.47
	(net of recoveries of ₹ 0.03 crore, Previous year ₹ 0.03 crore)		
	Rates and taxes	6.04	8.48
	Membership and subscription	0.91	0.55
	Manpower cost	0.85	0.67
	Auditors' remuneration (Refer note 27)	0.13	0.16
	Electricity	0.68	0.40
	Communication expenses	0.10	0.09
	Travelling and conveyance	0.73	0.47
	Insurance	0.30	0.24
	Printing and stationery	0.14	0.05
	Repairs and maintenance - others	0.64	0.27
	Loss on fixed assets sold / discarded (net)	-	0.25
	Loss on sale of long term investment	-	0.41
	Loan funds written off	4.16	0.55
	Donations	6.26	5.70
	Directors' commission	2.16	1.15
	Sitting fees to directors	0.14	0.15
	Miscellaneous expenses	2.41	1.83
	Total	**45.94**	**33.63**
26.	**Contingent Liabilities and commitments**		
(a)	Contingent Liabilities not provided for in respect of:		
	Estimated liability on account of disallowance u/s 14A of Income Tax Act 1961, for AY 2010-11 for which appeal was pending before Income Tax Appellate Tribunal (ITAT). During the FY18 the order has been decided in our favour.	-	0.30
(b)	Capital Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	2.53	4.20
27.	**Payment to Auditors':** (Excluding service tax)		
	Audit Fees	0.09	0.09
	In any other manner (Certifications, limited reviews, etc.)	0.04	0.06
	Out of pocket expenses*	0.00	0.01
	* ₹ 23,670/- (Previous year ₹ 30,953/-)		
	Total	**0.13**	**0.16**

28. Employee Benefits

Short-term employee benefits:

The Group provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

Defined Contribution Plan:

Contributions are made to Government Provident Fund and Family Pension Fund which covers all regular employees. While both the employees and the Company make predetermined contributions to the provident fund, contribution to the family pension fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. Amount recognized as expense in respect of these defined contribution plans, aggregate ₹ 1.40 crore (Previous year 0.77 crore).

(₹ in Crore)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Defined Benefit Plan: [Gratuity (Unfunded)]			
I.	**Reconciliation of liability recognised in the Balance Sheet**		
	Fair value of plan assets as at the end of the year	-	-
	Present value of obligation as at the end of the year	1.64	1.03
	Net liability in the Balance Sheet	1.64	1.03
II.	**Movement in net liability recognised in the Balance Sheet**		
	Net liability as at the beginning of the year	1.03	0.83
	Net expense recognised in the statement of profit and loss	0.57	0.24
	Liabilities Assumed on Acquisition/(Settled on Divestiture)	0.11	0.05
	Payments during the year	(0.07)	(0.09)
	Net liability as at the end of the year	1.64	1.03
III.	**Expense recognised in the statement of profit and loss (Under the head employee benefit expenses)**		
	Current Service Cost	0.17	0.08
	Interest Cost	0.08	0.07
	Past Service Cost	0.43	-
	Actuarial Losses/ (Gains)	(0.11)	0.09
	Expenses charged to statement of profit and loss	0.57	0.24
IV.	**Reconciliation of defined benefit commitments**		
	Commitments at the beginning of the year	1.03	0.83
	Current Service Cost	0.17	0.08
	Interest Cost	0.08	0.07
	Past Service Cost	0.43	-
	Actuarial Losses/(Gains)	(0.11)	0.09
	Liabilities Assumed on Acquisition/(Settled on Divestiture)	0.11	0.05
	Benefits Paid	(0.07)	(0.09)
	Commitments at the year end	1.64	1.03
V.	**Experience Adjustments**	**March 31, 2018**	March 31, 2017
	Defined Benefit Obligation	1.63	1.03
	Plan Assets	-	-
	Surplus/(Deficit)	(1.63)	(1.03)
	Experience Adj. on Plan Liabilities	(0.03)	0.03
	Experience Adj. on Plan Assets	-	-
VI.	**Actuarial Assumptions**	**March 31, 2018**	March 31, 2017
	Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
	Discount rate (per annum)	7.85%	7.20%
	Rate of escalation in salary (per annum)	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Notes (Contd.)

to the Consolidated Financial Statements

29. Related Party Disclosure:

Names of related parties and description of Relationship

(i) Names of related parties and description of relationship where control exists

Holding Company

JM Financial Limited

(ii) Names of related parties and description of relationship where transactions have taken place

(A) **Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.**

Holding Company

JM Financial Limited

Fellow Subsidiaries

JM Financial Services Limited

JM Financial Commtrade Limited

Astute Investments

JM Financial Properties & Holdings Limited

CR Retail Malls (India) Limited

JM Financial Investment Managers Limited (upto January 18, 2018)

JM Financial Institutional Securities Limited (upto January 18, 2018)

JM Financial Capital Limited

JM Financial Credit Solutions Limited

JM Financial Asset Reconstruction Company Limited

JM Financial Asset Management Limited

(B) **Key Management Personnel and relatives of such Personnel:**

Mr. Vishal Kampani

(C) **Enterprises over which any person described in (B) is able to exercise significant influence**:

JSB Securities Limited

(iii) Details of transactions with related parties

(₹ in Crore)

Name of the related party	Nature of relationship	Year ended March 31, 2018	Year ended March 31, 2017
JM Financial Limited	(A)		
Dividend paid		49.01	98.01
Reimbursement of employees expenses		1.94	0.92
Sales of Pref. shares of JM Financial Prop Holdings		95.05	-
Inter Corporate Deposit taken		345.00	-
Inter Corporate Deposit repaid		345.00	-
Interest expenses on ICD taken		0.19	-
Closing Balance*		0.00	-
*₹ 41,333/- (Previous year ₹ Nil)			
JM Financial Services Limited	(A)		
Inter Corporate Deposits given		615.00	500.00
Inter Corporate Deposits repaid		615.00	500.00
Interest income on Inter Corporate Deposits given		0.52	0.50
Issue of market linked debentures		68.89	104.76
Arrangers Fees / Brokerage charges		0.08	0.01
Demat charges paid*		0.00	0.00

(₹ in Crore)

Name of the related party	Nature of relationship	Year ended March 31, 2018	Year ended March 31, 2017
* ₹ 1,500/- (Previous year ₹ 1,500/-)			
Transfer of Gratuity/Liability		0.01	-
JM Financial Properties & Holdings Limited	(A)		
Inter Corporate Deposits given		13.07	139.55
Inter Corporate Deposits repaid		61.07	91.55
Interest income on Inter Corporate Deposits given		2.06	1.81
Space & other related cost paid		8.32	5.60
Reimbursement of expenses (paid)		1.56	2.08
Refund of Property Deposit		8.00	-
Security Deposits given		-	2.82
Closing balance as at the year end - ICD given - debit		-	48.00
Closing balance as at the year end - Security Deposit given - debit		-	8.00
JM Financial Institutional Securities Limited	(A)		
Transfer of Gratuity liability received		0.07	-
Reimbursement of expenses		0.01	0.03
JM Financial Investment Managers Limited	(A)		
Inter Corporate Deposits given		2.85	2.70
Inter Corporate Deposits repaid		2.85	5.20
Interest income on Inter Corporate Deposits given		0.02	0.24
Reimbursement of Expenses		0.12	-
Astute Investments	(A)		
Recovery of rent expenses		0.03	0.03
Loan Given		311.12	227.56
Loan repaid		311.12	227.56
Interest income on loan given		0.68	0.24
JM Financial Capital Limited	(A)		
Transfer of Gratuity/Liability		0.04	-
Transfer of Staff Loan Liability (Recd)*		0.00	-
* ₹ 17,000/- (Previous year ₹ NIL)			
Inter Corporate Deposits taken		137.00	-
Inter Corporate Deposits repaid		137.00	-
Interest expenses on Inter Corporate Deposits taken		0.03	-
Inter Corporate Deposits given		349.00	2.70
Inter Corporate Deposits repaid		349.00	2.70
Interest income on Inter Corporate Deposits taken		0.36	0.01

Notes (Contd.)

to the Consolidated Financial Statements

(₹ in Crore)

Name of the related party	Nature of relationship	Year ended March 31, 2018	Year ended March 31, 2017
JM Financial Credit Solutions Limited	(A)		
Inter Corporate Deposits taken		-	75.00
Inter Corporate Deposits repaid		-	75.00
Inter Corporate Deposits given		125.00	130.00
Inter Corporate Deposits repaid		125.00	130.00
Interest income on Inter Corporate Deposits given		0.19	0.08
Interest expenses on Inter Corporate Deposits taken		-	0.02
Transfer of gratuity liability paid		-	0.04
Recovery of expenses/support service charges		8.00	7.94
Closing balance as at the year end - debit		-	0.99
CR Retail Malls (India) Limited	(A)		
Inter Corporate Deposits given		97.72	1.50
Inter Corporate Deposits repaid		67.72	1.50
Interest income on Inter Corporate Deposits given*		0.92	0.00
* (Previous Year - ₹ 35,600/-)			
Closing balance as at the year end - debit		30.00	-
JM Financial Commtrade Limited	(A)		
Inter Corporate Deposits given		-	10.00
Inter Corporate Deposits repaid		-	10.00
Interest income on Inter Corporate Deposits given		-	0.03
JM Financial Assets Reconstruction Company Ltd	(A)		
Inter Corporate Deposits given		206.00	-
Inter Corporate Deposits repaid		206.00	-
Interest income on Inter Corporate Deposits given		0.55	-
Transfer of Gratuity/Liability		0.04	-
Management Fees Paid		0.42	-
JM Financial Asset Management Limited	(A)		
Rent Paid*		0.01	-
* ₹ 60,000/- (Previous year ₹ NIL)			
Mr. Vishal Kampani	(B)		
Managerial remuneration		13.17	11.23
Closing Balance as at the year end - (credit)		(11.50)	(10.00)
JSB Securities Limited	(C)		
Space cost paid		-	0.50
Security Deposits given		-	0.60
Security Deposits refunded		-	0.60

29.1 There are no provision for doubtful debts/advances or amounts written off or written back for debts due from/due to related parties.

29.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Company as a whole.

29.3 The transactions disclosed above are exclusive of Service Tax/Goods and Services Tax.

30. Lease Transactions

Finance leases

The Group has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

(₹ in Crore)

Due	Total Minimum Lease Payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.02	0.01	0.01
	(0.46)	(0.12)	(0.34)
Later than one year and not later than five years	-	-	-
	(0.48)	(0.09)	(0.39)
Later than five years	-	-	-
	(-)	(-)	(-)
	0.02	**0.01**	**0.01**
Total	**(0.94)**	**(0.21)**	**(0.73)**

Figures in brackets are for previous year.

Operating leases

The Group has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges upto 60 months. The minimum lease rentals outstanding in respect of these are as under:

Due		Total Minimum Lease Payments outstanding as at March 31, 2018	Total Minimum Lease Payments outstanding as at March 31, 2017
Not later than one year		9.26	-
Later than one year and not later than five years		36.08	-
Later than five years		-	-
Total		**45.34**	**-**

Lease payments recognised in the Statement of Profit and Loss for the year are ₹ 8.36 crore (Previous year ₹ Nil).

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 23 months to 60 months.

31. 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	**March 31, 2018**	March 31, 2017
Profit after tax attributable to equity shareholders (Rupees in crore)	211.53	197.23
Weighted average number of shares outstanding during the year	544,500,000	544,500,000
Basic and Diluted Earnings per share (Rupees)	3.88	3.62
Nominal value per share (Rupees)	10.00	10.00
32. Expenditure in Foreign Currency		
Reimbursement of expenses*	-	0.00
*₹ Nil (Previous year ₹ 13,522)		

Notes (Contd.)

to the Consolidated Financial Statements

33. Segment Information

(a) Primary Segment of the Group is business segment. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and the internal reporting structure. The Company has identified two business segments:

- Fund Based Activities: This includes Margin Funding, Initial Public Offering Funding, Loan Against Shares, Wholesale loans etc.

- Trading in Debt Securities: This includes purchase and sale of debt securities and related interest income thereon.

(b) Revenues and expenses have been identified to a segment on the basis of relationships to operating activities of the segment. Revenue and expenses which relates to Group as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "unallocable".

Investments, tax related/other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as "unallocable".

(c) Segment information for primary segment reporting (by Business Segment): (₹ in Crore)

Particulars	Funding based activities	Trading in Debt Securities	Total
Segment Revenue	866.93	5.58	872.51
	643.43	*36.70*	*680.13*
Segment Results before unallocated interest and taxes	300.06	0.73	300.78
	264.85	*19.21*	*284.06*
Unallocable Corporate Income/(Expenses) (Net)			25.45
			19.27
Profit before Tax			326.23
			303.33
Tax Expense			114.68
			106.10
Net Profit after Tax			211.54
			197.23
Other Information:			
Segment Assets	7,004.78	10.20	7,014.97
	5,609.64	*20.04*	*5,629.68*
Unallocable Corporate Assets			238.33
			327.42
Total Assets			7,253.30
			5,957.10
Segment Liabilities	5,742.37	9.54	5,751.91
	4,609.31	*1.20*	*4,610.51*
Unallocable Corporate Liabilities			6.51
			3.80
Total Liabilities			5,758.42
			4,614.31
Capital Expenditure	3.24	-	3.24
	3.51	*-*	*3.51*
Depreciation/Amortization	2.52	0.00	2.53
	2.12	*0.01*	*2.13*
Non Cash Expenditure	-	-	-
	-	*-*	*-*

Figures in italics indicates previous year figures.

(d) The Group operates in only one geographical segment and hence no further information is provided.

34. Employee Stock Option Scheme

Based on the request made by JM Financial Products Limited ('the Company'), JM Financial Limited, in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company. 523,817 stock options have been granted on April 21, 2011, 745,329 stock options have been granted on April 16, 2012, 724,998 stock options have been granted on May 6, 2013, 947,991 stock option have been granted on April 01, 2014, 173,991 stock option have been granted on April 16, 2015 , 244,794 stock option have been granted on May 12, 2016 and 208,635 stock option have been granted on April 20, 2017. The particulars of vesting of the stock options granted to the Employees are given in the below table.

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 (Rupees)
April 21, 2012	Series - IV	174,606	Vested	Seven years from the date of Grant	1
April 21, 2013	Series - IV	174,606	Vested	Seven years from the date of Grant	1
April 21, 2014	Series - IV	174,605	Vested	Seven years from the date of Grant	1
April 16, 2013	Series - V	248,443	Vested	Seven years from the date of Grant	1
April 16, 2014	Series - V	248,443	Vested	Seven years from the date of Grant	1
April 16, 2015	Series - V	248,443	Vested	Seven years from the date of Grant	1
May 6, 2014	Series - VI	241,666	Vested	Seven years from the date of Grant	1
May 6, 2015	Series - VI	241,666	Vested	Seven years from the date of Grant	1
May 6, 2016	Series - VI	241,666	Vested	Seven years from the date of Grant	1
April 1, 2015	Series - VII	315,997	Vested	Seven years from the date of Grant	1
April 1, 2016	Series - VII	315,997	Vested	Seven years from the date of Grant	1
April 1, 2017	Series - VII	315,997	Vested	Seven years from the date of Grant	1
April 16, 2016	Series - VIII	57,997	Vested	Seven years from the date of Grant	1
April 16, 2017	Series - VIII	57,997	Vested	Seven years from the date of Grant	1
April 16, 2018	Series - VIII	57,997	To be vested	Seven years from the date of Grant	1
May 12, 2016	Series - IX	81,598	Vested	Seven years from the date of Grant	1
May 12, 2017	Series - IX	81,598	Vested	Seven years from the date of Grant	1
May 12, 2018	Series - IX	81,598	To be vested	Seven years from the date of Grant	1
April 21, 2018	Series - X	69,545	To be vested	Seven years from the date of Grant	1
April 21, 2019	Series - X	69,545	To be vested	Seven years from the date of Grant	1
April 21, 2020	Series - X	69,545	To be 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	597,210	568,660
Granted during the year	208,635	244,794
Transfer in/ (out) during the year	128,862	12,022
Lapsed/ forfeited during the year	30,000	3,999
Exercised during the year	245,351	224,267
Outstanding at the end of the year	659,356	597,210
Exercisable at the end of the year	136,666	104,423

The charge on account of the above scheme is included in employee benefits expense aggregating ₹ 1.94 crore (Previous year ₹ 0.92 crore). Since the options are granted by JM Financial Limited, the Holding company, basic and diluted earnings per share of the Company would remain unchanged.

Notes (Contd.)

to the Consolidated Financial Statements

35. 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 Group during the year – ₹ 5.26 Crore (Previous Year - ₹ 4.70 crore)

b) Amount spent and paid during the year by way of donations to charitable trusts– ₹ 5.26 crore (Previous year ₹ 4.70 crore)

36. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Rupees in crore	As % of consolidated profit or loss	Rupees in crore
Parent : JM Financial Products Limited	97.95%	1,464.26	100.65%	212.93
Subsidiary (incorporated in India) :				
JM Financial Home Loans Limited	2.05%	30.62	(0.65%)	(1.38)

37. The Board of Directors of the Company has recommended a final dividend of Rupees 1/- per equity share for the year ended March 31, 2018. (Previous year Rupee 1/- per equity share) The said dividend will be paid after the approval of shareholders at the Annual General Meeting. However, as per the requirements of revised as off, the Company is not required to provide for dividend proposed/declared after the balance sheet date consequently, no provision has been made in the respect of the aforesaid dividend recommended by the Board of Directors for the year ended March 31, 2018.

38. Figures of previous year have been rearranged / regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079)

V. P. Shetty
Chairman
DIN – 00021773

Milind Gandhi
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date: April 30, 2018

Independent Auditors' Report

To the Members of JM Financial Products Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

1. We have audited the accompanying standalone Ind AS financial statements of **JM Financial Products Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Nature of Key audit Matter – provision towards Expected Credit Loss on Loans

As per the roadmap notified by the Ministry of Corporate Affairs ('MCA') to Indian Accounting Standards ('Ind AS'), the Company has adopted to prepare and present its financial statements from financial year 2018-19 with corresponding comparatives of previous year 2017-18, the transition date being April 1, 2017. As part of adoption to new accounting framework, the Company, inter alia, reported financial assets viz Loans aggregating to ₹ 5,191.86 Crores net of provision towards expected credit loss of ₹ 34.73 Crores as at March 31, 2019. The Expected Credit Loss ('ECL') is based on management estimates using collective model approach for the loan exposure, hence key audit matter. Measurement of credit impairment in outstanding loans involves application of significant judgement by the management of the Company like:

- Timely identification and classification of the impaired credits in loans
- Determination of probability of defaults based on comparative external and internal ratings and further considering values of underlying securities/collaterals and such other relevant factors.
- Assumptions for estimated future cashflows in respect of credit impaired loan accounts.

Our audit processes applied to address the identified key audit Matter

- Tested the design and effectiveness of internal controls in respect of followings:
    - Identification and classification of loans with indications of impaired credits in loan accounts;
    - Evaluating management estimation of future cash flows basis the past experience;
    - For identified credit impaired accounts, selectively testing the forecasts and calculations pertaining thereto;
    - Validation of the model used to ascertain impairment provisioning considering the bifurcation of such loans in correct bucketing;
    - Testing the completeness and accuracy of data from the systems used in models including bucketing of loans into delinquency bands;
    - Assessing management estimates / judgement of key assumptions for aforesaid matters

Information Other than the Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and such other disclosures related information, excluding the standalone Ind AS financial statements and auditor's report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Management for Standalone Ind AS Financial Statements

5. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements. Our audit process in accordance with the SAs is narrated in details in Annexure 1 to this report.

Other Matters

7. The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening Balance Sheet as at April 01, 2017 included in these Standalone Ind AS financial statements, are based on the previously issued statutory standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by Deloitte Haskins & Sells LLP, Chartered Accountants (predecessor auditor) for the year ended March 31, 2018 and for the year ended March 31, 2017, whose reports dated April 30, 2018 and April 27, 2017 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. 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

Independent Auditors' Report (Contd.)

Act, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order.

9. As required by section 143(3) of the Act, we report that:

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

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

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

   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on March 31, 2019, 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. In terms of Provision of Section 197(16) of the Act, as per the information and explanations given, we report that the Managerial remuneration paid by the Company to its Directors is in accordance with Provision of Section 197 of the Act.

   g. With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 3.

   h. 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, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

      (i) The Company does not have any Pending Litigation, as at the year end which would impact its Financial Position.

      (ii) The Company did not have any long-term contracts including derivative contracts 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.

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

Place : Mumbai
Date : April 26, 2019

Hasmukh B Dedhia
Partner (F - 033494)

Independent Auditors' Report (Contd.)

Annexure 1 to the Independent Auditors' Report
(referred to in para 6 titled "Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements")

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Annexure 2 to the Independent Auditors' Report
[referred to in para 8 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

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

(b) As informed to us, fixed assets were physically verified by the Management at regular intervals. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company

ii. The Company does not have any inventory. Accordingly, reporting under clause (iii) of the order is not applicable

iii. In our opinion and according to the information and explanations given to us, the Company has 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, in respect of which:

a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

c. There is no amount overdue for more than 90 days at the balance sheet date.

iv. 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.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. 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.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues generally have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Considering the nature of business that the Company is engaged in, Employees' State Insurance, Excise Duty and Custom Duty are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Sales-tax, Service tax, Goods and Service Tax and Value added tax which have not been deposited as on March 31, 2019 on account of disputes.

Details of dues of Income Tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:

Nature of Statue	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Unpaid
Income Tax, 1961	Income Tax	Commissioner of Income Tax	2010-11 2013-14 2014-15 2015-16	29,119,790/- 35,884,463/- 7,123,404/- 2,349,090/-

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 has not taken loans or borrowings from government and financial institutions.

ix. In our opinion and according to the information and explanations given to us, money raised through issue of debt instruments and through terms 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.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, reporting under clause (xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required under applicable Indian Accounting Standard (Ind AS)

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, reporting under clause (xv) of the Order is not applicable to the Company.

xvi. The Company is registered under section 45IA of the Reserve Bank of India Act, 1934

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

Place : Mumbai
Date : April 26, 2019

Hasmukh B Dedhia
Partner (F - 033494)

Auditors' Report for Non Deposit taking NBFCs

Annexure 3 to the Independent Auditors' Report

[referred to in paragraph 9(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

Report on the Internal Financial Controls 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 Products Limited** ("the Company") as at March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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 on Audit of Internal Financial Controls Over Financial Reporting (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, both issued by the ICAI. 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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

(c) 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 standalone Ind AS 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 considering the nature and size of the operations, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2019, 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 ICAI.

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

Hasmukh B Dedhia
Partner (F - 033494)

Place : Mumbai
Date : April 26, 2019

To the Board of Directors JM Financial Products Limited

Introduction

1. We have audited the books of accounts and other relevant records of JM Financial Products Limited ('the Company') for the year ended March 31, 2019, to report on matters specified in paragraph 3 and 4 of Non-Banking Financial Companies Auditor's report (Reserve Bank) Directions, 2016, DNBS. PPD.03/66.15.001/2016-17 ("RBI Auditors Report Direction") dated 29th September 2016, for submission to the Reserve Bank of India (the "RBI").

Management Responsibility for the Compliance

2. The preparation and maintenance of all accounting and other relevant supporting records is the responsibility of the Company's Management under the Companies Act, 2013, the Reserve Bank of India Act, 1934 (the "RBI" Act) and the Compliance with the RBI Auditors Report Direction, requirement of the applicable RBI Circular/Master Direction and for providing all the relevant information to the RBI. This includes the design, implementation and maintenance of adequate internal financial controls relevant to ensuring compliances.

Auditors' Responsibility

3. Our responsibility is to report on matters specified in paragraph 3 and 4 of the RBI Auditors Report Directions for the year ended March 31, 2019 based on our assurance procedures.
4. We have conducted our procedure in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and Engagement Standards issued by the Institute of Chartered Accountants of India (ICAI) in so far as applicable for the purpose of this Report which includes the test checks and materiality. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI and plan and perform the assurance procedures on matters covered by paragraph 3 and 4 of the RBI Auditors Report Direction.
5. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audit and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.
6. Our assurance procedures performed to obtain audit evidence about matters covered by paragraph 3 and 4 of the RBI Auditors Report Directions. The procedures selected depend on auditor's judgement, including the assessment of the risks of material misstatement of the assertions on matters covered by paragraph 3 and 4 of the RBI Auditors Report Directions, whether due to fraud or error. In making the risk assessments, the auditor considers the internal control relevant to entity's monitoring of the compliance process in respect of matters covered by paragraph 3 and 4 of the RBI Auditors Report Directions in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal controls. Our work was plan to verify how each item specified in paragraphs 3 and 4 of the RBI Directions within our assurance scope was complied with by the management of the company.
7. We believe that we have obtained sufficient audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Criteria

8. The criteria against which the matters specified in paragraph 3 and 4 of the RBI Auditors Report Direction were verified are:
   i) Certificate of Registration ("CoR")
   ii) Master Direction DNBR.PD.008/03.10.119/2016-17 - Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated as on April 16, 2019 ("RBI Direction").
   iii) Audited books of accounts for the year ended March 31, 2019; and
   iv) Certified true copy of resolution passed at the meeting of the Board of Directors of the Company held on regarding non-acceptance / holding of public deposits.

Opinion

9. On the basis of our assurance procedures carried out as aforesaid, we report as follows:
   i. The Company is engaged in the business of Non- Banking Financial Institution as defined in section 45IA of the Reserve Bank of India Act, 1934 and has obtained revised CoR bearing No. B-13.00178 dated March 2, 1998 from the Reserve Bank Of India ('the RBI ").
   ii. The Company is entitled to hold CoR based on its assets/income pattern as on March 31, 2019 which has been computed in manner laid down in RBI Circular No. DNBS (PD) C.C. NO. 81/ 03.05.002/ 2006-07 dated 19th October 2006.
   iii. The Company has met the required net owned fund requirement as laid down in the RBI direction.
   iv. The Board of Directors of the Company has passed a resolution on April 26, 2019 for non acceptance/holding of public deposits.
   v. The Company has not accepted any public deposit during the year ended March 31, 2019.
   vi. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it during the financial year ended March 31, 2019 in terms of RBI Direction.
   vii. The Capital Adequacy Ratio (CRAR) of the Company as on March 31, 2019 has been correctly computed and is in compliance with the requirements of maintaining minimum CRAR of 15% as prescribed by the RBI.
   viii. The annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) as on March 31, 2019 due for submission on or before June 30, 2019 is pending submission.

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

Place : Mumbai
Date : April 26, 2019

Hasmukh B Dedhia
Partner (F - 033494)

Standalone Balance Sheet

as at March 31, 2019

₹ in Crore

Sr. No.		Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	5	142.38	195.75	191.77
(b)	Other Bank Balances	6	60.05	205.50	60.00
(c)	Loans	7	5,220.58	6,543.49	5,473.89
(d)	Investments	8	541.82	98.63	113.89
(e)	Other Financial assets	9	85.56	88.60	19.76
	Total Financial Assets		**6,050.39**	**7,131.97**	**5,859.31**
(2)	**Non-financial Assets**				
(a)	Current tax assets (net)	10	24.29	17.29	16.07
(b)	Deferred tax Assets (net)	11	28.60	27.81	22.13
(c)	Property, Plant and Equipment	12	6.19	4.08	4.05
(d)	Other Intangible assets	12	1.54	1.47	0.91
(e)	Intangible assets under development	12	0.41	1.32	0.67
(f)	Other non-financial assets	13	9.27	3.91	1.68
	Total Non-financial Assets		**70.30**	**55.88**	**45.51**
	Total Assets		**6,120.69**	**7,187.85**	**5,904.82**
	LIABILITIES AND EQUITY				
(1)	**Financial Liabilities**				
(a)	Payables				
	(I)Trade Payables	14			
	(i) total outstanding dues of micro enterprises and small enterprises		0.01	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.49	0.37	0.14
(b)	Debt Securities	15	3,490.29	4,713.33	4,112.90
(c)	Borrowings (Other than Debt Securities)	16	1,033.13	954.17	425.12
(d)	Other financial liabilities	17	26.10	36.51	32.70
	Total Financial Liabilities		**4,550.02**	**5,704.38**	**4,570.86**
(2)	**Non-Financial Liabilities**				
(a)	Current tax liabilities (Net)	18	0.31	2.41	2.62
(b)	Provisions	19	3.31	2.60	1.59
(d)	Other non-financial liabilities	20	6.80	11.01	7.07
	Total Non-Financial Liabilities		**10.42**	**16.02**	**11.28**
(3)	**EQUITY**				
(a)	Equity Share capital	21	544.50	544.50	544.50
(b)	Other Equity	22	1,015.75	922.95	778.18
	Total Equity		**1,560.25**	**1,467.45**	**1,322.68**
	Total Liabilities and Equity		**6,120.69**	**7,187.85**	**5,904.82**
Notes to the standalone financial statements		**1 to 51**			

In terms of our report attached

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

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date : April 26, 2019

Standalone

Standalone Statement of Profit and Loss

for the period ended March 31, 2019

₹ in Crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
(I)	**Revenue from operations**			
(i)	Interest Income	23	856.13	831.17
(ii)	Fees and Commission Income	24	38.99	13.12
(iii)	Other Operating Income	25	53.91	35.83
(iv)	Net gain on fair value changes	26	-	0.06
	Total Revenue from operations		**949.03**	**880.18**
(II)	**Other Income**	27	0.35	11.77
(III)	**Total Income (I+II)**		**949.38**	**891.95**
(IV)	**Expenses**			
(i)	Finance Costs	28	521.96	485.13
(ii)	Impairment on financial instruments	29	(6.82)	5.98
(iii)	Net loss on fair value changes	26	15.82	-
(iv)	Employee Benefits Expenses	30	53.86	39.82
(v)	Depreciation, amortization and impairment	12	2.55	2.51
(vi)	Operating and other expenses	31	46.25	45.17
	Total Expenses		**633.62**	**578.61**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		**315.76**	**313.34**
(VI)	**Tax Expense:**			
	Current tax	32	112.30	114.50
	Deferred tax		(0.84)	(5.64)
	Tax adjustment of earlier years (net)		-	0.18
	Total tax expenses		**111.46**	**109.04**
(VII)	**Profit / (loss) for the period from continuing operations (V-VI)**		**204.30**	**204.30**
(VIII)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurment of employee defined benefit obligation		0.15	(0.11)
	- Income tax on above		(0.05)	0.04
	Other Comprehensive Income		**0.10**	**(0.07)**
(IX)	**Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**204.40**	**204.23**
(X)	**Earnings per equity share**			
	Basic EPS (in ₹) (Not annualised)		3.75	3.75
	Diluted EPS (in ₹) (Not annualised)		3.75	3.75
Notes to the standalone financial statements		**1 to 51**		

In terms of our report attached

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

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date : April 26, 2019

Statement of Cash Flow

for the year ended March 31, 2019

₹ in Crore

	Particulars	As at 31.03.2019	As at 31.03.2018
A	**Net Profit before tax**	315.76	313.33
	Adjustment for:		
	Depreciation/ Amortisation	2.55	2.52
	Profit on Sale of Fixed Assets (net)	-	(0.13)
	Loan funds written off	1.82	4.16
	Interest expenses - Others	0.03	0.16
	Provision for doubtful loans written back (net)	-	(4.14)
	Provision for Non Performing Assets	(1.31)	1.68
	Provision for standard assets	3.26	2.22
	Interest Income on fixed deposits with Banks and others	(0.05)	(0.67)
	Provision for bonus - written back	-	(0.14)
	Impairment on financial instruments	(6.82)	
	Net loss on fair value changes	15.82	
	Profit on sale of current investments	(46.81)	(30.25)
	Operating Profit before Working Capital Changes	**284.25**	**288.74**
	Changes in working capital		
	Adjustment for (increase)/ decrease in operating assets:		
	Loans and advances and other current assets	1,389.16	(1,158.15)
	Stock-in-trade	(49.18)	9.86
	Operating fixed deposits with banks	145.45	(145.50)
	Accrued interest income related to operating activities	0.13	0.01
	Adjustment for increase/ (decrease) in operating liabilities:		
	Trade payables, other liabilities and provisions	(13.68)	9.04
	Accrued interest expenses related to operating activities	29.64	108.87
	Cash (used in) operations	**1,785.77**	**(887.13)**
	Direct taxes paid (net)	(121.47)	(116.08)
	Net Cash (used in) Operating Activities (A)	**1,664.30**	**(1,003.21)**
B	**Cash flow from Investing Activities**		
	Purchase of fixed assets	(2.31)	(4.36)
	Sale of fixed assets	0.01	0.26
	Investment in a subsidiary	(86.80)	(20.00)
	Purchase of long term investments	-	(0.30)
	Sale of long term investments	-	95.05
	Sale /Purchase of current investments (net)	(343.33)	(29.26)
	Interest received	0.05	0.56
	Net Cash generated from Investing Activities (B)	**(432.38)**	**41.95**
C	**Cash flow from Financing Activities**		
	Proceeds from long term borrowings (net)	(365.96)	1,885.82
	Proceeds from /(Repayments) short term borrowings (net)	(807.71)	(860.96)
	Interest paid	(0.03)	(0.16)
	Dividend paid (Including Corporate Dividend Tax)	(111.59)	(59.46)
	Net Cash flow from Financing Activities (C)	**(1,285.29)**	**965.24**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(53.37)	3.98
	Cash and cash equivalents at the beginning of the year	195.75	191.77
	Cash and cash equivalents at the end of the year	**142.38**	**195.75**
Notes,			
(1)	**Reconciliation of cash and cash equivalents:**		
	As per Balance Sheet (Refer note 5 & 6)	202.43	401.25
	Less: Balances with banks in deposit	60.05	205.50
	As per Cash-flow statement	**142.38**	**195.75**
(2)	Balances with banks in deposit includes ₹ 60.05 crore (Previous year ₹205.50 crore) placed as securities against overdraft facilities availed from the banks.		

In terms of our report attached

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

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date : April 26, 2019

Standalone

Standalone Statement of Changes in Equity

as at March 31, 2019

A. Equity share capital

₹ in Crore

Particulars	Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
Equity Share Capital	544.50	-	544.50	-	544.50

B. Other Equity

₹ in Crore

Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium	Capital Redemption Reserves	General Reserves	Retained earnings/ (accumulated deficit)	Capital Reserves	Statutory Reserves	
Balance as at April 1, 2017	**38.23**	**0.00**	**-**	**506.66**	**-**	**233.29**	**778.18**
Profit for the year				204.30			204.30
Transfer to statutory reserves				(43.00)		43.00	-
Final /Interim dividend				(49.40)			(49.40)
Corporate dividend tax				(10.06)			(10.06)
Other comprehensive income				(0.07)			(0.07)
Balance at March 31, 2018	**38.23**	**0.00**	**-**	**608.43**	**-**	**276.29**	**922.95**
Profit for the year				204.30			204.30
Transfer to statutory reserves				(41.00)		41.00	
Final /Interim dividend				(92.57)			(92.57)
Corporate dividend tax				(19.03)			(19.03)
Other comprehensive income				0.10			0.10
Balance at March 31, 2019	**38.23**	**0.00**	**-**	**660.22**	**-**	**317.29**	**1,015.75**

The accompanying notes form an integral part of the financial statements - note no 1 to 51

In terms of our report attached

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

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date : April 26, 2019

Significant Accounting Policies

Notes to the Standalone Financial Statements

1 Corporate Information

JM Financial Products Limited (our "Company") was originally incorporated at Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956 with registration number 33397 of 1984 and with the name "J.M. Lease Consultants Private Limited". By virtue of section 43A of the Companies Act, 1956 our Company became a deemed public company with the name "J.M Lease Consultants Limited" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. Our Company further became a Private Company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "JM Financial Products Private Limited". Our Company was converted into a public limited company with the name "JM Financial Products Limited" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. B - 13.00178 dated March 2, 1998.

JM Financial Home Loan Limited is the subsidiary company and JM Financial Limited is the ultimate parent company of the group, whose shares are listed in the reognised stock exchange in India. Company's shares are not listed in any rcognised stock exchange in India. However, Company's debt securities are listed in one of the recognised stock exchange in India.

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

Effective April 01, 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.

Historical cost convention

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability 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 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 value in use in Ind AS 36.

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

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

Presentation of financial statements

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

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

Significant Accounting Policies

Notes to the Standalone Financial Statements

2.3 Revenue Recognition

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

2.3.1 Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

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

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

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

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

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

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

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

2.3.2 Fees and Commission Income

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

2.3.3 Investment Income

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

2.3.4 Dividend Income

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

2.4 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.

2.4.1 Finance Lease

Assets held under finance leases are initially recognised 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 recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.6 below).

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2.4.2 Operating Lease

Rental expense from operating leases is generally recognised 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 recognised in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised 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.

Effective from April 01, 2019 Ind AS 116, the new leases standard will be applicable to the Company. As per Ind AS 116 all leases will form part of the balance sheet, applying a "right-of-use asset" model that would recognise an asset on the lessee's balance sheet (representing its right to use the leased asset over the lease term), and recognise a corresponding liability to make future lease payments.

As such, a lessee's current operating lease accounting model will change significantly. The lessor accounting model will largely remain unchanged from that applied under current guidance.

2.5 Foreign currency transactions

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

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

2.6 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.7 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

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

Defined Benefit Obligation:

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

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

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

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

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

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the settlement of a defined benefit plan when the settlement occurs.

Short-term benefits:
Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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

2.8 Share-based payment arrangements

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

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

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

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

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

Fair valuation of grants on transition to Ind AS
For transition to Ind AS, the Company has availed the option to fair value grants that vest after the transition date, 1 April 2017

2.9 Income tax

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

Current Tax

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

Deferred tax

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 Goods and Services Input Tax Credit

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

2.11 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. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as “capital work-in-progress”. (Also refer to policy on leases, borrowing costs and impairment of assets below).

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Property, plant and equipment	
Office Premise	3 years
Leasehold improvements	3 years
Computers	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	5 years

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

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

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

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

Intangible assets

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

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

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

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

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

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

Deemed cost on transition to Ind AS

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

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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 is PPE and intangible to determine whether there is any indication that these assets have suffered an impairment loss.

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

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

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

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

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

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

Contingent liability is disclosed in case of:

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

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

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.13 Commitments

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

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

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

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

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

2.14 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of: i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature; ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and iii. all other items for which the cash effects are investing or financing cash flows.

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

2.15 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the

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Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.16 Financial Instruments

Recognition of Financial Instruments

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

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss. If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability). After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement of Financial Assets:

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

Classification of Financial Assets:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL. However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

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

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option). **A financial asset is held for trading if:**
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the individual asset basis and the Company's business model for managing the asset. For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of

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money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

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

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

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

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss. Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

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

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

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

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

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

Reclassifications

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

Impairment of financial assets

Overview of the Expected Credit Loss principles

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

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

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

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

The Company 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 trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when:

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

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

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering

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the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instrument

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

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

Financial liabilities

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

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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

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2.17 Cash and Cash Equivalents

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

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

2.18 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 Issues but net yet effective

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 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 recognise 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 recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of assessing the impact of the new standard. 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 Financial Statements.

3 Critical accounting judgements and key sources of estimation uncertainties

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

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

Expected Credit Loss

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

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note

Fair Valuation

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

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

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

Significant Accounting Policies

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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.

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.

Ind AS Exemptions:

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 recognised 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
Cash in hand	-	-	-
Balances with banks			
- in current accounts	87.80	10.45	14.02
- in deposit accounts	40.00	185.30	177.75
Cheques on hand	14.58	-	-
Total	**142.38**	**195.75**	**191.77**

6. Other balances with Banks

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deposit Accounts under lien against which overdraft facilities are availed (Refer Note 6.1)	60.05	205.50	60.00
Total	**60.05**	**205.50**	**60.00**

6.1 Deposit accounts under lien of ₹ 60.05 crore (Previous year ₹ 205.50 crore) against which overdraft facilities remained outstanding as at the year end of ₹ Nil (Previous year of ₹ Nil)

7. Loans

₹ in Crore

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost				
(i)	Term Loans:	4,509.90	5,069.62	3,934.28
(ii)	Demand Loan	716.69	1,512.67	1,564.54
(iii)	Interest accrued	63.85	41.55	30.93
	Gross	**5,290.44**	**6,623.83**	**5,529.75**
	Less: Impairment loss allowance /EIR	(69.86)	(80.35)	(55.86)
	Net	**5,220.58**	**6,543.49**	**5,473.89**
Break up of loans into secured and unsecured				
(i)	Secured by tangible assets	5,161.13	6,525.45	4,895.76
(ii)	Loan funds (Unsecured)	65.46	56.84	603.06
(iii)	Interest accrued	63.85	41.55	30.93
	Gross	**5,290.44**	**6,623.84**	**5,529.75**
	Less: Impairment loss allowance	(34.73)	(41.71)	(39.86)
	Processing fees - EIR	(35.13)	(38.64)	(16.00)
	Total	**5,220.58**	**6,543.49**	**5,473.89**

Note : The loans are given in India to other than Public sectors

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8. Investments

₹ in Crore

	QTY	As at March 31, 2019		
		Amortised cost	At Fair Value Through profit and loss account	Total
Investments				
Mutual Funds Units of ₹ 10/- each, Fully Paid Up				
JM High Liquid Fund - JM Liquid Fund (Direct) Growth Option	5036163	-	25.78	25.78
Reliance Mutual Fund - Reliance Liquid Fund	54859	-	25.03	25.03
Frankline Mutual Fund - Franklin India Liquid fund	268319	-	75.09	75.09
Kotak Mutual Fund - Kotak Liquid Direct Plan Growth	264466	-	100.08	100.08
ICICI Mutual Fund - ICICI Prudential Liquid Fund	5504703	-	152.15	152.15
Preference Shares				
Compulsory Convertible Preference Share				
Fairassets Technologies India Private Limited - Series A3 of ₹ 5,771.13/- each	12508	-	7.22	7.22
Fairassets Tech India Private Ltd -Series B of ₹ 7,395.15/- each	406	-	0.30	0.30
Investment Account - Fair Value		-	(0.24)	(0.24)
Equity Shares				
In Subsidiary (unquoted)				
JM Financial Home Loans Ltd of ₹ 10/- each	118800000	118.80	-	118.80
In Others (unquoted)				
Fairassets Technologies India Private Limited of ₹ 10/- each *	2	-	0.00	0.00
*₹ 11,542/- (Previous Year ₹ 11542/-)				
Security Receipts		-		
(Unquoted)				
Class A Security Receipts of ₹ 1,000/- each fully paid up	200000	-	1.68	1.68
(Face value partly reedemed)				
Class A Security Receipts of ₹ 1,000/- each fully paid up	535500	-	53.55	53.55
Investment Account - Fair Value		-	(17.62)	(17.62)
Total – Gross		**118.80**	**423.02**	**541.82**
Less: Impairment loss allowance		-	-	-
Total – Net		**118.80**	**423.02**	**541.82**
Break up of gross investments:				
(i) Investments outside India		-	-	-
(ii) Investments in India		118.80	423.02	541.82
Total		**118.80**	**423.02**	**541.82**

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₹ in Crore

	QTY	As at March 31, 2018 Amortised cost	At Fair Value Through profit and loss account	Total
Investments				
Mutual Funds Units of ₹ 10/- each, Fully Paid Up				-
HDFC Mutual Fund Floating Rate Income Fund	93072	-	0.26	0.26
JM Dynamic Debt Fund fund	745132	-	2.07	2.07
Preference Shares				
Compulsory Convertible Preference Share				
Fairassets Technologies India Private Limited - Series A3 of ₹ 5,771.13/- each	12508	-	7.22	7.22
Fairassets Tech India Private Ltd -Series B of ₹ 7,395.15/- each	406	-	0.30	0.30
Equity Shares				
In Subsidiary (unquoted)				
JM Financial Home Loans Ltd of ₹ 10/- each	32000000	32.00		32.00
In Others (unquoted)				
Fairassets Technologies India Private Limited of ₹ 10/- each *	2	-	0.00	0.00
*₹ 11,542/- (Previous Year ₹ 11542/-)				
Security Receipts		-	-	-
(Unquoted)				
Class A Security Receipts of ₹ 1,000/- each fully paid up	200000	-	3.26	3.26
(Face value partly reedemed)				
Class A Security Receipts of ₹ 1,000/- each fully paid up	535500	-	53.55	53.55
Investment Account - Fair Value		-	(0.03)	(0.03)
				-
Total – Gross		**32.00**	**66.63**	**98.63**
Less: Impairment loss allowance		-	-	-
Total – Net		**32.00**	**66.63**	**98.63**
Break up of gross investments:				
(i) Investments outside India		-	-	-
(ii) Investments in India		32.00	66.63	98.63
Total		**32.00**	**66.63**	**98.63**

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₹ in Crore

Particulars	QTY	As at April 01, 2017		
		Amortised cost	At Fair Value Through profit and loss account	Total
Investments				
Preference Shares				
10% Participating non-cumulative redeemable preference shares	95050000	-	95.05	95.05
Investment Account - Fair Value		-	(95.05)	(95.05)
Investment Account - Fair Value		-	88.46	88.46
Debenture				
In Others (unquoted)				
Compulsory Convertible Debentures				
Fairassets Technologies India Private Limited - Series A of ₹ 5,771.13 each	54918	-	7.22	7.22
Equity Shares				
In Subsidiary (unquoted)				
JM Financial Home Loans Ltd of ₹ 10/- each	12000000	12.00	-	12.00
In Others (unquoted)				
Fairassets Technologies India Private Limited of ₹ 10/- each *	2	-	0.00	0.00
*₹ 11,542/- (Previous Year ₹ 11542/-)				
Security Receipts		-		-
Class A Security Receipts of ₹ 1,000/- each fully paid up	200000		5.71	5.71
(Face value partly reedemed)				
Investment Account - Fair Value			0.50	0.50
				-
Total – Gross		**12.00**	**101.89**	**113.89**
Less: Impairment loss allowance		-	-	-
Total – Net		**12.00**	**101.89**	**113.89**
Break up of gross investments:				
(i) Investments outside India		-	-	-
(ii) Investments in India		12.00	101.89	113.89
Total		**12.00**	**101.89**	**113.89**

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9. Other Financial assets

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security deposits			
To Related Parties	3.26	-	-
To Others	0.83	0.72	8.11
Advances to employees	0.03	0.00	0.03
Others Financial Assets			
Other receivables	32.15	87.64	1.63
Interest accrued on deposits	0.11	0.24	0.13
Stock in Trade			
Debt instruments	49.18	-	9.86
Total	**85.56**	**88.60**	**19.76**

10. Current tax assets (net)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance tax (net of provision for tax)	24.29	17.29	16.07
Total	**24.29**	**17.29**	**16.07**

11. Deferred tax Assets (Net) (Refer note 32.2)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Measurement of Financial Liabilities at Amortised Cost	(3.98)	(2.10)	(0.60)
Impairment of Financial instruments	13.19	17.53	8.89
Financial assts measurement at fair value	5.58	(0.01)	1.42
Provision on standard financial assets	11.10	9.86	9.09
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.76	1.76	1.21
Difference between books and tax written down value of fixed assets	0.95	0.77	0.69
Provision for doubtful financial assets	-	-	1.43
Total	**28.60**	**27.81**	**22.13**

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to the Standalone Financial Statements

12. Property, Plant and Equipment - As at March 31, 2019

₹ in Crore

	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31,2019	As at April 1, 2018	Charge for the year	Deductions/ Adjustments	As at March 31,2019	As at March 31,2019
Property, Plant and Equipment									
Freehold Land	0.21	-	-	0.21	-	-	-	-	0.21
Leasehold improvements	1.62	2.50	-	4.12	0.89	0.68	-	1.57	2.55
Computers	1.36	0.75	0.03	2.08	0.29	0.52	0.02	0.79	1.29
Office Equipment	0.25	0.39	-	0.64	0.07	0.13	-	0.20	0.44
Furniture and fixtures	0.42	0.14	-	0.56	0.09	0.09	-	0.18	0.38
Vehicles	1.53	-	-	1.53	-	0.57	-	0.57	0.96
Leased Assets									
Vehicles	0.39	0.34	-	0.73	0.35	0.02	-	0.37	0.36
Total Property Plant and Equipment	**5.78**	**4.12**	**0.03**	**9.87**	**1.69**	**2.01**	**0.02**	**3.68**	**6.19**
Intangible assets - As at March 31, 2019									
Software	2.01	0.61	-	2.62	0.54	0.54	-	1.08	1.54
Total Intangible Assets	**2.01**	**0.61**	**-**	**2.62**	**0.54**	**0.54**	**-**	**1.08**	**1.54**
Intangible assets under development - As at March 31, 2019	-	-	-	-	-	-	-	-	**0.41**

Property, Plant and Equipment - As at March 31, 2018

₹ in Crore

	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018
Freehold Land	0.21	-	-	0.21	-	-	-	-	0.21
Leasehold improvements	0.81	0.83	0.02	1.62	-	0.89	-	0.89	0.73
Computers	0.29	1.17	0.10	1.36	-	0.30	0.01	0.29	1.07
Office Equipment	0.20	0.07	0.02	0.25	-	0.07	-	0.07	0.18
Furniture and fixtures	0.35	0.07	-	0.42	-	0.09	-	0.09	0.33
Vehicles	1.53	-	-	1.53	-	-	-	-	1.53
Leased Assets									
Vehicles	0.66	-	0.27	0.39	-	0.62	0.27	0.35	0.04
Total	**4.05**	**2.14**	**0.41**	**5.78**	**-**	**1.97**	**0.28**	**1.69**	**4.08**
Intangible assets - As at March 31, 2018									
Software	0.91	1.10	-	2.01	-	0.54	-	0.54	1.47
Total Intangible Assets	**0.91**	**1.10**	**-**	**2.01**	**-**	**0.54**	**-**	**0.54**	**1.47**
Intangible assets under development - As at March 31, 2018	-	-	-	-	-	-	-	-	**1.32**

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12.1 The Company has availed the deemed cost exemption in relation to the property plant and equipment (except freehold land) and other intangible assets 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 note 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
Tangible Assets			
Freehold Land	0.21	-	0.21
Leasehold improvements	2.44	1.63	0.81
Computer	0.75	0.46	0.29
Office equipments	0.34	0.14	0.20
Furniture and fixtures	0.52	0.17	0.35
Vehicles	1.60	0.07	1.53
Leased Assets			
Vehicles	1.55	0.89	0.66
Total	**7.41**	**3.36**	**4.05**
Intangible Assets			
Software	3.35	2.44	0.91
Total	**3.35**	**2.44**	**0.91**
Intangible assets under development	**-**	**-**	**0.67**

13. Other non-financial assets

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital advances	0.01	1.10	0.63
Prepaid expenses	5.34	0.61	0.51
Balance with statutory authorities	3.92	2.20	0.54
Total	**9.27**	**3.91**	**1.68**

14. Trade Payables

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Total outstanding dues of micro and small enterprises	0.01	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	0.49	0.37	0.14
Total	**0.50**	**0.37**	**0.14**

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	0.01	-	-
(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	-	-	-
(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	-	-	-

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to the Standalone Financial Statements

15. Debt Securities

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(At amortized cost)			
Commercial paper	1,176.70	1,753.30	2,993.70
Less: Unamortised interest on commercial paper	(53.47)	(37.10)	(99.54)
Commercial Paper (refer note no 15.1 & 15.2)	**1,123.23**	**1,716.20**	**2,894.16**
Non Convertible Debentures (refer note no 15.3 & 15.4)	2,367.06	2,997.13	1,218.74
Total	**3,490.29**	**4,713.33**	**4,112.90**
Debt securities in India	3,490.29	4,713.33	4,112.90
Debt securities outside India	-	-	-
Total	**3,490.29**	**4,713.33**	**4,112.90**

15.1 The maximum amount of commercial paper outstanding at any time during the year was ₹ 3,859.70 crore (₹5,363.70 crore for FY 2017-18 & ₹ 6141.70 crore for FY 2016-17).

15.2 Interest rate of commercial paper issued during the year ranges from 7.50% to 11% p.a. (6.50% to 11.25% p.a. for FY 2017-18 & 6.40% to 12% for FY 2016-17)

15.3 Non-Convertible Debentures are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

15.4 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCDs) face value of ₹ 1,000,000/- each:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
0.00% NCD redeemable in year 2017-18 *	-	-	100.00
0.00% NCD redeemable in year 2018-19 *	-	428.00	278.00
0.00% NCD redeemable in year 2019-20 *	264.70	264.70	64.70
0.00% NCD redeemable in year 2020-21 *	242.10	337.10	77.10
0.00% NCD redeemable in year 2021-22 *	264.90	228.90	-
0.00% NCD redeemable in year 2022-23 *	110.00	-	-
0.00% NCD redeemable in year 2019-20 ***	-	317.00	-
9.42% NCD redeemable in year 2019-20	75.00	-	-
9.55% NCD redeemable in year 2019-20***	55.00	-	-
9.55% NCD redeemable in year 2017-18	-	-	50.00
8.75% NCD redeemable in year 2017-18***	-	-	177.00
8.40% NCD redeemable in year 2018-19	-	75.00	75.00
8.81% NCD redeemable in year 2018-19	-	100.00	100.00
8.88% NCD redeemable in year 2018-19	-	15.00	15.00
8.89% NCD redeemable in year 2018-19	-	95.00	95.00
NCD redeemable in year 2017-18**	-	-	92.50
NCD redeemable in year 2018-19**	-	237.50	60.00
NCD redeemable in year 2019-20**	139.00	114.00	5.00
NCD redeemable in year 2020-21**	554.90	438.90	-
NCD redeemable in year 2021-22**	349.90	209.40	-
NCD redeemable in year 2022-23**	150.00	-	-
Total	**2,205.50**	**2,860.50**	**1,189.30**

* Redeemable at premium
** Market linked debentures (MLD)
***Unsecured
Maturity profile above is disclosed at face value without considering premium / unamortized discount on issue of ₹ 1.50 crore (2017-18 : ₹ 2.20 crore and 2016-17 :₹ (0.15) crore) and impact of effective interest rate adjustment amounting to ₹ 9.16 crore (As at March 31, 2018 ₹ 5.16 and As at April 1,2017 ₹ 1.12 crore)

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16. Borrowings (Other than Debt Securities)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Term loan			
From banks & others	962.79	930.00	400.00
Processing fees - EIR	(2.24)	(0.84)	(0.61)
Secured			
(i) from banks (refer note no 16.1)	910.55	929.16	399.39
(ii) from other parties (refer note no 16.1)	50.00	-	-
Inter Corporate Deposit	25.00	25.00	25.00
Finance lease obligations (refer note no 16.2)	0.32	0.01	0.73
Cash Credit Facility from Banks (refer note no 16.3)	47.26	-	-
Total	**1,033.13**	**954.17**	**425.12**

16.1 Term Loan from a Bank & Other parties :

a) Term Loan is secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of Term Loan:

₹ in Crore

Residual Maturities	As at 31.03.2019		
	Upto one year (April -2019 to March -2020	1-3 years (April -2020 to March -2022	3 years & above (April -2022 onwards)
8% to 9%	94.44	155.53	-
9% to 10%	219.03	470.07	23.72
Total	**313.47**	**625.60**	**23.72**

Maturity profile shown without considering effective interest rate impact amounting to ₹ 2.24 crore

Residual Maturities	As at 31.03.2018		
	Upto one year (April -2018 to March -2019)	1-3 years (April -2019 to March -2021)	3 years & above (April -2021 onwards)
8% to 9%	213.34	603.33	113.33
Total	**213.34**	**603.33**	**113.33**

Maturity profile shown without considering effective interest rate impact amounting to ₹ 0.84 crore

Residual Maturities	As at 01.04.2017		
	Upto one year (April -2017 to March -2018	1-3 years (April -2018 to March -2020	3 years & above (April -2020 onwards)
8% to 9%	20.00	180.00	200.00
Total	**20.00**	**180.00**	**200.00**

Maturity profile shown without considering effective interest rate impact amounting to ₹ 0.61 crore

* The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

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16.2 Finance lease obligations are secured by way of hypothecation of vehicles.
16.3 Cash credit facility are secured by way of hypothecation on certain identified loan fund balances of the Company.
16.4 Bank overdraft facility are secured by way of lien mark on fixed deposit.

17. Other financial liabilities

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Employee benefits payable	23.83	22.89	18.10
Other Liabilities	1.77	11.46	13.45
Directors' commission payable	0.50	2.16	1.15
Total	**26.10**	**36.51**	**32.70**

18. Current tax liabilities (Net)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for tax (net of advance tax)	0.31	2.41	2.62
Total	**0.31**	**2.41**	**2.62**

19. Provisions

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
For Employee Benefits			
Provision for Gratuity	1.95	1.58	1.03
Provision for compensated absence	1.36	1.02	0.56
Total	**3.31**	**2.60**	**1.59**

20. Other non-financial liabilities

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Statutory dues	3.14	8.29	0.88
Income received in advance	3.66	2.72	6.19
Total	**6.80**	**11.01**	**7.07**

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21. Equity Share Capital

₹ in Crore

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	Amount	Number	Amount	Number	Amount
[a] Authorised share capital						
Equity shares of the par value of ₹ 10 each	1,100,000,000	1,100.00	1,100,000,000	1,100.00	1,100,000,000	1,100.00
Preference Shares of the par vlaue of ₹10 each	100,000,000	100.00	100,000,000	100.00	100,000,000	100.00
Total	**1,200,000,000**	**1,200.00**	**1,200,000,000**	**1,200.00**	**1,200,000,000**	**1,200.00**
[b] Issued						
Equity shares of ₹10 each	544,500,000	544.50	544,500,000	544.50	544,500,000	544.50
Total	**544,500,000**	**544.50**	**544,500,000**	**544.50**	**544,500,000**	**544.50**
[c] Subscribed and paid up						
Equity shares of ₹10 each	544,500,000	544.50	544,500,000	544.50	544,500,000	544.50
Total	**544,500,000**	**544.50**	**544,500,000**	**544.50**	**544,500,000**	**544.50**

[d] Reconciliation of number of shares outstanding at the beginning and end of the year :

	As at March 31, 2019	
	Number of Shares	Amount
Equity :		
Outstanding as on April 1, 2018	544,500,000	544.50
Issued during the year	-	-
Outstanding as on March 31, 2019	**544,500,000**	**544.50**

	As at March 31, 2018	
	Number of Shares	Amount
Equity :		
Outstanding as on April 1, 2017	544,500,000	544.50
Issued during the year	-	-
Outstanding as on March 31, 2018	**544,500,000**	**544.50**

[e] Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	As at March 31, 2019	
	Number of Shares	Percentage
JM Financial Limited and its nominees (5 shares held by nominees)	540,939,050	99.35%

Name of the shareholder	As at March 31, 2018	
	Number of Shares	Percentage
JM Financial Limited and its nominees (5 shares held by nominees)	540,664,050	99.30%

Name of the shareholder	As at April 1, 2017	
	Number of Shares	Percentage
JM Financial Limited and its nominees (5 shares held by nominees)	490,050,000	90.00%
JM Financial Institutional Securities Limited	50,461,850	9.27%

Terms and rights attached to each class of shares :

Equity Shares :

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10/-. Each holder of eqity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuring Annual General meeting, except in case of interim dividend.

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22. Other Equity

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Retained earnings			
Balance as at the beginning of the year	608.43	506.66	526.76
Addition/(Reduction) during the year			
Transfer to statutory reserves	(41.00)	(43.00)	
Final /Interim dividend	(92.57)	(49.40)	
Corporate dividend tax	(19.03)	(10.06)	
Other comprehensive income	0.10	(0.07)	
Profit for the year	204.30	204.30	
Total effect of transition to IND AS			(20.10)
Retained earnings	660.23	608.43	506.66
Securities premium account	38.23	38.23	38.23
Capital Redemption Reserve*	0.00	0.00	0.00
*₹ 1,000/- (Previous Year ₹ 1,000/-)			
Statutory reserve			
(under section 45-IC of The Reserve Bank of India Act, 1934)			
Opening balance	276.29	233.29	233.29
Addition/(Reduction) during the year	41.00	43.00	-
Statutory reserve	317.29	276.29	233.29
Total	**1,015.75**	**922.95**	**778.18**

For addition and deductions under each of the above heads, refer Statement of changes in equity

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The General Reserve is used from time to time to transfer profits from Retained earnings for appropriate purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of Other comprehensive income, items included in the General Reserve will not be reclassified subsequently to Profit or Loss.

Statutory Reserve

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit every year in terms of Section 45-IC of the RBI Act, 1934.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

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23. Interest income

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
at Amortised Cost		
Interest on Loans	856.13	831.17
Total	**856.13**	**831.17**

24. Fees and commission Income

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Advisory and other fees	38.99	13.12
Total	**38.99**	**13.12**

25. Other Operating Income

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Income from trading in debt instruments (net)	7.10	5.58
Profit on sale of investments	46.81	30.25
Total	**53.91**	**35.83**

26. Net gain/ (loss) on fair value changes

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(A) Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
a) On trading portfolio		
- Investments		
- Derivatives		
- Others		
b) On financial instruments designated at fair value through profit and loss account	(15.82)	0.06
(B) Others	-	-
-Cumulative (gain)/loss reclassified to profit or loss on sale of debt instruments at FVTOCI	-	-
Total Net gain/(loss) on fair value changes (C)	**(15.82)**	**0.06**
Fair Value changes:		
-Realised	-	-
-Unrealised	(15.82)	0.06
Total Net gain/(loss) on fair value changes(D) to tally with (C)	**(15.82)**	**0.06**
Fair Value changes:	-	-
-Financial assets mandatorily measured at FVTPL		
-Held for trading financial liabilities		
-Financial assets designated at FVTPL		
-Financial liabilities designated at FVTPL		
Total Net gain/(loss) on fair value changes(E) to tally with (C)	**(15.82)**	**0.06**

*Fair value changes in this schedule are other than those arising on account of interest income/expense

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27. Other Operating Income

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest on:		
- Fixed deposits with banks	0.05	0.12
- Others	0.00	0.55
Finance Income notional	-	6.59
Provision for bonus written back	-	0.14
Provision for doubtful loans written back (net)	-	4.14
Miscellaneous income	0.24	0.08
Profit on Sale of Fixed Assets (net)	0.00	0.13
Finance Income on rent deposit	0.06	0.02
Total	**0.35**	**11.77**

28. Finance costs

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
At Amortised Cost		
Debt Securities	428.09	423.11
Borrowings (Other than Debt Securities)	93.83	61.86
Other Interest expense	0.04	0.16
Total	**521.96**	**485.13**

29. Impairment on financial instruments

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Provision for Expected Credit Loss (Stage 1 & 2)	(5.50)	4.30
Provision for Expected Credit Loss (Stage 3)	(1.32)	1.68
Total	**(6.82)**	**5.98**

30. Employee benefits expense

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, bonus, other allowances and benefits	50.72	37.84
Contribution to provident and other funds	1.93	1.33
Gratuity (refer note 36)	0.69	0.56
OCL Impact of Ind AS	0.15	(0.11)
Staff welfare expenses	0.37	0.20
Total	**53.86**	**39.82**

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31. Other expenses

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Professional and consultancy charges	7.25	9.45
Space and other related costs	12.23	10.44
Space and other related costs - EIR	0.07	0.02
net of recoveries of ₹ 0.04 crore (Previous year ₹ 0.03 crore)		
Rates and taxes	2.21	5.83
Membership and subscription	0.64	0.90
Manpower cost	1.20	0.85
Auditors' remuneration (refer note 31.1)	0.22	0.12
Electricity	0.64	0.68
Communication expenses	0.17	0.10
Travelling and conveyance	0.90	0.71
Insurance	0.37	0.28
Printing and stationery	0.11	0.10
Repairs and maintenance - others	0.83	0.64
Loan funds written off	1.82	4.16
Donations	6.82	6.26
Directors' commission	0.50	2.16
Sitting fees to directors	0.15	0.13
Marketing Expenses	4.37	0.58
DSA Commission	0.47	0.45
Miscellaneous expenses	5.28	1.31
Total	**46.25**	**45.17**

31.1 Payment to Auditors': (Excluding service tax /goods & service tax)

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Audit Fees	0.08	0.08
In any other manner (Certifications, limited reviews, etc.)	0.14	0.04
Out of pocket expenses *	0.00	0.00
* Current year ₹33,187/- (Previous year ₹23,670/-)		
Total	**0.22**	**0.12**

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32. Income Tax

₹ in Crore

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current tax	112.30	114.50
Tax adjustment in respect of earlier years	-	0.18
Deferred tax	(0.84)	(5.64)
Total income tax expenses recognised in the current year	**111.46**	**109.04**
Income tax expense recognised in other comprehensive income	-	-

32.1 Reconciliation of total tax charge

₹ in Crore

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	315.76	313.34
Income tax rate	34.94%	34.94%
Income tax expense	110.34	109.49
Tax Effect of:		
Effect of income that is exempt from tax	-	-
14A disallowance	-	-
Effect of expenses that are not deductible in determining taxable profits	1.22	1.09
Adjustment in respect of earlier years (net)	-	0.18
Deferred tax impact mainly in respect of fair valuation gain on freehold land, etc.	-	-
Adjustment for deemed equity on the date of transition	-	-
MAT credit entitlement	-	-
Others	(0.10)	(1.72)
Income tax expense recognised in profit and loss	**111.46**	**109.04**

32.2 Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2019

₹ in Crore

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Deferrred Tax Assets on account of IND AS adjustment	15.38	(0.55)	-	14.83
Provision on standard financial assets	9.86	1.23	-	11.09
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.75	0.02	-	1.77
Difference between books and tax written down value of fixed assets	0.78	0.18	-	0.96
Provision for doubtful financial assets	-	-	-	-
Employee defined benefit obligation	0.04	-	(0.09)	(0.05)
Total	**27.81**	**0.88**	**(0.09)**	**28.60**

For the year ended March 31, 2018

₹ in Crore

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Deferrred Tax Assets on account of IND AS adjustment	9.71	5.68	-	15.38
Provision on standard financial assets	9.09	0.77	-	9.86
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.21	0.54	-	1.75
Difference between books and tax written down value of fixed assets	0.69	0.09	-	0.78
Provision for doubtful financial assets	1.43	(1.43)	-	-
Employee defined benefit obligation	-	-	0.04	0.04
Total	**22.13**	**5.64**	**0.04**	**27.81**

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33. Contingent Liabilities and commitments

₹ in Crore

		As at March 31, 2019	As at March 31, 2018
(a)	Contingent Liabilities	5.66	-
(b)	Undisbursed Commitment *	292.58	295.92
(c)	Capital Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	0.01	1.14

*This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03.10.01/2011-12 dated 26th Dec, 2011 issued by Reserve Bank of India.

34. 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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year (In ₹ Crore)	204.30	204.30
Profit attributable to equity shareholders (In ₹ Crore)	204.30	204.30
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	544,500,000	544,500,000
Basic earnings per share (Rupees)	3.75	3.75
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	544,500,000	544,500,000
Diluted earnings per share (Rupees)	3.75	3.75
Nominal value per share (Rupees)	10.00	10.00

35. Lease Transactions

₹ in Crore

A Operating Leases

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges upto 108 months.

The minimum lease rentals outstanding in respect of these are as under:

Due	Total minimum lease payments outstanding as at 31st March, 2019	Total minimum lease payments outstanding as at 31st March, 2018
Not later than one year	9.66	9.20
Later than one year and not later than five years	43.73	36.05
Later than five years	68.14	64.90
Total	**121.53**	**110.15**

The Company has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 60 months to 108 months.

Lease payments recognised in the Statement of Profit and Loss for the year are ₹ 9.20 crore (Previous year ₹ 8.32 crore).

B Finance Leases

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

₹ in Crore

Due	Minimum Lease payments			Present values of Minimum Lease payments		
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Not later than one year	0.11	0.02	0.35	0.06	0.01	0.34
Later than one year and not later than five years	0.32	-	0.48	0.26	-	0.40
Later than five years	-	-	-	-	-	-
Total	**0.43**	**0.02**	**0.83**	**0.32**	**0.01**	**0.73**

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36. Employee Benefits:

Short-term employee benefits:

The Company provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

Defined Contribution Plan:

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions

The Company's contribution to Provident Fund aggregating ₹ 1.93 crore (Previous year ₹1.33 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expenses.

Defined benefit obligation

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

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.55%	7.85%
Expected rate of Salary Increase	7.00%	7.00%
Other Assumption		
Mortality Rate	Lives (2012-14) Ultimate	India Assured Lives (2006-08)

b) Amount recognised in Balance sheet in respect of these defined benefit obligation:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	1.95	1.58
Net liability	**1.95**	**1.58**

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c) Amount recognised in statement of profit and loss in respect of these defined benefit obligation

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Current Service Cost	0.31	0.17
Interest Cost	0.11	0.07
Past Services Cost	-	0.43
Total expenses charged to Profit & Loss Account	**0.42**	**0.67**

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

d) Amount recognised in Other Comprehensive Income

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Opening amount recognized in OCI outside Profit and Loss Account	(0.02)	0.09
Components of defined benefits costs recognised in profit or loss.		
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	(0.00)	
- Actuarial (gain)/loss from change in financial assumptions	0.05	(0.09)
- Actuarial (gain)/loss from change in experience adjustments	0.22	(0.03)
Total amount recognised in OCI outside Profit and Loss Account	**0.25**	**(0.02)**

e) Movement in the present value of the defined benefit obligation are as follows:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	1.58	1.03
Current service cost	0.31	0.17
Past service cost		0.43
Interest cost	0.11	0.07
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	(0.00)	-
- Actuarial (gain)/loss from change in financial assumptions	0.05	(0.09)
- Actuarial (gain)/loss from change in experience adjustments	0.22	(0.03)
- Liabilities Assumed on Acquisition / (Settled on Divestiture)	0.07	0.07
Benefits paid	**(0.39)**	**(0.07)**
Closing defined benefit obligation	**1.95**	**1.58**

f) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	0.08	(0.08)	0.06	(0.06)
% change compared to base due to sensitivity	4.34%	-4.00%	4.08%	-3.79%
Salary growth rate (- / +0.5%)	(0.06)	0.06	-0.04	0.04
% change compared to base due to sensitivity	-2.93%	3.15%	-2.47%	2.62%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

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g) Projected benefits payable:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Expected benefits for year 1	0.48	0.33
Expected benefits for year 2	0.07	0.18
Expected benefits for year 3	0.29	0.07
Expected benefits for year 4	0.07	0.27
Expected benefits for year 5	0.07	0.06
Expected benefits for year 6 and above	3.56	2.70

37. Related Party Disclosure:

Names of related parties and description of Relationship

(i) Names of related parties and description of relationship where control exists

Holding Company

JM Financial Limited

Subsidiaries

JM Financial Home Loans Limited

(ii) Names of related parties and description of relationship where transactions have taken place

(A) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.

Holding Company

JM Financial Limited

Subsidiaries

JM Financial Home Loans Limited

Fellow Subsidiaries

JM Financial Services Limited

JM Financial Commtrade Limited

Astute Investments

JM Financial Properties & Holdings Limited

CR Retail Malls (India) Limited

JM Financial Investment Managers Limited (upto January 18 2018)

JM Financial Institutional Securities Limited (upto January 18, 2018)

JM Financial Capital Limited

J M Financial & Investment Consultancy Services Private Limited

JM Financial Credit Solutions Limited

JM Financial Asset Reconstruction Company Limited

JM Financial Singapore Pte Ltd.

JM Financial Securities Inc

JM Financial Overseas Holdings Private Limited

JM Financial Institutional Securities Limited (Formerly known as JM Financial Securities Limited)

Infinite India Investment Management Limited

JM Financial Asset Management Limited

Notes

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(B) Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture:

Associates

-

(C) Key Management Personnel and relatives of such Personnel:

Mr. Vishal Kampani

Mr. Nishit Shah

Ms. Reena Sharda

(D) Non Executive Directors

Mr.V P Shetty

Mr.Subodh Shinkar

Mr. Atul Mehra

(E) Independent Directors

Mr.Dhirendra Singh

Mr.Eknath A. Kshirsagar

Mr.Madhukar R. Umarji

Mrs.Roshini Bakshi

(F) Enterprises over which any person described in (C) is able to exercise significant influence:

JSB Securities Limited

(iii) Details of transactions with related parties

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018
JM Financial Limited	(A)		
Dividend paid		91.96	49.01
Reimbursement of employees expenses		2.85	1.94
Sales of Prefrence shares of JM Financial Properties & Holdings Limited		-	95.05
Inter Corporate Deposit taken		-	345.00
Inter Corporate Deposit repaid		-	345.00
Interest expenses on ICD taken		-	0.19
Transfer of GratuitybLiability		0.07	-
JM Financial Home Loans Limited	(A)		
Inter Corporate Deposits given		71.65	-
Inter Corporate Deposits repaid		71.65	-
Interest income on Inter Corporate Deposits given		0.53	-
Investment in equity shares		86.80	20.00
Recovery of expenses		0.01	-
Sale of Fixed Assets		-	0.12
JM Financial Services Limited	(A)		
Inter Corporate Deposits given		665.00	615.00
Inter Corporate Deposits repaid		665.00	615.00
Interest income on Inter Corporate Deposits given		0.93	0.52
Issue of market linked debentures		-	68.89
Arrangers Fees / Brokerage charges		0.08	0.08
Reimbursemen of Space Cost Paid		0.06	-
Demat charges paid*		-	0.00
* ₹ 1500/- (previous Year ₹ 1,500/-)			

Notes

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₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018
Transfer of GratuitybLiability		-	0.01
JM Financial Properties & Holdings Limited	(A)		
Inter Corporate Deposits given		147.00	13.07
Inter Corporate Deposits repaid		147.00	61.07
Interest income on Inter Corporate Deposits given		0.15	2.06
Space & other related cost paid		9.20	8.32
Reimbursement of expenses (paid)		1.34	1.52
Property Deposit given / (Refunded)		8.00	(8.00)
Security Deposits given		-	-
Closing balance as at the year end - ICD given - debit		-	-
Closing balance as at the year end - Security Deposit given - debit		8.00	-
JM Financial Institutional Securities Limited	(A)		
Transfer of Fixed Assets		0.01	-
Transfer of Gratuity liability received		-	0.07
Reimbursement of expenses		-	0.01
Infinite India Investment Management Limited	(A)		
Inter Corporate Deposits given		91.70	-
Inter Corporate Deposits repaid		91.70	-
Interest income on Inter Corporate Deposits given		2.72	-
Purchase of Debenture		83.82	
J M Financial & Investment Consultancy Services Private Limited	(A)		
Space cost paid		0.02	-
Property Deposit given		0.04	-
Closing balance as at the year end - Security Deposit given - debit		0.04	-
JM Financial Investment Managers Limited	(A)		
Inter Corporate Deposits given		-	2.85
Inter Corporate Deposits repaid		-	2.85
Interest income on Inter Corporate Deposits given		-	0.02
Reimbursement of Expenses		-	0.12
Astute Investments	(A)		
Recovery of rent expenses		0.03	0.03
Loan Given		94.43	311.12
Loan repaid		70.00	311.12
Interest income on loan given		2.30	0.68
Closing Balance - Loan given		24.43	-
JM Financial Capital Limited	(A)		
Transfer of Gratuity Liability		-	0.04
Transfer of Staff Loan Liability (Recd)*		-	0.00
* (Previous year - ₹ 17,000)			
Inter Corporate Deposits taken		-	137.00
Inter Corporate Deposits repaid		-	137.00
Interest expenses on Inter Corporate Deposits taken		-	0.03
Inter Corporate Deposits given		75.00	349.00
Inter Corporate Deposits repaid		75.00	349.00
Interest income on Inter Corporate Deposits taken		0.46	0.36

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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 Limited	(A)		
Inter Corporate Deposits taken		-	-
Inter Corporate Deposits repaid		-	-
Inter Corporate Deposits given		-	125.00
Inter Corporate Deposits repaid		-	125.00
Interest income on Inter Corporate Deposits given		-	0.19
Interest expenses on Inter Corporate Deposits taken		-	-
Transfer of gratuity liability paid		-	-
Recovery of expenses/support service charges		5.70	8.00
Closing balance as at the year end - debit		6.16	
CR Retail Malls (India) Limited	(A)		
Inter Corporate Deposits given		227.05	97.72
Inter Corporate Deposits repaid		214.04	67.72
Interest income on Inter Corporate Deposits given		5.75	0.92
Sale of Debentures		11.95	-
Closing balance as at the year end - debit		43.02	30.00
JM Financial Assets Reconstruction Company Ltd	(A)		
Inter Corporate Deposits given		25.00	200.00
Inter Corporate Deposits repaid		25.00	200.00
Interest income on Inter Corporate Deposits given		0.03	0.55
Transfer of Gratuity Liability		-	0.04
Management Fees Paid		1.26	0.42
Mr. Vishal Kampani	(C)		
Managerial remuneration		12.65	13.17
Purchase of Bond of Home Credit India Finance Private Limited		2.55	-
Closing Balance as at the year end - (credit)		(11.00)	(11.50)
Mr V P Shetty	(D)		
Director Siting fees		0.02	-
Director Commission		0.25	1.31
Closing Balance as at the year end - (credit)		0.25	1.31
Mr. Atul Mehra	(D)		
Director Commission		-	0.60
Closing Balance as at the year end - (credit)		-	0.60
Mrs. Roshini Bakshi	(E)		
Director Siting fees		0.01	0.01
Director Commission		0.05	0.05
Closing Balance as at the year end - (credit)		0.05	0.05
Mr. Madhukar R. Umarji	(E)		
Director Siting fees		0.03	0.03
Director Commission		0.07	0.07
Closing Balance as at the year end - (credit)		0.07	0.07
Mr. Eknath A. Kshirsagar	(E)		
Director Siting fees		0.04	0.04
Director Commission		0.08	0.08
Closing Balance as at the year end - (credit)		0.08	0.08

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₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018
Mr. Dhirendra Singh	(E)		
Director Siting fees		0.03	0.04
Director Commission		0.07	0.07
Closing Balance as at the year end - (credit)		0.07	0.07

(iv) Balances of related parties:

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Payables				
JM Financial Properties & Holdings Limited	(A)	-	-	48.00
Astute Investments	(A)	(24.43)	-	-
JM Financial Credit Solutions Limited	(A)	(6.16)	-	0.99
CR Retail Malls (India) Limited	(A)	(43.02)	(30.00)	-
Mr. Vishal Kampani	(C)	11.00	11.50	10.00
Mr. V P Shetty	(D)	0.25	1.31	
Mr. Atul Mehra	(D)	-	0.60	-
Mrs. Roshini Bakshi	(E)	0.05	0.05	-
Mr. Madhukar R. Umarji	(E)	0.07	0.07	-
Mr. Eknath A. Kshirsagar	(E)	0.08	0.08	-
Mr. Dhirendra Singh	(E)	0.07	0.07	-
Security Deposits Receivble				
JM Financial Properties & Holdings Limited	(A)	8.00	-	8.00
J M Financial & Investment Consultancy Services Private Limited	(A)	0.04	-	-

37.1 There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.

37.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Company as a whole.

37.3 The transactions disclosed above are exclusive of service tax / Goods and Services Tax.

37.4 The related party relationship are identified by management and relied upon by auditors.

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to the Standalone Financial Statements

38. Maturity Analysis of Assets and Liabilities

₹ in Crore

Sr No	Particulars	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	142.38	-	142.38	195.75	-	195.75	191.77	-	191.77
B	Bank Balance other than (A) above	60.05	-	60.05	205.50	-	205.50	60.00	-	60.00
C	Loans	2,085.53	3,135.05	5,220.58	3,260.78	3,282.71	6,543.49	2,912.51	2,561.38	5,473.89
D	Invetsment	379.86	161.96	541.82	5.59	93.04	98.63	6.21	107.68	113.89
E	Other Financial Assets	81.44	4.12	85.56	87.88	0.72	88.60	11.65	8.11	19.76
	Total Financial Assets	**2,749.26**	**3,301.13**	**6,050.39**	**3,755.50**	**3,376.47**	**7,131.97**	**3,182.14**	**2,677.17**	**5,859.31**
2	**Non Financial Asstes**									
A	Current Tax Assets (Net)	-	24.29	24.29	-	17.29	17.29	-	16.07	16.07
B	Deferred Tax Assets (Net)	-	28.60	28.60	-	27.81	27.81	-	22.13	22.13
C	Property, Plant and Equipment	-	6.19	6.19	-	4.08	4.08	-	4.05	4.05
D	Other Intengible Assets	-	1.54	1.54	-	1.47	1.47	-	0.91	0.91
E	Intergible assets under development	-	0.41	0.41	-	1.32	1.32	-	0.67	0.67
F	Other Non Financial Assets	4.27	5.00	9.27	3.65	0.26	3.91	1.40	0.28	1.68
	Total Non Financial Assets	**4.27**	**66.03**	**70.30**	**3.65**	**52.23**	**55.88**	**1.40**	**44.11**	**45.51**
	Total Assets	**2,753.53**	**3,367.16**	**6,120.69**	**3,759.15**	**3,428.70**	**7,187.85**	**3,183.54**	**2,721.28**	**5,904.82**

Sr No	Particulars	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
	Liabilities and Equity									
1	**Financial Liablilities**									
A	Payables									
	Trade payables									
	(i) total outstanding dues of micro enterprises and smal enterprises	0.01	-	0.01	-	-		-	-	
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.49	-	0.49	0.37	-	0.37	0.14	-	0.14
B	Debt Securities	1,826.34	1,663.95	3,490.29	2,806.29	1,907.04	4,713.33	3,344.30	768.60	4,112.90
C	Borrowing (Other than Debt Securities)	360.79	672.34	1,033.13	213.35	740.82	954.17	20.33	404.79	425.12
D	Other Financial Liablilities	26.10	-	26.10	36.51	-	36.51	32.70	-	32.70
	Total Financial Liablilities	**2,213.73**	**2,336.29**	**4,550.02**	**3,056.52**	**2,647.86**	**5,704.38**	**3,397.47**	**1,173.39**	**4,570.86**
2	**Non Financial Liabilities**									
A	Current Tax Liabilities (Net)	0.31	-	0.31	2.41	-	2.41	2.62	-	2.62
B	Provisions	1.85	1.46	3.31	1.35	1.25	2.60	0.73	0.86	1.59
C	Other Non Financial Liablilities	6.80	-	6.80	11.01	-	11.01	7.07	-	7.07
	Total Non Financial Liablilities	**8.96**	**1.46**	**10.42**	**14.77**	**1.25**	**16.02**	**10.42**	**0.86**	**11.28**
3	**Equity**									
A	Equity Share Capital	-	544.50	544.50	-	544.50	544.50	-	544.50	544.50
B	Other Equity	-	1,015.75	1,015.75	-	922.95	922.95	-	778.18	778.18
	Total Equity	**-**	**1,560.25**	**1,560.25**	**-**	**1,467.45**	**1,467.45**	**-**	**1,322.68**	**1,322.68**
	Total Liabilities and Equity	**2,222.69**	**3,898.00**	**6,120.69**	**3,071.29**	**4,116.56**	**7,187.85**	**3,407.89**	**2,496.93**	**5,904.82**

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39. First-time Ind AS adoption reconciliations

₹ in Crore

Reconciliation of equity as at April 1, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018

Particulars	Note No	Total Comprehensive income Reconciliation	Equity Reconciliation	
		Year ended March 31, 2018	As at March 31, 2018	As at April 1, 2017
Net profit / equity as per previous Indian GAAP		212.93	951.75	798.28
Ind As Adjustments :				
Measurement of Financial Liabilities at Amortised Cost	A	4.28	6.01	1.73
Measurement of Financial Assets at Amortised Cost	B	(22.64)	(38.64)	(16.00)
Expected Credit Loss allowance on Investments and loans	C	(2.09)	(11.53)	(9.45)
Fair Valuation of Investments in Preference Shares	D	6.60	-	(6.59)
Fair Valuation of Investments in Security Receipts	D	(0.53)	(0.02)	0.50
Fair Valuation of Investments in Mutual Funds	D	0.06	0.06	-
Reclassification of net acturial loss on employee defined benefit obligation to Other Comprehensive Income (OCI)	E	0.11	(0.11)	-
Impact of deferred tax on above adjustment	F	5.58	15.43	9.71
Net profit / equity as per Ind AS		**204.30**	**922.95**	**778.18**
Other comprehensive income (net of tax)		(0.07)	-	-
Total Comprehensive income / Equity as per Ind AS		**204.23**	**922.95**	**778.18**

A Under Previous GAAP, transaction costs on borrowings were charged to Statement of Profit and Loss as and when incurred. Under Ind AS, these costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method

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 amortised cost and interest income is recognised as per effective interest rate method.

C Under previous GAAP, provision for doubtful loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, are determined using the expected credit loss model.

D Under Previous GAAP, investments were carried at cost whereas under Ind As, these are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The investments that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per the effective interest rate method. Those that do not meet these tests are measured at fair value.

E Under previous GAAP, Company recognises actuarial gains/losses on defined benefit plan in the profit and loss account. Under Ind AS, the actuarial gains and losses will be recognised in other comprehensive income as remeasurements

F 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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40. Financial Instruments

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in Crore

Borrowings	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Debt Securities	3,490.29	4,713.33	4,112.90
Borrowings (Other than Debt Securities)	1,033.13	954.17	425.12
Gross Debt	**4,523.42**	**5,667.50**	**4,538.02**
Less: Cash and cash Equivalents	142.38	195.75	191.77
Less: Other Bank Deposits	60.05	205.50	60.00
Less: Investment in liquid mutual fund	378.13	2.33	-
Adjusted Net Debt	**3,942.86**	**5,263.92**	**4,286.25**
Total Equity	1,560.25	1,467.45	1,322.68
Adjusted Net Debt to equity ratio	**2.53**	**3.59**	**3.24**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2019, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, was 25.5%, as compared to the minimum capital adequacy requirement of 15.0% as stipulated by the RBI. We believe that our high capital adequacy gives us significant headroom to grow our business.

Particulars	March 31, 2019	March 31, 2018
CRAR prescribed by RBI	15.0%	15.0%
Total capital adequacy ratio		
i) Tier I	24.87%	21.26%
ii) Tier II	0.58%	0.41%

41. Financial instruments

A Fair value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics
- the carrying amounts of financial instruments
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

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to the Standalone Financial Statements

Set out below, is the accounting classification of financial instruments:

1 Accounting classification

₹ in Crore

As at March 31, 2019	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	-	-	142.38	142.38
Bank Balance other than cash and cash Equivalents	-	-	60.05	60.05
Loans	-	-	5,220.58	5,220.58
Invetsments	423.02	-	118.80	541.82
Other Financial Assets	-	-	85.56	85.56
Total Financial Assets	**423.02**	**-**	**5,627.37**	**6,050.39**
Financial Liabilities				
Borrowings	-	-	4,523.42	4,523.42
Trade Payables	-	-	0.50	0.50
Other Financial Liabilities	-	-	26.10	26.10
Total Financial Liabilities	**-**	**-**	**4,550.02**	**4,550.02**

As at March 31, 2018	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	-	-	195.75	195.75
Bank Balance other than cash and cash Equivalents	-	-	205.50	205.50
Loans	-	-	6,543.49	6,543.49
Invetsments	66.63	-	32.00	98.63
Other Financial Assets	-	-	88.60	88.60
Total Financial Assets	**66.63**	**-**	**7,065.34**	**7,131.97**
Financial Liabilities				
Borrowings	-	-	5,667.50	5,667.50
Trade Payables	-	-	0.37	0.37
Other Financial Liabilities	-	-	36.51	36.51
Total Financial Liabilities	**-**	**-**	**5,704.38**	**5,704.38**

As at April 01, 2017	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	-	-	191.77	191.77
Bank Balance other than cash and cash Equivalents	-	-	60.00	60.00
Loans	-	-	5,473.89	5,473.89
Invetsments	101.89	-	12.00	113.89
Other Financial Assets	-	-	19.76	19.76
Total Financial Assets	**101.89**	**-**	**5,757.42**	**5,859.31**
Financial Liabilities				
Borrowings	-	-	4,538.02	4,538.02
Trade Payables	-	-	0.14	0.14
Other Financial Liabilities	-	-	32.70	32.70
Total Financial Liabilities	**-**	**-**	**4,570.86**	**4,570.86**

a The Company considers that the carrying amounts recognised in the financial statements for loans, Debt Securities and borrowings approximate their fair values.

b For financial assets that are measured at fair value, except those included in point (a) above, the carrying amounts are equal to the fair values.

2 Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in

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the 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.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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).

₹ in Crore

As at March 31, 2019	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments in Mutual Fund		378.13	378.13	-	-	378.13
Investments in Security Receipts		37.61	37.61	-	-	37.61
Investments in Equity Instruments		7.28	-	-	7.28	7.28
Total Financial Assets	**-**	**423.02**	**415.74**	**-**	**7.28**	**423.02**

As at March 31, 2018	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments in Mutual Fund		2.33	2.33	-	-	2.33
Investments in Security Receipts		56.78	56.78	-	-	56.78
Investments in Equity Instruments		7.52	-	-	7.52	7.52
Total Financial Assets		**66.63**	**59.11**	**-**	**7.52**	**66.63**

As at April 1, 2017	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments in Security Receipts		6.21	6.21	-	-	6.21
Investments in Equity Instruments		95.68	88.46	-	7.22	95.68
Total Financial Assets	**-**	**101.89**	**94.67**	**-**	**7.22**	**101.89**

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements are approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation techniques used to determine the fair values:

1. Listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.
2. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
3. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

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3 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31, 2019 and March 31, 2018.

₹ in Crore

	Debentures
As at April 01, 2017	**7.22**
Acquisitions	0.30
Gains / (Losses) recognised in profit or loss	-
Realisations	-
As at March 31, 2018	**7.52**
Acquisitions	-
Gains / (Losses) recognized	(0.24)
Realisations	-
As at March 31, 2019	**7.28**

4 Sensitivity for instruments

Nature of Instrument	Fair value As at March 31,2019	Significant Unobservable Inputs*	Increase / Decrease in the Unobservable Input	Sensitivity Impact for the year ended March 31, 2019	
				FV Increase	FV Decrease
Debentures	-	Discount Rate	100 bps	-	-

* There were no significant inter-relationships between unobservable inputs that materially affect fair values

B Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including currency risk and interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Company.

i) Credit Risk

Credit risk is the risk of loss that may occur from defaults by our customers under loan agreements. In order to assess credit risk, a separate set of credit policies that outline a standardized structure approach for customer selection. Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Company has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

Collateral held as security and other credit enhancements

The Company has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

In order to minimise credit risk, the Credit Committee has developed and maintain the Company's credit risk gradings to categorise exposures according to their degree of risk of default.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are

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reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently. Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

Risk and monitoring team are assisted by officers who are also responsible for the collection of installments from each customer that are serviced by them. The Company believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is no significant increase in credit risk	Lifetime ECL
Stage 3	Assets for which there is significant increase in credit risk	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

For PD and Loss Given Default (LGD) the Company has relied upon the internal and external information.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

₹ in Crore

Category	March 31, 2019	March 31, 2018	April 1, 2017
Stage 1	5,229.89	6,555.26	5,509.61
Stage 2	21.73	13.10	-
Stage 3	3.69	16.83	4.14

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending.

₹ in Crore

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,555.26**	**13.10**	**16.83**	**6,585.19**
New assets originated or purchased	2,163.49	-	-	2,163.49
Assets derecognised or repaid (excluding write offs)	(3,462.60)	(0.46)	(28.48)	(3,491.54)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(9.09)	9.09	-	-
Transfers to Stage 3	(17.17)	-	17.17	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(1.83)	(1.83)
Gross carrying amount closing balance	**5,229.89**	**21.73**	**3.69**	**5,255.31**

Gross Carrying amount are net of EIR of ₹ 35.13 Crore but excuding ECL provision of ₹ 34.73 Crore

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₹ in Crore

Category	2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,509.61**	**-**	**4.14**	**5,513.75**
New assets originated or purchased	3,760.39	-	-	3,760.39
Assets derecognised or repaid (excluding write offs)	(2,684.81)	-	-	(2,684.81)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(13.10)	13.10		-
Transfers to Stage 3	(16.83)	-	16.83	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(4.14)	(4.14)
Gross carrying amount closing balance	**6,555.26**	**13.10**	**16.83**	**6,585.19**

Gross Carrying amount are net of EIR of ₹ 38.63 Crore but excuding ECL provision of ₹ 41.70 Crore

₹ in Crore

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**37.26**	**0.20**	**4.24**	**41.70**
New assets originated or purchased	15.87	-	-	15.87
Assets derecognised or repaid (excluding write offs)	(17.13)	(0.13)	(5.59)	(22.85)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.24)	0.24	-	-
Transfers to Stage 3	(1.72)	-	1.72	-
"Impact on year end ECL of exposures transferred between stages during the year"	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	**34.04**	**0.32**	**0.37**	**34.73**

₹ in Crore

Category	2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**35.72**	**-**	**4.14**	**39.86**
New assets originated or purchased	22.99	-	-	22.99
Assets derecognised or repaid (excluding write offs)	(17.01)	-	-	(17.01)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.20)	0.20	-	-
Transfers to Stage 3	(4.24)	-	4.24	-
"Impact on year end ECL of exposures transferred between stages during the year"	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	(4.14)	(4.14)
ECL allowance - closing balance	**37.26**	**0.20**	**4.24**	**41.71**

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ii) 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 access public funds for businesses. Liquidity may be affected due to severe liquidity crunch in the market or due to market disruptions where the Company is unable to access public funds.

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.

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.

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.

"The Company has undrawn lines of credit of ₹ 152.74 Crore, ₹100 Crore and ₹200 Crore as of March 31, 2019, March 31, 2018 and April 1, 2017 respectively, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to liquidity risk

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date.

₹ in Crore

March 31, 2019	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	3,490.29	1,826.34	1,413.11	250.84	-
Borrowing (Other than Debt Securities)	1,033.13	360.79	691.09	(18.74)	
Other Financial Liabilities	26.10	26.10	-	-	-
Trade Payable	0.50	0.50	-	-	-
Total Financial Libilities	**4,550.02**	**2,213.73**	**2,104.20**	**232.10**	**-**
Financial Assets					
Cash and cash Equivalents	142.38	142.38	-	-	-
Bank Balance other than above	60.05	60.05	-	-	-
Loans	5,220.58	2,085.53	2,518.53	469.44	147.08
Investments	541.82	379.86	43.16	-	118.80
Other Financial Assets	85.56	81.44	-	-	4.12
Total Financial Assets	**6,050.39**	**2,749.26**	**2,561.69**	**469.44**	**270.00**

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₹ in Crore

March 31, 2018	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	4,713.33	2,806.29	1,472.38	434.66	-
Borrowing (Other than Debt Securities)	954.17	213.35	611.67	129.15	-
Other Financial Liabilities	36.51	36.51	-	-	-
Trade Payable	0.37	0.37	-	-	-
Total Financial Libilities	**5,704.38**	**3,056.52**	**2,084.05**	**563.81**	**-**
Financial Assets					
Cash and Cash Equivalents	195.75	195.75	-	-	-
Bank Balance other than above	205.50	205.50	-	-	-
Loans	6,543.49	3,260.78	2,505.14	717.35	60.22
Investments	98.63	5.59	61.04	-	32.00
Other Financial Assets	88.60	87.88	-	-	0.72
Total Financial Assets	**7,131.97**	**3,755.50**	**2,566.18**	**717.35**	**92.94**

₹ in Crore

April 1, 2017		0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	4,112.90	3,344.30	692.70	75.90	-
Borrowing (Other than Debt Securities)	425.12	20.33	225.73	179.06	
Other Financial Liabilities	32.70	32.70	-	-	-
Trade Payable	0.14	0.14	-	-	-
Total Financial Libilities	**4,570.86**	**3,397.47**	**918.43**	**254.96**	**-**
Financial Assets					
Cash and Cash Equivalents	191.77	191.77	-	-	-
Bank Balance other than above	60.00	60.00	-	-	-
Loans	5,473.89	2,912.51	1,676.39	482.67	402.32
Investments	113.89	6.21	95.68	-	12.00
Other Financial Assets	19.76	11.65	-	-	8.11
Total Financial Assets	**5,859.31**	**3,182.14**	**1,772.07**	**482.67**	**422.43**

The inflows/(outflows) disclosed in the above table represent the contractual cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity

iii) Market risk

The Company's activities expose it primarily to the interest rates.

Interest rate risk

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note

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₹ in Crore

	March, 31 2019	March, 31 2018	April, 1 2017
Financial assets			
Fixed-rate instruments *	2,556.79	4,235.87	3,619.53
Floating-rate instruments *	2,634.67	2,307.80	1,863.29
Total	**5,191.46**	**6,543.67**	**5,482.82**
Financial Liabilities			
Fixed-rate instruments	3,346.39	4,598.74	4,107.92
Floating-rate instruments	1,007.81	929.16	399.39
Total	**4,354.20**	**5,527.90**	**4,507.31**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. A 100 basis points 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 interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

₹ in Crore

	March, 31 2019		March, 31 2018	
	100 bps higher	100 bps Lower	100 bps higher	100 bps Lower
Floating-rate borrowings	(10.08)	10.08	(9.29)	9.29
Floating-rate loans	26.35	(26.35)	23.08	(23.08)
	16.27	**(16.27)**	**13.79**	**(13.79)**

42. Employee Stock Option Scheme:

During the current year, based on the request made by the Company, JM Financial Limited (ultimate holding company), in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company.

₹ in Crore

Particular	As at March 31, 2019	As at March 31, 2018
Charge on account of the above scheme included in employee benefit expenses	2.83	1.94

43. Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

a) Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in Crore

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Services Limited	Fellow Subsidiary	175.00	-
		(75.00)	-
JM Financial Investment Managers Limited (upto January 18 2018)	Fellow Subsidiary	-	-
		(2.20)	-
Infinite India Investment Management Limited	Fellow Subsidiary	91.70	-
		-	-
JM Financial Credit Solutions Limited	Fellow Subsidiary	-	-
		(125.00)	-
JM Financial Properties & Holdings Limited	Fellow Subsidiary	108.00	-
		(54.00)	-
JM Financial Home Loans Limited	Fellow Subsidiary	25.00	-
		-	-

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₹ in Crore

Name of the company	Relationship	Maximum Balance	Closing Balance
Astute Investments	Fellow Subsidiary	120.00	24.73
		(80.93)	-
CR Retail Malls (India) Limited	Fellow Subsidiary	206.60	43.02
		(42.61)	(30.00)
JM Financial Capital Limited	Fellow Subsidiary	35.00	
		(65.00)	
JM Financial Asset Reconstruction Private Limited	Fellow Subsidiary	25.00	
		(100.00)	

Loans and advances shown above are interest bearing, repayable on demand and are utilised for their business purposes.

(figures in brackets indicates previous year figures)

44. Corporate Governance and Disclosure Norms for NBFCs:

(As stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014)

44.1 Capital Risk Adequacy Ratio (CRAR):

₹ in Crore

Particulars	Current year	Previous year
CRAR (%)	25.45%	21.67%
CRAR - Tier I capital (%)	24.87%	21.26%
CRAR - Tier II capital (%)	0.58%	0.41%

44.2 Exposures:

₹ in Crore

	Particulars	Current year	Previous year
I	**Exposure to Real Estate Sector**		
a)	**Direct Exposure**		
(i)	**Residential Mortgages-**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh may be shown separately)	8.08	118.49
	Individual housing loans up to ₹ 15 lakh	1.31	1.28
(ii)	**Commercial Real Estate*-**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	-	-
	Exposure would also include non-fund based (NFB) limits;	1,829.37	2,051.97
	* Also includes Commercial Real Estate exposure in Investments.		
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures-**		
	a) Residential,	-	-
	b) Commercial Real Estate.	-	-
b)	**Indirect Exposure**		
	Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	118.80	32.00
II	**Exposure to Capital Market**		
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	363.93	541.19
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1,478.52	1,540.24

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Particulars		Current year	Previous year
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	12.08	107.33
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	**1,854.53**	**2,188.76**
III	**Details of financing of parent company products**	Nil	Nil
IV	**Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC**	Nil	Nil
V	**Unsecured Advances**		
	Amount of advances given against intangible securities	Nil	Nil

45. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

₹ in Crore

Particulars	upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities									
Borrowing from Banks	47.26	16.67	-	40.49	231.31	593.51	28.58	-	957.81
	(20.00)	(20.00)	(20.00)	(60.00)	(93.34)	(586.67)	(129.15)	-	(929.16)
Market Borrowings	21.10	111.45	314.46	543.04	692.06	1,438.11	250.84	-	3,371.07
	(287.20)	(406.03)	(760.92)	(673.42)	(539.13)	(1,472.38)	(434.66)	-	(4,573.74)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Assets									
Advances	201.50	227.63	572.49	402.72	617.34	2,518.53	469.44	147.07	5,156.72
	(532.27)	(483.66)	(222.18)	(510.72)	(1,472.07)	(2,505.14)	(717.35)	(58.55)	(6,501.94)
Deposits	-	-	-	-	-	0.05	9.03	0.02	9.09
	(-)	(-)	(-)	(-)	(-)	(0.09)	(0.87)	(0.02)	(0.98)
Investments	378.14				1.73	35.88		126.08	541.82
	(2.33)	(-)	(-)	(-)	(56.78)	(-)	(-)	(39.52)	(98.63)
Foreign currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Figures in brackets are for previous year

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) The above assets does not include Stock-in-Trade acquired from borrowed funds.

c) The above statement includes only certain items of assets and liabilities (as stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014) and therefore does not reflect the complete asset liability maturity pattern of the Company.

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46. Particulars

₹ in Crore

	Liabilities side	Amount outstanding	Amount overdue
(I)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	(i) Secured	2,309.15	-
		(2,679.22)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	55.00	-
		(317.00)	(-)
(b)	Deferred Credits	-	-
		-	(-)
(c)	Term Loans	961.18	-
		(929.39)	(-)
(d)	Inter-corporate loans and borrowing	27.16	-
		(25.53)	(-)
(e)	Commercial Paper (net of unamortised discount)	-	-
		-	(-)
(f)	Other Loans (Please Specify)	-	
	Overdraft Accounts	-	-
		-	(-)
	Cash Credits	47.38	-
		(0.14)	(-)
	CBLO Borrowing (net of unamortised discount)	-	-
		-	(-)
	Working capital demand loan	-	-
		-	(-)
	Due under finance lease	0.32	-
		(0.01)	(-)

₹ in Crore

	Assets side	Amount outstanding
(II)	**Break up of Loans and Advances including bills receivables (other than those included in (IV) below):**	
(a)	Secured	5,155.12
		(6,486.65)
(b)	Unsecured	65.46
		(56.84)
(III)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:**	
(a)	Lease assets including lease rentals under sundry debtors:	
	(i) Financial Lease	-
		(-)
	(ii) Operating Lease	-
		(-)
(b)	Stock on hire including hire charges under sundry debtors:	-
	(i) Assets on hire	(-)
		-
	(ii) Repossessed Assets	(-)
		-
(c)	Other loans counting towards AFC activities:	(-)
	(i) Loans where assets have been repossessed	-
		(-)
	(ii) Loans other than (a) above	-
		(-)

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Assets side	Amount outstanding
(IV) Break – up of Investments:	
(a) Current Investments:	
1. Quoted:	
(i) Shares:	
(a) Equity	-
	(-)
(b) Preference	-
	(-)
(ii) Debentures and Bonds	-
	(-)
(iii) Units of Mutual Funds	378.14
	(2.34)
(iv) Government Securities	
(v) Others (Please Specify)	-
	(-)
2. Unquoted:	-
(i) Shares:	(-)
(a) Equity	-
	(-)
(b) Preference	-
	(-)
(ii) Debentures and Bonds	-
	(-)
(iii) Units of Mutual Funds	-
	-
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	-
Class A Security Receipts	1.73
	(56.78)
(b) Non Current Investments	
1. Quoted:	
(i) Shares:	
(a) Equity	-
	(-)
(b) Preference	-
	(-)
(ii) Debentures and Bonds	-
	(-)
(iii) Units of Mutual Funds	-
	(-)
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	35.88
	(-)
2. Unquoted:	
(i) Shares:	
(a) Equity	118.80
	(32.00)
(b) Preference	7.28
	(7.52)
(ii) Debentures and Bonds	-
	-
(iii) Units of Mutual Funds	-
	(-)
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	-
	(-)

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(V) Borrower group – wise classification of assets financed as in (II) and (III) above:

₹ in Crore

	Category	Amount net of provisions		
		Secured	Unsecured	Total
(a)	Related Parties			
	(i) Subsidiaries	-	-	-
		(-)	(-)	-
	(ii) Companies in the same group	7.50	35.52	43.02
		(-)	(30.00)	(30.00)
	(iii) Other related parties	-	24.43	24.43
		(-)	(-)	-
(b)	Other than related parties	5,147.62	5.52	5,153.14
		(6,486.65)	(26.84)	(6,513.49)
		5,155.12	**65.46**	**5,220.58**
		(6,486.65)	(26.84)	(6,513.49)
	Less: Provision for non-performing assets			0.37
				(1.68)
	Total			**5,220.21**
				(6,541.80)

(VI) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹ in Crore

	Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
(a)	Related Parties		
	(i) Subsidiaries	110.69	118.80
		(30.39)	(32.00)
	(ii) Companies in the same group *	-	-
		-	-
	(iii) Other related parties	-	-
		(-)	(-)
(b)	Other than related parties **	423.02	423.02
		(66.63)	(66.63)
	Total	**533.72**	**541.82**
		(97.02)	(98.63)

(VII) Other Information:

₹ in Crore

	Particulars	Amount
(a)	Gross Non – Performing Assets	
	(i) Related Parties	-
		(-)
	(ii) Other than related parties	3.69
		(16.83)
(b)	Net Non – Performing Assets	
	(i) Related Parties	-
		(-)
	(ii) Other than related parties	3.32
		(15.14)
(c)	Assets acquired in satisfaction of debt	-
		(-)

(figures in brackets indicates previous year figures)
* Non cummulative redeemable preference shares and therefore considered at cost.
** cost is considered whereever fair value is not available

Notes

to the Standalone Financial Statements

47. There are no restructured advances as on March 31, 2019, hence disclosure of information as required in terms of sub-Para 9 of Paragraph 27 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (issued vide Notification No. DNBR.009/CGM(CDS)-2015 dated March 27, 2015) is not warranted.

48. Investments

₹ in Crore

Particulars		Current year	Previous year
(a)	**Value of Investments**		
(i)	Gross Value of Investments		
	(a) in India	541.82	98.63
	(b) outside India	-	-
(ii)	Provision for depreciation		
	(a) in India	-	-
	(b) outside India	-	-
(iii)	Net Value of Investments		
	(a) in India	541.82	98.63
	(b) outside India	-	-
(b)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

48.1 Additional & Miscellaneous Disclosures:

(I) Registration obtained from other financial sector regulators

Company has not registered with other financial sector regulators except with Reserve Bank of India

(II) Disclosure of Penalties imposed by RBI and other regulators **Nil** **Nil**

(III) Ratings assigned by credit rating agencies and migration of ratings during the year:

Rating particulars	Rating Agency	Rating assigned
Commercial Paper Programme	ICRA Limited	ICRA A1+
	CARE Ratings Limited	Care A1+
	CRISIL Limited	Crisil A1+
Non-Convertible Debentures	ICRA Limited	ICRA AA / Stable
	CARE Ratings Limited	Care AA/Stable
	CRISIL Limited	Crisil AA / Stable
Bank Loan facility	ICRA Limited	ICRA AA / Stable
	CRISIL Limited	Crisil AA / Stable
Long Term Principal Protected Equity Linked Debentures Programme	ICRA Limited	PP-MLD[ICRA] AA / Stable

During the current year, we have obtained rating from Care ratings.

(IV) Net Profit or Loss for the period, prior period items and changes in accounting policies:

There are no prior period items and changes in accounting policies impacting net profit for the year

(V) Revenue Recognition:

Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

Notes

to the Standalone Financial Statements

(VI) Provisions and Contingencies

₹ in Crore

	current year	Previous year
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	-	-
Provision towards NPA	(1.31)	1.68
Provision made towards Income tax	112.30	114.50
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	3.26	2.22
(VII) Draw Down from Reserves	Nil	Nil

(VIII) Concentration of Deposits, Advances, Exposures and NPAs

₹ in Crore

		current year	Previous year
(a)	**Concentration of Deposits (for deposit taking NBFCs)**		
	Total Deposits of twenty largest depositors	NA	NA
	Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA
(b)	**Concentration of Advances**		
	Total advances to twenty largest borrowers (₹ in crore)	2,767.82	3,039.32
	Percentage of advances to twenty largest borrowers to total advances of the NBFC	53.31%	46.45%
(c)	**Concentration of Exposures**		
	Total exposure to twenty largest borrowers / customers (₹ in crore)	2,806.14	3,050.74
	Percentage of Exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	53.40%	46.62%
(d)	**Concentration of NPAs**		
	Total exposure to top four NPA accounts (₹ in crore)	3.69	16.83

(e) Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector FY 19	Percentage of NPAs to Total Advances in that sector FY18
Agriculture & allied activities	-	-
MSME	-	-
Corporate borrowers	-	0.41%
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-
Other loans	0.86%	-

Notes

to the Standalone Financial Statements

(IX) Movement of NPAs

₹ in Crore

		current year	Previous year
(i)	Net NPAs to Net Advances (%)	0.06%	0.23%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	16.83	4.14
	(b) Additions during the year	17.18	19.91
	(c) Reductions during the year	30.31	7.22
	(d) Closing balance	3.69	16.83
(iii)	Movement of Net NPAs		
	(a) Opening balance	15.14	-
	(b) Additions during the year	15.46	17.86
	(c) Reductions during the year	27.28	2.72
	(d) Closing balance	3.32	15.14
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1.68	4.14
	(b) Provisions made during the year	8.15	2.05
	(c) Write-off / write-back of excess provisions	9.46	4.51
	(d) Closing balance	0.36	1.68

(X) Disclosure of Complaints

Customer Complaints

Particulars	
No. of complaints pending at the beginning of the year	Nil
No. of complaints received during the year	10
No. of complaints redressed during the year	10
No. of complaints pending at the end of the year	Nil

(XI) Disclosure in respect of derivatives, securitisation transactions, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company.

49. Provision for Standard Assets

To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a Notification No. DNBS.222/CGM(US)-2011 dated January 17, 2011, requiring all NBFCs to make a general provision at 0.40 per cent of the outstanding standard assets. The Company had in the past created provision for standard assets as per guidelines prescribed by the Board of Directors which is sufficient to comply with the aforesaid RBI notification.

Movement in Provision for standard assets

₹ in Crore

	current year	Previous year
(a) Opening balance as at the beginning of the year	28.49	26.27
(b) Provisions made during the year	3.26	2.22
(c) Utilisation of Provisions during the year	-	-
(d) Reversal of Provisions during the year	-	-
(e) Closing balance as at the end of the year	31.75	28.49

50. 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 – ₹ 5.82 crore (previous year, ₹ 5.26 crore)
b) Amount spent and paid during the year by way of donations to charitable trusts– ₹ 5.82 crore (previous year, ₹ 5.26 crore)

Notes

to the Standalone Financial Statements

51. Unhedged Foreign Currency Exposure

Particulars	Unhedged			Hedged through forward or derivative (#)		
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total
FCY Receivables						
Loans to JV/WOS	-	-	-	-	-	-
Others	-	-	-	-	-	-
		-	-	-	-	-
FCY Payables						
Imports	-					
Trade Credits	-	-	-	-	-	-
ECBs	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-
Total	-	-	-	-	-	-
		-	-	-	-	-

#Note: Covered Option(s) is/are not included

Our EBID i.e. profit after tax + Depreciation + Interest on debt as of this date is ₹ 722.09 crore

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date: April 26, 2019

Independent Auditors' Report

To the Members of JM Financial Products Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of **JM Financial Products Limited** (hereinafter referred to as 'the Holding Company') and its Subsidiary (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements, as applicable, and on the other financial information of the Subsidiary, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and, the aforesaid consolidated Ind AS 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 accounting principles generally accepted in India, of the Consolidated financial position of the Group as at March 31, 2019, and its consolidated profit (including other comprehensive income), its consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of consolidated Ind AS financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 financial statements under the provisions of the Act and the Rules thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Nature of Key audit Matter – provision towards Expected Credit Loss on Loans

As per the roadmap notified by the Ministry of Corporate Affairs ('MCA') to Indian Accounting Standards ('Ind AS'), the Group has adopted to prepare and present its consolidated Ind AS financial statements from financial year 2018-19 with corresponding comparatives of previous year 2017-18, the transition date being April 1, 2017. As part of adoption to new accounting framework, the Company, inter alia, reported financial assets viz Loans aggregating to ₹ 5,421.99 Crores net of provision towards expected credit loss of ₹ 36.07 Crores. The Expected Credit Loss ('ECL') is based on management estimates using collective model approach for the loan exposure, hence key audit matter. Measurement of credit impairment in outstanding loans involves application of significant judgement by the management of the Group like:

- Timely identification and classification of the impaired credits in loans
- Determination of probability of defaults based on comparative external and internal ratings and further considering values of underlying securities/collaterals and such other relevant factors.
- Assumptions for estimated future cashflows in respect of credit impaired loan accounts.

Our audit processes applied to address the identified key audit Matter

- Tested the design and effectiveness of internal controls in respect of followings:
- Identification and classification of loans with indications of impaired credits in loan accounts;
- Evaluating management estimation of future cash flows basis the past experience;
- For identified credit impaired accounts, selectively testing the forecasts and calculations pertaining thereto;
- Validation of the model used to ascertain impairment provisioning considering the bifurcation of such loans in correct bucketing;

- Testing the completeness and accuracy of data from the systems used in models including bucketing of loans into delinquency bands;
- Assessing management estimates / judgement of key assumptions for aforesaid matters

Other Matters

5. The comparative financial information of the Group for the year ended March 31, 2018 and the transition date opening Balance Sheet as at April 01, 2017 included in these Consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by Deloitte Haskins & Sells LLP, Chartered Accountants (predecessor auditor) for the year ended March 31, 2018 and for the year ended March 31, 2017, whose reports dated April 30, 2018 and April 27, 2017 respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us with respect to Holding Company and by other auditor with respect to the Subsidiary as noted in paragraph 6 below. Our opinion is not modified in respect of this matter.
6. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of ₹ 212.22 crore as at March 31, 2019, total revenues of ₹ 11.83 crore and net cash outflows amounting to ₹ 7.91 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
7. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors. and the financial statements furnished by the Management.

Information Other than the Financial Statements and Auditor's Report Thereon

8. The Holding Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and such other disclosures related Information, excluding the consolidated Ind AS financial statements and auditor's report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Management for consolidated Ind AS Financial Statements

9. The Holding Company's Board of Directors is responsible for preparation of these consolidated Ind AS financial statements in terms of requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement in changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; 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 Ind AS financial statements 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as

Independent Auditors' Report (Contd.)

applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. Our audit process in accordance with the SAs is narrated in details in Annexure 1 to this report.

Report on Other Legal and Regulatory Requirements

11. 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 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 and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements,

    d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019, taken on record by the Board of Directors of the Holding Company and based on the reports of the statutory auditors of its Subsidiary, none of the directors of the Group are 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 matter to be included in Auditors Reports under section 197(16) of the Act:

       In our opinion and according to the information and explanation given to us and based on the reports of the statutory auditors of subsidiary company incorporated in india which were not audited by us, the remuneration paid during the current year by the company, its and subsidiary company to its director is in accordance with provision of Section 197 of the Act. The remuneration paid to any directors by the Company and its subsidiary is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

    g. With respect to the adequacy of the internal financial controls with reference consolidated ind AS financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2.

    h. 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, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

       (i) The Group does not have any pending Litigation, as at the year end which would impact its financial position;

       (ii) The Group did not have any long-term contracts including derivative contracts 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 Group.

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

Place : Mumbai
Date : April 26, 2019

Hasmukh B Dedhia
Partner (F - 033494)

Annexure 1 to the Independent Auditors' Report

(referred to in para 10 titled "Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements")

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain the reports of the auditors of the entities in the Group audited by other auditors; communicating with such other auditors within framework of SA 600 and reviewing the financial statements of such entities of the group from the perspectives of consolidation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Annexure 2 to the Independent Auditors' Report

[referred to in paragraph 11(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

Report on the Internal Financial Controls 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 Products Limited (hereinafter referred to as "the Holding Company") and its Subsidiary (collectively referred to as "the Group") as at March 31, 2019 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended March 31, 2019.

Management's Responsibility for Internal Financial Controls

The respective management and the Board of Directors of the Holding Company and its Subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (ICAI). 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 the respective company's policies,

Independent Auditors' Report (Contd.)

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 Holding Company's internal financial controls over financial reporting 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") 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, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding 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:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS 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

(c) 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 consolidated Ind AS 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 considering the nature and size of the operations, the Holding Company and its Subsidiary has, in all material respects, an adequate internal financial controls with reference to consolidated Ind AS financial statements and internal financial controls with reference to consolidated IND As financial statement were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matter

We did not audit the Financial Statements of a Subsidiary included in the Consolidated Financial Statements. Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to this component is based solely on the corresponding reports of the auditors of such company. Our opinion is not qualified in respect of this matter.

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

Place : Mumbai
Date : April 26, 2019

Hasmukh B Dedhia
Partner (F - 033494)

Consolidated Balance Sheet

as at 31st March, 2019

₹ in Crore

Sr. No.		Notes	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and cash equivalents	5	147.02	208.34	203.63
(b)	Other Bank Balances	6	60.10	205.50	60.00
(c)	Loans	7	5,421.99	6,561.14	5,474.03
(d)	Investments	8	423.02	66.63	101.89
(e)	Other Financial assets	9	86.39	88.88	19.76
	Total Financial Assets		**6,138.52**	**7,130.49**	**5,859.31**
(2)	**Non-financial Assets**				
(a)	Current tax assets (net)	10	24.39	17.36	16.07
(b)	Deferred tax Assets (net)	11	28.66	27.88	22.16
(c)	Property, Plant and Equipment	12	9.50	4.34	4.05
(d)	Intangible assets under development	12	0.39	2.01	0.66
(e)	Other Intangible assets	12	2.82	1.47	0.91
(f)	Other non-financial assets	13	10.01	4.60	1.68
	Total Non Financial Assets		**75.77**	**57.66**	**45.53**
	Total Assets		**6,214.29**	**7,188.15**	**5,904.84**
	LIABILITIES AND EQUITY				
	Financial Liabilities				
(a)	Payables				
	(I) Trade Payables	14			
	(i) Total outstanding dues of micro enterprises and small enterprises		0.02	0.01	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises"		1.61	1.11	0.14
(b)	Debt Securities	15	3,549.05	4,713.33	4,112.90
(c)	Borrowings (Other than Debt Securities)	16	1,070.98	954.17	425.12
(d)	Other financial liabilities	17	28.16	37.32	32.70
	Total Financial Liabilities		**4,649.82**	**5,705.94**	**4,570.86**
(2)	**Non-Financial Liabilities**				
(a)	Current tax liabilities (Net)	18	0.31	2.41	2.63
(b)	Provisions	19	3.77	2.79	1.59
(c)	Other non-financial liabilities	20	7.15	11.17	7.07
	Total Non-Financial Liabilities		**11.23**	**16.37**	**11.29**
(3)	**EQUITY**				
(a)	Equity Share capital	21	544.50	544.50	544.50
(b)	Other Equity	22	1,007.54	921.34	778.19
	Equity attributable to owners		**1,552.04**	**1,465.84**	**1,322.69**
(c)	**Non Controling Interests**		1.20	-	-
	Total Equity		**1,553.24**	**1,465.84**	**1,322.69**
	Total Liabilities and Equity		**6,214.29**	**7,188.15**	**5,904.84**
Notes to the consolidated financial statements		1 to 45			

In terms of our report attached

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

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date : April 26, 2019

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

₹ in Crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
(I)	**Revenue from operations**			
(i)	Interest Income	23	864.54	831.32
(ii)	Fees and Commission Income	24	40.06	13.48
(iii)	Other Operating Income	25	54.21	35.95
(iv)	Net gain on fair value changes	26	-	0.06
	Total Revenue from operations		**958.81**	**880.81**
(II)	**Other Income**	27	1.84	12.67
(III)	**Total Income (I+II)**		**960.65**	**893.48**
(IV)	**Expenses**			
(i)	Finance Costs	28	524.82	485.13
(ii)	Impairment on financial instruments	29	(5.54)	6.05
(iii)	Net loss on fair value changes	26	15.82	-
(iv)	Employee Benefits Expenses	30	61.77	42.14
(v)	Depreciation, amortization and impairment	12	3.28	2.53
(vi)	Operating and other expenses	31	51.33	45.95
	Total Expenses		**651.48**	**581.80**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		**309.17**	**311.68**
(VI)	**Tax Expense:**	32		
	Current tax		112.30	114.50
	Deferred tax		(0.84)	(5.68)
	Tax adjustment of earlier years (net)		-	0.18
	Total tax expenses		**111.46**	**109.00**
(VII)	**Profit / (loss) for the period from continuing operations (V-VI)**		**197.71**	**202.68**
(VIII)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurment of employee defined benefit obligation		0.14	(0.11)
	- Income tax on above		(0.05)	0.04
	Other Comprehensive Income		**0.09**	**(0.07)**
(IX)	**Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**197.80**	**202.61**
	Non Controlling Interest		0.08	-
	Net profit Attribuatable to Company		**197.88**	**202.61**
(X)	**Earnings per equity share**			
	Basic EPS (in ₹) (Not annualised)		3.63	3.72
	Diluted EPS (in ₹) (Not annualised)		3.63	3.72
	Notes to the consolidated financial statements	1 to 45		

In terms of our report attached

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

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date : April 26, 2019

Consolidated Statement of Cash Flow

for the year ended 31st March, 2019

₹ in Crore

	PARTICULARS	As at 31.03.2019	As at 31.03.2018
A	**Net Profit before tax**	**309.17**	**311.68**
	Adjustment for :		
	Depreciation/ Amortisation	3.28	2.54
	Profit on Sale of Fixed Assets (net)	-	(0.13)
	Loan funds written off	1.82	4.16
	Interest expenses - Others	0.03	0.16
	Provision for doubtful loans written back (net)	-	(4.14)
	Provision for Non Performing Assets	(1.31)	1.68
	Provision for standard assets	4.53	2.29
	Interest Income on fixed deposits with Banks and others	(0.05)	(1.22)
	Provision for bonus - written back	-	(0.14)
	Impairment on financial instruments	(6.82)	-
	Net loss on fair value changes	15.81	-
	Profit on sale of current investments	(47.12)	(30.37)
	Operating Profit before Working Capital Changes	**279.34**	**286.51**
	Changes in working capital		
	Adjustment for (increase)/ decrease in operating assets:		
	Loans and advances and other current assets	1,203.52	(1,176.69)
	Stock-in-trade	(49.18)	9.86
	Operating fixed deposits with banks	145.45	(145.50)
	Accrued interest income related to operating activities	0.13	0.01
	Adjustment for increase/ (decrease) in operating liabilities:		
	Trade payables, other liabilities and provisions	(9.12)	10.91
	Accrued interest expenses related to operating activities	29.64	108.87
	Cash (used in) operations	**1,599.78**	**(906.03)**
	Direct taxes paid (net)	(121.50)	(116.15)
	Net Cash (used in) Operating Activities (A)	**1,478.28**	**(1,022.18)**
B	**Cash flow from Investing Activities**		
	Purchase of fixed assets	(6.69)	(5.32)
	Sale of fixed assets	0.01	0.26
	Investment in a subsidiary	1.20	-
	Purchase of long term investments	-	(0.30)
	Sale of long term investments	-	95.17
	Sale /Purchase of current investments (net)	(343.02)	(29.26)
	Interest received	0.05	1.11
	Net Cash generated from Investing Activities (B)	**(348.45)**	**61.66**
C	**Cash flow from Financing Activities**		
	Proceeds from long term borrowings (net)	(271.82)	1,885.83
	Proceeds from /(Repayments) short term borrowings (net)	(807.71)	(860.96)
	Interest paid	(0.03)	(0.16)
	Dividend paid (Including Corporate Dividend Tax)	(111.59)	(59.46)
	Net Cash flow from Financing Activities (C)	**(1,191.15)**	**965.25**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(61.32)	4.72
	Cash and cash equivalents at the beginning of the year	208.34	203.63
	Cash and cash equivalents at the end of the year	**147.02**	**208.34**
Notes:			
(1)	**Reconciliation of cash and cash equivalents:**		
	As per Balance Sheet (Refer note 5)	207.12	413.84
	Less: Balances with banks in deposit	60.10	205.50
	As per Cash-flow statement	**147.02**	**208.34**
(2)	Balances with banks in deposit includes ₹ 60.10 crore (Previous year ₹ 205.50 crore) placed as securities against overdraft facilities availed from the banks.		

In terms of our report attached

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

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date : April 26, 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 as at March 31, 2018	Changes in equity share capital during the period	Balance as at March 31, 2019
Equity Share Capital	544.50	-	544.50	-	544.50

B. Other Equity

₹ in Crore

Particulars	Reserves and Surplus						
	Securities Premium	Capital Redemption Reserves	General Reserves	Retained earnings/ (accumulated deficit)	Capital Reserves	Statutory Reserves	Total Other Equity
Balance as at April 1, 2017	**38.23**	**0.00**	**-**	**506.67**	**-**	**233.29**	**778.19**
Profit for the year				202.68			202.68
Transfer to statutory reserves				(43.00)		43.00	-
Final /Interim dividend				(49.40)			(49.40)
Corporate dividend tax				(10.06)			(10.06)
Other comprehensive income				(0.07)			(0.07)
Balance at March 31, 2018	**38.23**	**0.00**	**-**	**606.82**	**-**	**276.29**	**921.34**
Profit for the year				197.71			197.71
Transfer to statutory reserves				(41.00)		41.00	
Final /Interim dividend				(92.57)			(92.57)
Corporate dividend tax				(19.03)			(19.03)
Other comprehensive income				0.09			0.09
Balance at March 31, 2019	**38.23**	**0.00**	**-**	**652.02**	**-**	**317.29**	**1,007.54**

C. Non Controlling Interests

₹ in Crore

Particulars	Balance as at April 1, 2017	Changes in Non Controlling Interest during the year	Balance as at March 31, 2018	Changes in Non Controlling Interest during the year	Balance as at March 31, 2019
Equity Share Capital	-	-	-	1.20	1.20

The accompanying notes form an integral part of the consolidated financial statements - note no 1 to 45

In terms of our report attached

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

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date : April 26, 2019

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date : April 26, 2019

Significant Accounting Policies

and notes to the Consolidated Financial Statements

1. Principles of consolidation:

The consolidated financial statements relate to JM Financial Products Limited ('the holding Company") and its subsidiary together referred as "the Company" or "the Group". The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2019.

b. The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS- 21) "Consolidated Financial Statements".

c. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiary when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company's separate financial statements.

The name of the subsidiary of the Company which is included in the consolidation and the Group's holding therein is as under:

Name of Subsidiary	Country of Incorporation/ Registration	Percentage of Holding
JM Financial Home Loans Limited	Indian	99%

2. Significant Accounting Policies

2.1 Statement of Compliance

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

Effective April 01, 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.

Historical cost convention

The consolidated 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 value in use in Ind AS 36.

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

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

2.2 Presentation of consolidated financial statements

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

Amounts in the consolidated financial statements are presented in Indian Rupees in crores rounded off to two

Significant Accounting Policies

and notes to the Consolidated Financial Statements

decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

2.3 Revenue Recognition

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

2.3.1 Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

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

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

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

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

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

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

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

2.3.2 Fees and Commission Income

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

2.3.3 Investment Income

The gains/ losses on sale of investments are recognised in the Statement of Consolidated Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

2.3.4 Dividend Income

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

2.4 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.

2.4.1 Finance Lease

Assets held under finance leases are initially recognised 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 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 recognised immediately in consolidated profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.7 below).

2.4.2 Operating Lease

Rental expense from operating leases is generally recognised 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 recognised in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised 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.

Effective from April 01, 2019 Ind AS 116, the new leases standard will be applicable to the Company. As per Ind AS 116 all leases will form part of the consolidated balance sheet, applying a "right-of-use asset" model that would recognise an asset on the lessee's balance sheet (representing its right to use the leased asset over the lease term), and recognise a corresponding liability to make future lease payments.

As such, a lessee's current operating lease accounting model will change significantly. The lessor accounting model will largely remain unchanged from that applied under current guidance.

2.5 Foreign currency transactions

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

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

2.6 Borrowing costs

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

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

2.7 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

Defined Benefit Obligation:

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

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

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

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

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

Significant Accounting Policies

and notes to the Consolidated Financial Statements

Short-term benefits:

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term benefits:

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

2.8 Share-based payment arrangements

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

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

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

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

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

Fair valuation of grants on transition to Ind AS

For transition to Ind AS, the Company has availed the option to fair value grants that vest after the transition date, 1 April 2017.

2.9 Income tax

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

Current Tax

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

Deferred tax

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

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

Significant Accounting Policies

and notes to the Consolidated Financial Statements

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 Goods and Services Input Tax Credit

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

2.11 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. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as “capital work-in-progress”. (Also refer to policy on leases, borrowing costs and impairment of assets below).

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Property, plant and equipment	
Office Premise	3 years
Leasehold improvements	3 years
Computers	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	5 years

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

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

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

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

Intangible assets

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

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

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

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

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

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

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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

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

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

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

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

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

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

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

Contingent liability is disclosed in case of:

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

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

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.13 Commitments

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

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

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

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

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

2.14 Statement of Consolidated Cash Flows

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

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

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

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

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

2.15 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

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Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.16 Financial Instruments

Recognition of Financial Instruments

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

2.16.1 Initial Measurement of Financial Instruments

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

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

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

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

2.16.2 Subsequent Measurement of Financial Assets:

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

2.16.3 Classification of Financial Assets:

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

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

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

A financial asset is held for trading if:

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

2.16.4 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

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during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

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

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

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

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

2.16.5 Equity Investments at FVTOCI

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

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

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

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

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

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

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

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

2.16.7 Reclassifications

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

2.16.8 Impairment of financial assets

Overview of the Expected Credit Loss principles

The company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial

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guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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

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

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

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

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

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

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

- Stage 1 - 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 trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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

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

2.16.9 Derecognition of financial assets

A financial asset is derecognised only when:

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

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

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2.16.10 Write-off

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

2.16.11 Financial liabilities and equity instruments

Classification as debt or equity

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

2.16.12 Equity Instrument

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

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

2.16.13 Financial liabilities

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

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

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

2.16.14 Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

2.16.15 Financial liabilities subsequently measured at amortised cost

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

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

2.16.16 Derecognition of financial liabilities

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

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derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 Cash and Cash Equivalents

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

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

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 Issues but net yet effective

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 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 recognise 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 recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of assessing the impact of the new standard, 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 consolidated Financial Statements.

3 Critical accounting judgements and key sources of estimation uncertainties

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

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

Expected Credit Loss

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

Fair Valuation

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

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

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 consolidated 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 consolidated balance sheet, the Company has adjusted the amounts reported previously in consolidated 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

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performance and cash flows is set out in the following tables and notes.

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.

Ind AS Exemptions:
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 recognised 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
Cash and cash equivalents			
Cash in hand	0.05	0.01	-
Balances with banks			
- in current accounts	92.38	13.77	14.13
- in deposit accounts	40.00	194.55	189.50
Cheques on hand	14.59	0.01	-
Total	**147.02**	**208.34**	**203.63**

6. Other balances with Banks

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Deposit Accounts under lien against which overdraft facilities are availed (Refer Note 6.1)	60.10	205.50	60.00
Total	**60.10**	**205.50**	**60.00**

6.1 Deposit accounts under lien of ₹ 60.10 crore (Previous year ₹ 205.50 crore) against which overdraft facilities remained outstanding as at the year end of ₹ Nil (Previous year of ₹ Nil)

7. Loans

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
(i) Term Loans	4,712.64	5,087.34	3,934.28
(ii) Demand Loan	716.69	1,512.67	1,564.54
(iii) Interest accrued	63.86	41.56	31.07
Gross	**5,493.19**	**6,641.57**	**5,529.89**
Less: Impairment loss allowance / EIR	(71.20)	(80.43)	(55.86)
Net	**5,421.99**	**6,561.14**	**5,474.03**
Break up of loans into secured and unsecured			
Secured by tangible assets and intangible assets	5,363.87	6,543.17	4,895.76
Loan funds (Unsecured)	65.46	56.84	603.06
Interest accrued	63.86	41.56	31.07
Gross	**5,493.19**	**6,641.57**	**5,529.89**
Less: Impairment loss allowance	(36.07)	(41.79)	(39.86)
Less : Processing fees - EIR	(35.13)	(38.64)	(16.00)
Total	**5,421.99**	**6,561.14**	**5,474.03**

Note : The loans are given in India to other than Public sectors

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8. Investments

₹ in Crore

	QTY	As at March 31, 2019 Amortised cost	At Fair Value Through profit and loss account	Total
Investments				
Mutual Funds Units of ₹ 10/- each, Fully Paid Up				
JM High Liquid Fund - JM Liquid Fund (Direct) Growth Option	5036163	-	25.78	25.78
Reliance Mutual Fund - Reliance Liquid Fund	54859	-	25.03	25.03
Frankline Mutual Fund - Franklin India Liquid fund	268319	-	75.09	75.09
Kotak Mutual Fund - Kotak Liquid Direct Plan Growth	264466	-	100.08	100.08
ICICI Mutual Fund - ICICI Prudential Liquid Fund	5504703	-	152.15	152.15
Preference Shares				
Compulsory Convertible Preference Share				
Fairassets Technologies India Private Limited - Series A3 of ₹ 5,771.13/- each	12508	-	7.22	7.22
Fairassets Tech India Private Ltd -Series B of ₹ 7,395.15/- each	406	-	0.30	0.30
Investment Account - Fair Value		-	(0.24)	(0.24)
Equity Shares				
Others (unquoted)				
Fairassets Technologies India Private Limited of ₹ 10/- each*	2	-	0.00	0.00
* ₹ 11,542/- (Previous Year ₹ 11542/-)				
Security Receipts				
(Unquoted)				
Class A Security Receipts of ₹ 1,000/- each fully paid up	200000	-	1.68	1.68
Investment Account - Fair Value	535500	-	53.55	53.55
Investment Account - Fair Value		-	(17.62)	(17.62)
Total – Gross	**-**	**-**	**423.02**	**423.02**
Less: Impairment loss allowance	-	-	-	-
Total – Net	**-**	**-**	**423.02**	**423.02**
Break up of gross investments:				
(i) Investments outside India	-	-	-	-
(ii) Investments in India	-	-	423.02	423.02
Total	**-**	**-**	**423.02**	**423.02**

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₹ in Crore

	QTY	As at March 31, 2018 Amortised cost	At Fair Value Through profit and loss account	Total
Investments				
Mutual Funds Units of ₹ 10/- each, Fully Paid Up				-
HDFC Mutual Fund Floating Rate Income Fund	93072	-	0.26	0.26
JM Dynamic Debt Fund fund	745132	-	2.07	2.07
Preference Shares				
Compulsory Convertible Preference Share				
Fairassets Technologies India Private Limited - Series A3 of ₹ 5,771.13/- each	12508	-	7.22	7.22
Fairassets Tech India Private Ltd -Series B of ₹ 7,395.15/- each	406	-	0.30	0.30
Equity Shares				
Others (unquoted)				
Fairassets Technologies India Private Limited of ₹ 10/- each *	2	-	0.00	0.00
*₹ 11,542/- (Previous Year ₹ 11542/-)				
Security Receipts		-	-	-
(Unquoted)				
Class A Security Receipts of ₹ 1,000/- each fully paid up	200000	-	3.26	3.26
(Face value partly reedemed)				
Trust - Sr-I Security Receipts of ₹ 1,000/- each fully paid up	535500	-	53.55	53.55
Investment Account - Fair Value		-	(0.03)	(0.03)
Total – Gross		**-**	**66.63**	**66.63**
Less: Impairment loss allowance		-	-	-
Total – Net		**-**	**66.63**	**66.63**
Break up of gross investments:				
(i) Investments outside India		-	-	-
(ii) Investments in India		-	66.63	66.63
Total		**-**	**66.63**	**66.63**

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₹ in Crore

	QTY	As at April 01, 2017 Amortised cost	At Fair Value Through profit and loss account	Total
Investments				
Preference Shares				
10% Participating non-cumulative redeemable preference shares	95050000	-	95.05	95.05
Investment Account - Fair Value		-	(95.05)	(95.05)
Investment Account - Fair Value		-	88.46	88.46
Debenture				
In Others (unquoted)				
Compulsory Convertible Debentures				
Fairassets Technologies India Private Limited - Series A of ₹ 5,771.13 each	54918	-	7.22	7.22
Equity Shares				
In Others (unquoted)				
Fairassets Technologies India Private Limited of ₹ 10/- each*	2	-	0.00	0.00
*₹ 11,542/- (Previous Year ₹ 11542/-)				
Security Receipts		-		-
Class A Security Receipts of ₹ 1,000/- each fully paid up	200000	-	5.71	5.71
(Face value partly reedemed)		-	0.50	0.50
Investment Account - Fair Value				
Total – Gross		**-**	**101.89**	**101.89**
Less: Impairment loss allowance		-	-	-
Total – Net		**-**	**101.89**	**101.89**
Break up of gross investments:				
(i) Investments outside India		-	-	-
(ii) Investments in India		-	101.89	101.89
Total		**-**	**101.89**	**101.89**

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9. Other Financial assets

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Security deposits			
To Related Parties	3.27	0.02	-
To Others	1.21	0.96	8.11
Advances to employees	0.03	0.00	0.03
Interest accrued on deposits	-	-	-
Others Financial Assets			
Other receivables	32.59	87.66	1.63
Interest accrued on deposits	0.11	0.24	0.13
Stock in Trade			
Debt instruments	49.18	-	9.86
Total	**86.39**	**88.88**	**19.76**

10. Current tax assets (net)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advance tax (net of provision for tax)	24.39	17.36	16.07
Total	**24.39**	**17.36**	**16.07**

11. Deferred tax Assets (Net) (Refer note 32.2)

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Re-measurement of Financial Liabilities at Amortised Cost	(3.98)	(2.10)	(0.60)
Impairment of Financial Instruments	13.20	17.54	8.89
Financial Assets measurement at fair value	5.58	(0.01)	1.42
Provision on standard financial assets	11.10	9.86	9.09
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.82	1.82	1.24
Difference between books and tax written down value of fixed assets	0.94	0.77	0.69
Provision for doubtful financial assets	-	-	1.43
Total	**28.66**	**27.88**	**22.16**

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to the Consolidated Financial Statements

12. Property, Plant and Equipment - As at March 31, 2019

₹ in Crore

	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019
Property, Plant and Equipment									
Freehold Land	0.21	0.07	-	0.28	-	-	-	-	0.28
Leasehold improvements	1.67	2.88	-	4.55	0.89	0.73	-	1.62	2.93
Computers	1.50	1.48	0.03	2.95	0.30	0.71	0.02	0.99	1.96
Office Equipment	0.28	0.76	-	1.04	0.07	0.20	-	0.27	0.77
Furniture and fixtures	0.46	2.07	-	2.53	0.09	0.27	-	0.36	2.17
Vehicles	1.53	-	-	1.53	-	0.57	-	0.57	0.96
Leased Assets									
Vehicles	0.39	0.42	-	0.81	0.35	0.03	-	0.38	0.43
Total Property Plant and Equipment	**6.04**	**7.68**	**0.03**	**13.69**	**1.70**	**2.51**	**0.02**	**4.19**	**9.50**
Intangible assets - As at March 31, 2019									
Software	2.01	2.13	-	4.14	0.54	0.78	-	1.32	2.82
Total Intangible Assets	**2.01**	**2.13**	**-**	**4.14**	**0.54**	**0.78**	**-**	**1.32**	**2.82**
Intangible assets under development - As at March 31, 2019	-	-	-	-	-	-	-	-	**0.39**

Property, Plant and Equipment - As at March 31, 2018

₹ in Crore

	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018
Freehold Land	0.21	-	-	0.21	-	-	-	-	0.21
Leasehold improvements	0.82	0.87	0.02	1.67	-	0.89	-	0.89	0.78
Computers	0.29	1.31	0.10	1.50	-	0.31	0.01	0.30	1.20
Office Equipment	0.20	0.10	0.02	0.28	-	0.07	-	0.07	0.21
Furniture and fixtures	0.34	0.12	-	0.46	-	0.09	-	0.09	0.37
Vehicles	1.53	-	-	1.53	-	-	-	-	1.53
Leased Assets									
Vehicles	0.66	-	0.27	0.39	-	0.62	0.27	0.35	0.04
Total	**4.05**	**2.40**	**0.41**	**6.04**	**-**	**1.98**	**0.28**	**1.70**	**4.34**
Intangible assets - As at March 31, 2018									
Software	0.91	1.10	-	2.01	-	0.54	-	0.54	1.47
Total Intangible Assets	**0.91**	**1.10**	**-**	**2.01**	**-**	**0.54**	**-**	**0.54**	**1.47**
Intangible assets under development - As at March 31, 2018	-	-	-	-	-	-	-	-	**2.01**

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12.1 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. 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	0.21	-	0.21
Leasehold improvements	2.44	1.62	0.82
Building	0.75	0.46	0.29
Plant and machinery	0.34	0.14	0.20
Office equipments	0.52	0.18	0.34
Furniture and fixtures	1.60	0.07	1.53
Leased Assets			
Vehicles	1.55	0.89	0.66
Total	**7.41**	**3.36**	**4.05**
Intangible Assets			
Software	3.35	2.44	0.91
Total	**3.35**	**2.44**	**0.91**
Intangible assets under development			**0.66**

13. Other non-financial assets

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital advances	0.16	1.70	0.63
Prepaid expenses	5.45	0.63	0.51
Balance with statutory authorities	4.40	2.27	0.54
Total	**10.01**	**4.60**	**1.68**

14. Trade Payables

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Total outstanding dues of micro and small enterprises	0.02	0.01	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	1.61	1.11	0.14
Total	**1.63**	**1.12**	**0.14**

Particulars			
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.02	0.01	-
(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	-	-	-
(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	-	-	-

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15. Debt Securities

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(At amortized cost)			
Commercial paper	1,176.70	1,753.30	2,993.70
Less: Unamortised interest on commercial paper	(53.47)	(37.10)	(99.54)
Commercial Paper (refer note no 15.1 & 15.2)	**1,123.23**	**1,716.20**	**2,894.16**
Non Convertible Debentures (refer note no 15.3 & 15.4)	2,425.82	2,997.13	1,218.74
Total	**3,549.05**	**4,713.33**	**4,112.90**
Debt securities in India	3,549.05	4,713.33	4,112.90
Debt securities outside India			
Total	**3,549.05**	**4,713.33**	**4,112.90**

15.1 The maximum amount of commercial paper outstanding at any time during the year was ₹ 3,859.70 crore (₹ 5,363.70 crore For FY 2017-18 & ₹ 6,141.70 for FY 2016-17).

15.2 Interest rate of commercial paper issued during the year ranges from 7.50% to 11% p.a. (6.50% to 11.25% p.a. for FY 2017-18 & 6.40% to 12.0% for FY 2016-17)

15.3 Non-Convertible Debentures are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

15.4 Maturity profile and rate of interest/discounted rate of interest of Non-Convertible Debentures (NCDs) face value of ₹ 1,000,000/- each:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
0.00% NCD redeemable in year 2017-18*	-	-	100.00
0.00% NCD redeemable in year 2018-19*	-	428.00	278.00
0.00% NCD redeemable in year 2019-20*	264.70	264.70	64.70
0.00% NCD redeemable in year 2020-21*	242.10	337.10	77.10
0.00% NCD redeemable in year 2021-22*	264.90	228.90	-
0.00% NCD redeemable in year 2022-23*	110.00	-	-
0.00% NCD redeemable in year 2019-20***	-	317.00	-
9.42% NCD redeemable in year 2019-20	75.00	-	-
9.55% NCD redeemable in year 2017-18	55.00	-	-
9.55% NCD redeemable in year 2019-20	-	-	50.00
8.75% NCD redeemable in year 2017-18***	-	-	177.00
8.40% NCD redeemable in year 2018-19	-	75.00	75.00
8.81% NCD redeemable in year 2018-19	-	100.00	100.00
8.88% NCD redeemable in year 2018-19	-	15.00	15.00
8.89% NCD redeemable in year 2018-19	-	95.00	95.00
10% NCD redeemable in the year 2021-22	25.00	-	-
10.10% NCD redeemable in the year 2024-25	6.30	-	-
9.50 % NCD redeemable in the year 2028-29	25.00	-	-
NCD redeemable in year 2017-18**	-	-	92.50
NCD redeemable in year 2018-19**	-	237.50	60.00
NCD redeemable in year 2019-20**	139.00	114.00	5.00
NCD redeemable in year 2020-21**	554.90	438.90	-
NCD redeemable in year 2021-22**	349.90	209.40	-
NCD redeemable in year 2022-23**	150.00	-	-
Total	**2,261.80**	**2,860.50**	**1,189.30**

* Redeemable at premium

** Market linked debentures (MLD)

***Unsecured

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Maturity profile above is disclosed at face value without considering premium / unamortized discount on issue of ₹ 1.50 crore (2017-18 : ₹ 2.20 crore and 2016-17 : ₹ (0.15) crore) and impact of effective interest rate adjustment amounting to ₹ 9.40 crore (As at March 31, 2018 ₹ 5.16 crore and As at April 1, 2017 ₹ 1.12 crore)

16. Borrowings (Other than Debt Securities)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Term loan			
From banks	997.80	930.00	400.00
Processing fees - EIR	(2.24)	(0.84)	(0.61)
Secured			
(i) from banks (refer note no 16.1)	945.56	929.16	399.39
(ii) from other parties (refer note no 16.1)	50.00	-	-
Inter Corporate Deposit	25.00	25.00	25.00
Finance lease obligations (refer note no 16.2)	0.32	0.01	0.73
Cash Credit Facility from Banks (refer note no 16.3)	47.26	-	-
Overdraft from banks (refer note no 16.4)	2.84	-	-
Total	**1,070.98**	**954.17**	**425.12**

16.1 Term Loan from a Bank & Other parties :

a) Term Loan is secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of Term Loan:

Residual Maturities	As at 31.03.2019		
	Upto one year (April -2019 to March -2020)	1-3 years (April -2020 to March -2022)	3 years & above (April -2022 onwards)
8% to 9%	94.44	155.53	-
9% to 10%	226.03	484.07	37.72
	320.47	**639.60**	**37.72**

Maturity profile shown without considering effective interest rate impact amounting to ₹ 2.26 crore

Residual Maturities	As at 31.03.2018		
	Upto one year (April -2018 to March -2019)	1-3 years (April -2019 to March -2021)	3 years & above (April -2021 onwards)
8% to 9%	213.34	603.33	113.33
	213.34	**603.33**	**113.33**

Maturity profile shown without considering effective interest rate impact amounting to ₹ 0.84 crore

Residual Maturities	As at 01.04.2017		
	Upto one year (April -2017 to March -2018	1-3 years (April -2018 to March -2020	3 years & above (April -2020 onwards)
8% to 9%	20.00	180.00	200.00
	20.00	**180.00**	**200.00**

Maturity profile shown without considering effective interest rate impact amounting to ₹ 0.61 crore

* The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

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16.2 Finance lease obligations are secured by way of hypothecation of vehicles.
16.3 Cash credit facility are secured by way of hypothecation on certain identified loan fund balances of the Company.
16.4 Bank overdraft facility are secured by way of lien mark on fixed deposit.

17. Other financial liabilities

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Employee benefits payable	24.80	23.70	18.10
Other Liabilities	1.84	11.46	13.45
Advance from customers	1.02	0.00	-
Directors' commission payable	0.50	2.16	1.15
Total	**28.16**	**37.32**	**32.70**

18. Current tax liabilities (Net)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for tax (net of advance tax)	0.31	2.41	2.63
Total	**0.31**	**2.41**	**2.63**

19. Provisions

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
For Employee Benefits			
Provision for Gratuity	2.08	1.63	1.03
Provision for compensated absence	1.69	1.16	0.56
Total	**3.77**	**2.79**	**1.59**

20. Other non-financial liabilities

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Statutory dues	3.49	8.45	0.88
Income received in advance	3.66	2.72	6.19
Total	**7.15**	**11.17**	**7.07**

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21. Equity Share Capital

₹ in Crore

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Number	Amount	Number	Amount	Number	Amount
[a] Authorised share capital						
Equity shares of the par value of ₹ 10 each	1,100,000,000	1,100.00	1,100,000,000	1,100.00	1,100,000,000	1,100.00
Preference Shares of the par vlaue of ₹10 each	100,000,000	100.00	100,000,000	100.00	100,000,000	100.00
Total	**1,200,000,000**	**1,200.00**	**1,200,000,000**	**1,200.00**	**1,200,000,000**	**1,200.00**
[b] Issued						
Equity shares of ₹ 10 each	544,500,000	544.50	544,500,000	544.50	544,500,000	544.50
Total	**544,500,000**	**544.50**	**544,500,000**	**544.50**	**544,500,000**	**544.50**
[c] Subscribed and paid up						
Equity shares of ₹10 each	544,500,000	544.50	544,500,000	544.50	544,500,000	544.50
Total	**544,500,000**	**544.50**	**544,500,000**	**544.50**	**544,500,000**	**544.50**

[d] Reconciliation of number of shares outstanding at the beginning and end of the year:

	As at March 31, 2019	
	Number of Shares	Amount
Equity :		
Outstanding as on April 1, 2018	544,500,000	544.50
Issued during the year	-	-
Outstanding as on March 31, 2019	**544,500,000**	**544.50**

	As at March 31, 2018	
	Number of Shares	Amount
Equity :		
Outstanding as on April 1, 2017	544,500,000	544.50
Issued during the year	-	-
Outstanding as on March 31, 2018	**544,500,000**	**544.50**

[e] Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	As at March 31, 2019	
	Number of Shares	Percentage
JM Financial Limited and its nominees (5 shares held by nominees)	540,939,050	99.35%

Name of the shareholder	As at March 31, 2018	
	Number of Shares	Percentage
JM Financial Limited and its nominees (5 shares held by nominees)	540,664,050	99.30%

Name of the shareholder	As at April 1, 2017	
	Number of Shares	Percentage
JM Financial Limited and its nominees (5 shares held by nominees)	490,050,000	90.00%
JM Financial Institutional Securities Limited	50,461,850	9.27%

Terms and rights attached to each class of shares:

Equity Shares:

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuring Annual General meeting, except in case of interim dividend.

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22. Other Equity

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Retained earnings			
Balance as at the beginning of the year	606.82	506.67	526.77
Addition/(Reduction) during the year	-	-	-
Transfer to statutory reserves	(41.00)	(43.00)	-
Final /Interim dividend	(92.57)	(49.40)	-
Corporate dividend tax	(19.03)	(10.06)	-
Other comprehensive income	0.09	(0.07)	-
Profit for the year	197.71	202.68	-
Total effect of transistion to IND AS	-	-	(20.10)
Retained earnings	652.02	606.82	506.67
Securities premium account	38.23	38.23	38.23
Capital Redemption Reserve*	0.00	0.00	0.00
*₹ 1,000/- (Previous Year ₹ 1,000/-)			
Statutory reserve	317.29	276.29	233.29
Total	**1,007.54**	**921.34**	**778.19**

For addition and deductions under each of the above heads, refer Statement of changes in equity

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The General Reserve is used from time to time to transfer profits from Retained earnings for appropriate purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of Other comprehensive income, items included in the General Reserve will not be reclassified subsequently to Profit or Loss.

Statutory Reserve

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit every year in terms of Section 45-IC of the RBI Act, 1934.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

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23. Interest income

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
at Amortised Cost		
Interest on Loans	864.54	831.32
Total	**864.54**	**831.32**

24. Fees and commission Income

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Advisory and other fees	40.06	13.48
Total	**40.06**	**13.48**

25. Other Operating Income

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Income from trading in debt instruments (net)	7.10	5.58
Profit on sale of investments	47.12	30.37
Total	**54.21**	**35.95**

26. Net gain/ (loss) on fair value changes

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(A) Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
a) On trading portfolio		
- Investments		
- Derivatives		
- Others		
b) On financial instruments designated at fair value through profit and loss account	(15.82)	0.06
(B) Others	-	-
-Cumulative (gain)/loss reclassified to profit or loss on sale of debt instruments at FVTOCI	-	-
Total Net gain/(loss) on fair value changes (C)	**(15.82)**	**0.06**
Fair Value changes:		
- Realised	-	-
- Unrealised	(15.82)	0.06
Total Net gain/(loss) on fair value changes (D) to tally with (C)	(15.82)	0.06
Fair Value changes:	-	-
- Financial assets mandatorily measured at FVTPL		
- Held for trading financial liabilities		
- Financial assets designated at FVTPL		
- Financial liabilities designated at FVTPL		
Total Net gain/(loss) on fair value changes (E) to tally with (C)	**(15.82)**	**0.06**

*Fair value changes in this schedule are other than those arising on account of interest income/expense

27. Other Operating Income

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest on:		
- Fixed deposits with banks	0.05	0.12
- Others	0.01	1.10
Finance Income notional	-	6.59
Provision for bonus written back	-	0.14
Provision for doubtful loans written back (net)	-	4.14
Miscellaneous income	0.30	0.08
Profit on Sale of Fixed Assets (net)	0.00	0.13
Finance Income on rent deposit	0.06	0.02
Promotional Service Income	1.42	0.35
Total	**1.84**	**12.67**

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28. Finance costs

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
At Amortised Cost		
Debt Securities	430.82	423.11
Borrowings (Other than Debt Securities)	93.85	61.86
Other Interest expense	0.15	0.16
Total	**524.82**	**485.13**

29. Impairment on financial instruments

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Provision for Expected Credit Loss (Stage 1 & 2)	(4.23)	4.37
Provision for Expected Credit Loss (Stage 3)	(1.32)	1.68
Total	**(5.54)**	**6.05**

30. Employee benefits expense

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, bonus, other allowances and benefits	58.09	40.07
Contribution to provident and other funds	2.31	1.40
Gratuity (refer note 36)	0.76	0.57
OCL Impact of Ind AS	0.15	(0.11)
Staff welfare expenses	0.46	0.21
Total	**61.77**	**42.14**

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31. Other expenses

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Professional and consultancy charges	8.92	9.81
Space and other related costs	12.95	10.48
Space and other related costs - EIR	0.07	0.02
net of recoveries of ₹ 0.04 crore (Previous year ₹ 0.03 crore)		
Rates and taxes	3.53	6.05
Membership and subscription	0.65	0.91
Manpower cost	1.36	0.85
Auditors' remuneration (refer note 31.1)	0.28	0.13
Electricity	0.73	0.68
Communication expenses	0.24	0.11
Travelling and conveyance	1.10	0.74
Insurance	0.49	0.29
Printing and stationery	0.24	0.14
Repairs and maintenance - others	1.08	0.65
Loan funds written off	1.82	4.16
Donations	6.82	6.26
Directors' commission	0.50	2.16
Sitting fees to directors	0.15	0.13
Marketing Expenses	4.40	0.59
DSA Commission	0.47	0.45
Miscellaneous expenses	5.53	1.34
Total	**51.33**	**45.95**

31.1 Payment to Auditors: (Excluding service tax /goods & service tax)

₹ in Crore

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Audit Fees	0.12	0.09
In any other manner (Certifications, limited reviews, etc.)	0.15	0.04
Out of pocket expenses*	0.00	0.00
* Current year ₹ 33,187/- (Previous year ₹ 23,670/-)		
Total	**0.28**	**0.13**

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32. Income Tax

₹ in Crore

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current tax	112.30	114.50
Tax adjustment in respect of earlier years	-	0.18
Deferred tax	(0.84)	(5.68)
Total income tax expenses recognised in the current year	**111.46**	**109.00**
Income tax expense recognised in other comprehensive income	-	-

32.1 Reconciliation of total tax charge

₹ in Crore

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	309.17	311.68
Income tax rate	34.94%	34.94%
Income tax expense	110.34	109.49
Tax Effect of:		
Effect of income that is exempt from tax	-	-
14A disallowance	-	-
Effect of expenses that are not deductible in determining taxable profits	1.22	1.09
Adjustment in respect of earlier years (net)	-	0.18
Reversal of Provision for doubtful assets	-	-
Adjustment for deemed equity on the date of transition	-	-
MAT credit entitlement	-	-
Others	(0.10)	(1.76)
Income tax expense recognised in profit and loss	**111.46**	**109.00**

32.2 Deferred tax

₹ in Crore

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2019

₹ in Crore

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense)/ Income	Recognised in other comprehensive income	Closing balance
Deferrred Tax Assets on account of IND AS adjustment	15.40	(0.55)	-	14.85
Provision on standard financial assets	9.86	1.22	-	11.08
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.80	0.02	-	1.82
Difference between books and tax written down value of fixed assets	0.78	0.18	-	0.96
Provision for doubtful financial assets	-	-	-	-
Employee defined benefit obligation	0.04	-	(0.09)	(0.05)
Total	**27.88**	**0.87**	**(0.09)**	**28.66**

For the year ended March 31, 2018

₹ in Crore

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense)/ Income	Recognised in other comprehensive income	Closing balance
Deferrred Tax Assets on account of IND AS adjustment	9.71	5.69	-	15.40
Provision on standard financial assets	9.09	0.77	-	9.86
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.24	0.56	-	1.80
Difference between books and tax written down value of fixed assets	0.69	0.09	-	0.78
Provision for doubtful financial assets	1.43	(1.43)	-	-
Employee defined benefit obligation	-	-	0.04	0.04
Total	**22.16**	**5.68**	**-**	**27.88**

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33. Contingent Liabilities and commitments

₹ in Crore

		As at March 31, 2019 ₹ Crore	As at March 31, 2018 ₹ Crore
(a)	Contingent Liabilities	5.66	-
(b)	Undisbursed Commitment*	326.50	312.57
(c)	Capital Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	0.10	2.53

*This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03.10.01/2011-12 dated 26th Dec, 2011 issued by Reserve Bank of India.

34. 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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year (In ₹ Crore)	197.71	202.68
Profit attributable to equity shareholders (In ₹ Crore)	197.71	202.68
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	544,500,000	544,500,000
Basic earnings per share (Rupees)	3.63	3.72
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	544,500,000	544,500,000
Diluted earnings per share (Rupees)	3.63	3.72
Nominal value per share (Rupees)	10.00	10.00

35. Lease Transactions

A Operating Leases

The Group has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges upto 108 months.

The minimum lease rentals outstanding in respect of these are as under:

₹ in Crore

Due	Total minimum lease payments outstanding as at 31st March, 2019	Total minimum lease payments outstanding as at 31st March, 2018
Not later than one year	9.69	9.26
Later than one year and not later than five years	43.73	36.08
Later than five years	68.14	64.90
Total	**121.56**	**110.24**

The Group has taken certain assets (Premises and Furniture and Fixtures) on cancellable operating lease for the period of 60 months to 108 months.

Lease payments recognised in the Statement of Profit and Loss for the year are ₹ 9.94 crore (Previous year ₹ 8.36 crore).

B Finance Leases

The Group has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

₹ in Crore

Due	Minimum Lease payments			Present values of Minimum Lease payments		
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Not later than one year	0.13	0.02	0.35	0.08	0.01	0.34
Later than one year and not later than five years	0.40	-	0.48	0.32	-	0.40
Later than five years	-	-	-	-	-	-
Total	**0.54**	**0.02**	**0.83**	**0.40**	**0.01**	**0.74**

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36. Employee Benefits:

Short-term employee benefits:

The Group provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

Defined Contribution Plan:

The Group operates defined contribution plan (Provident fund) for all qualifying employees of the Group. 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 ₹ 2.27 crore (Previous year ₹ 1.40 crore) has been recognised in the Statement of Consolidated Profit and Loss under the head Employee Benefits Expenses.

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 Group. 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.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.55%	7.85%
Expected rate of Salary Increase	7.00%	7.00%
Other Assumption		
Mortality Rate	Indian Assured Lives (2012-14)	Indian Assured Lives (2006-08)

b) Amount recognised in Balance sheet in respect of these defined benefit obligation:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	2.08	1.63
Net liability	**2.08**	**1.63**

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c) **Amount recognised in statement of profit and loss in respect of these defined benefit obligation**

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Current Service Cost	0.38	0.18
Interest Cost	0.11	0.07
Past Services Cost	-	0.43
Total expenses charged to Consolidated Profit & Loss Account	**0.49**	**0.68**

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of consolidated profit and loss.

d) **Amount recognised in Other Comprehensive Income**

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Opening amount recognized in OCI outside consolidated Profit and Loss Account	(0.02)	0.09
Components of defined benefits costs recognised in consolidated profit or loss.		
Remeasurements on the net defined benefit liability:		
- Actuarial (gain)/loss from change in demographic assumptions	(0.00)	-
- Actuarial (gain)/loss from change in financial assumptions	0.05	(0.09)
- Actuarial (gain)/loss from change in experience adjustments	0.22	(0.03)
Total amount recognised in OCI outside Consolidated Profit and Loss Account	**0.25**	**(0.03)**

e) **Movement in the present value of the defined benefit obligation are as follows:**

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	1.63	1.03
Current service cost	0.38	0.18
Past service cost	-	0.43
Interest cost	0.11	0.07
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	(0.00)	-
- Actuarial (gain)/loss from change in financial assumptions	0.05	(0.09)
- Actuarial (gain)/loss from change in experience adjustments	0.22	(0.03)
- Liabilities Assumed on Acquisition / (Settled on Divestiture)	0.07	0.11
Benefits paid	**(0.39)**	**(0.07)**
Closing defined benefit obligation	**2.07**	**1.63**

f) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	0.09	(0.09)	0.07	(0.06)
% change compared to base due to sensitivity	4.58%	-4.22%	4.17%	-3.88%
Salary growth rate (- / +0.5%)	(0.07)	0.07	(0.04)	0.04
% change compared to base due to sensitivity	-3.21%	3.46%	-2.19%	2.75%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

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g) Projected benefits payable:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Expected benefits for year 1	0.48	0.33
Expected benefits for year 2	0.07	0.18
Expected benefits for year 3	0.30	0.07
Expected benefits for year 4	0.08	0.27
Expected benefits for year 5	0.08	0.06
Expected benefits for year 6 and above	4.04	2.86

37 Related Party Disclosure:

Names of related parties and description of Relationship

(i) Names of related parties and description of relationship where control exists

Holding Company

JM Financial Limited

Subsidiaries

JM Financial Home Loans Limited

(ii) Names of related parties and description of relationship where transactions have taken place

(A) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprises.

Holding Company

JM Financial Limited

Fellow Subsidiaries

JM Financial Services Limited

JM Financial Commtrade Limited

Astute Investments

JM Financial Properties & Holdings Limited

CR Retail Malls (India) Limited

JM Financial Investment Managers Limited (upto January 18 2018)

JM Financial Institutional Securities Limited (upto January 18, 2018)

JM Financial Capital Limited

J M Financial & Investment Consultancy Services Private Limited

JM Financial Credit Solutions Limited

JM Financial Asset Reconstruction Company Limited

JM Financial Singapore Pte Ltd.

JM Financial Securities Inc

JM Financial Overseas Holdings Private Limited

JM Financial Institutional Securities Limited (Formerly known as JM Financial Securities Limited)

Infinite India Investment Management Limited

JM Financial Asset Management Limited

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(B) Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture:

Associates

-

(C) Key Management Personnel and relatives of such Personnel:

Mr. Vishal Kampani

Mr. Nishit Shah

Ms. Reena Sharda

(D) Non Executive Directors

Mr. V P Shetty

Mr. Subodh Shinkar

Mr. Atul Mehra

(E) Independent Directors

Mr. Dhirendra Singh

Mr. Eknath A. Kshirsagar

Mr. Madhukar R. Umarji

Mrs. Roshini Bakshi

(F) Enterprises over which any person described in (C) is able to exercise significant influence:

JSB Securities Limited

(iii) Details of transactions with related parties

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018
JM Financial Limited	(A)		
Dividend paid		91.96	49.01
Reimbursement of employees expenses		2.99	1.94
Sales of Pref shares of JM Financial Properties & Holdings Limited		-	95.05
Inter Corporate Deposit taken		-	345.00
Inter Corporate Deposit repaid		-	345.00
Interest expenses on ICD taken		-	0.19
Transfer of Gratuity Liability		0.07	-
JM Financial Services Limited	(A)		
Inter Corporate Deposits given		665.00	615.00
Inter Corporate Deposits repaid		665.00	615.00
Interest income on Inter Corporate Deposits given		0.93	0.52
Issue of market linked debentures		-	68.89
Arrangers Fees / Brokerage charges		0.21	0.08
Reimbursemen of Space Cost Paid		0.07	-
Demat charges paid*		-	0.00
* ₹ 1500/- (previous Year ₹ 1,500/-)			
Transfer of Gratuity Liability		-	0.01
Transfer of Fixed Assets		0.01	-
JM Financial Properties & Holdings Limited	(A)		
Inter Corporate Deposits given		147.00	13.07
Inter Corporate Deposits repaid		147.00	61.07
Interest income on Inter Corporate Deposits given		0.15	2.06
Space & other related cost paid		9.20	8.32
Reimbursement of expenses (paid)		1.34	1.52

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₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018
Property Deposit given / (Refunded)		8.00	(8.00)
Employee Related Transfer		-	0.04
Closing balance as at the year end - Security Deposit given - debit		8.00	-
JM Financial Institutional Securities Limited	(A)		
Transfer of Fixed Assets		0.01	-
Transfer of Gratuity liability received		-	0.07
Reimbursement of expenses		-	0.01
Infinite India Invt M Ltd	(A)		
Inter Corporate Deposits given		91.70	-
Inter Corporate Deposits repaid		91.70	-
Interest income on Inter Corporate Deposits given		2.72	-
Purchase of Debenture		83.82	-
J M Financial & Investment Consultancy Services Private Limited	(A)		
Space cost paid		0.07	0.01
Property Deposit given		0.04	0.02
Closing balance as at the year end - Security Deposit given - debit		0.04	-
JM Financial Investment Managers Limited	(A)		
Inter Corporate Deposits given		-	2.85
Inter Corporate Deposits repaid		-	2.85
Interest income on Inter Corporate Deposits given		-	0.02
Reimbursement of Expenses		-	0.12
Astute Investments	(A)		
Recovery of rent expenses		0.03	0.03
Loan Given		94.43	311.12
Loan repaid		70.00	311.12
Interest income on loan given		2.30	0.68
Closing Balance - Loan given		24.43	-
JM Financial Capital Limited	(A)		
Transfer of Gratuity Liability		-	0.04
Transfer of Staff Loan Liability (Recd)*		-	0.00
*(Previous year - ₹ 17,000)			
Inter Corporate Deposits taken		-	137.00
Inter Corporate Deposits repaid		-	137.00
Interest expenses on Inter Corporate Deposits taken		-	0.03
Inter Corporate Deposits given		75.00	349.00
Inter Corporate Deposits repaid		75.00	349.00
Interest income on Inter Corporate Deposits taken		0.46	0.36
JM Financial Credit Solutions Limited	(A)		
Inter Corporate Deposits given		-	125.00
Inter Corporate Deposits repaid		-	125.00
Interest income on Inter Corporate Deposits given		-	0.19
Recovery of expenses/support service charges		5.70	8.00
Closing balance as at the year end - debit		6.16	-
CR Retail Malls (India) Limited	(A)		
Inter Corporate Deposits given		227.05	97.72
Inter Corporate Deposits repaid		214.04	67.72
Interest income on Inter Corporate Deposits given		5.75	0.92

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₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018
Sale of Debentures		11.95	-
Closing balance as at the year end - debit		43.02	30
JM Financial Assets Reconstruction Group Ltd	(A)		
Inter Corporate Deposits given		25.00	206.00
Inter Corporate Deposits repaid		25.00	206.00
Interest income on Inter Corporate Deposits given		0.03	0.55
Transfer of Gratuity Liability		-	0.04
Management Fees Paid		1.26	0.42
Mr. Vishal Kampani	(C)		
Managerial remuneration		12.65	13.17
Purchase of Bond of Home Credit India Finance Private Limited		2.55	-
Closing Balance as at the year end - (credit)		(11.00)	(11.50)
Mr V P Shetty	(C)		
Director Siting fees		0.02	-
Director Commission		0.25	1.31
Closing Balance as at the year end - (credit)		0.25	1.31
Mr.Atul Mehra	(C)		
Director Commission		-	0.60
Closing Balance as at the year end - (credit)		-	0.60
Mrs.Roshini Bakshi	(C)		
Director Siting fees		0.01	0.01
Director Commission		0.05	0.05
Closing Balance as at the year end - (credit)		0.05	0.05
Mr.Madhukar R. Umarji	(C)		
Director Siting fees		0.03	0.03
Director Commission		0.07	0.07
Closing Balance as at the year end - (credit)		0.07	0.07
Mr.Eknath A. Kshirsagar	(C)		
Director Siting fees		0.04	0.04
Director Commission		0.08	0.08
Closing Balance as at the year end - (credit)		0.08	0.08
Mr.Dhirendra Singh	(C)		
Director Siting fees		0.03	0.04
Director Commission		0.07	0.07
Closing Balance as at the year end - (credit)		0.07	0.07

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₹ in Crore

(iv) Balances of related parties:

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Payables				
JM Financial Properties & Holdings Limited	(A)	-	-	48.00
Astute Investments	(A)	(24.43)	-	-
JM Financial Credit Solutions Limited	(A)	(6.16)	-	0.99
CR Retail Malls (India) Limited	(A)	(43.02)	(30.00)	-
Mr. Vishal Kampani	(C)	11.00	11.50	10.00
Mr.V P Shetty	(D)	0.25	1.31	-
Mr.Dhirendra Singh	(E)	0.05	0.05	-
Mr.Eknath A. Kshirsagar	(E)	0.07	0.07	-
Mr.Madhukar R. Umarji	(E)	0.08	0.08	-
Mrs.Roshini Bakshi	(E)	0.07	0.07	-
Security Deposits Receivble				
JM Financial Properties & Holdings Limited	(A)	8.00	-	8.00
J M Financial & Investment Consultancy Services Private Limited	(A)	0.06	0.02	-

37.1 There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.

37.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Group as a whole.

37.3 The transactions disclosed above are exclusive of service tax / Goods and Services Tax.

37.4 The related party relationship are identified by management and relied upon by auditors.

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38. Maturity Analysis of Assets and Liabilities

₹ in Crore

Sr No	Particulars	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	147.02	-	147.02	208.34	-	208.34	203.63	-	203.63
B	Bank Balance other than (A) above	60.10	-	60.10	205.50	-	205.50	60.00	-	60.00
C	Loans	2,092.74	3,329.26	5,421.99	3,261.18	3,299.96	6,561.14	2,912.65	2,561.38	5,474.03
D	Invetsment	379.86	43.16	423.02	5.59	61.04	66.63	6.21	95.68	101.89
E	Other Financial Assets	81.86	4.53	86.39	87.91	0.97	88.88	11.65	8.11	19.76
	Total Financial Assets	**2,761.57**	**3,376.95**	**6,138.52**	**3,768.52**	**3,361.97**	**7,130.49**	**3,194.14**	**2,665.17**	**5,859.31**
2	**Non Financial Asstes**									
A	Current Tax Assets (Net)	-	24.39	24.39	-	17.36	17.36	-	16.07	16.07
B	Deferred Tax Assets (Net)	-	28.66	28.66	-	27.88	27.88	-	22.16	22.16
C	Property, Plant and Equipment	-	9.50	9.50	-	4.34	4.34	-	4.05	4.05
D	Other Intengible Assets	-	2.82	2.82	-	2.01	2.01	-	0.66	0.66
E	Intergible assets under development	-	0.39	0.39	-	1.47	1.47	-	0.91	0.91
F	Other Non Financial Assets	5.02	4.99	10.01	4.34	0.26	4.60	1.40	0.28	1.68
	Total Non Financial Assets	**5.02**	**70.75**	**75.77**	**4.34**	**53.32**	**57.66**	**1.40**	**44.13**	**45.53**
	Total Assets	**2,766.59**	**3,447.70**	**6,214.29**	**3,772.86**	**3,415.29**	**7,188.15**	**3,195.54**	**2,709.30**	**5,904.84**

Sr No	Particulars	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
	Liabilities and Equity									
1	**Financial Liablilities**									
A	Payables									
	Trade payables									
	(i) total outstanding dues of micro enterprises and smal enterprises	0.02	-	0.02	0.01	-	0.01	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.61	-	1.61	1.11	-	1.11	0.14	-	0.14
B	Debt Securities	1,829.00	1720.05	3,549.05	2,806.29	1,907.04	4,713.33	3,344.30	768.60	4,112.90
C	Borrowing (Other than Debt Securities)	370.64	700.34	1,070.98	213.35	740.82	954.17	20.33	404.79	425.12
D	Other Financial Liablilities	27.09	1.07	28.16	37.32	-	37.32	32.70	-	32.70
	Total Financial Liablilities	**2,228.36**	**2,421.46**	**4,649.82**	**3,058.08**	**2,647.86**	**5,705.94**	**3,397.47**	**1,173.39**	**4,570.86**
2	**Non Financial Liabilities**									
A	Current Tax Liabilities (Net)	0.31	-	0.31	2.41	-	2.41	2.61	0.02	2.63
B	Provisions	2.17	1.60	3.77	1.49	1.30	2.79	0.73	0.86	1.59
C	Other Non Financial Liablilities	7.15	-	7.15	11.17	-	11.17	7.07	-	7.07
	Total Non Financial Liablilities	**9.63**	**1.60**	**11.23**	**15.08**	**1.30**	**16.37**	**10.41**	**0.88**	**11.29**
3	**Equity**									
A	Equity Share Capital	-	544.50	544.50	-	544.50	544.50	-	544.50	544.50
B	Other Equity	-	1,007.54	1,007.54	-	921.34	921.34	-	778.19	778.19
C	Non Controling Interests	-	1.20	1.20	-	-	-	-	-	-
	Total Equity	**-**	**1,553.24**	**1,553.24**	**-**	**1,465.84**	**1,465.84**	**-**	**1,322.69**	**1,322.69**
	Total Liabilities and Equity	**2,237.99**	**3,976.30**	**6,214.29**	**3,073.16**	**4,115.00**	**7,188.15**	**3,407.88**	**2,496.96**	**5,904.84**

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39. First-time Ind AS adoption reconciliations

₹ in Crore

Reconciliation of equity as at April 1, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018

Particulars	Note No	Total Comprehensive income Reconciliation	Equity Reconciliation	
		Year ended March 31, 2018	As at March 31, 2018	As at April 1, 2017
Net profit / equity as per previous Indian GAAP		211.54	950.37	798.29
Ind As Adjustments :				
Measurement of Financial Liabilities at Amortised Cost	A	4.28	6.01	1.73
Measurement of Financial Assets at Amortised Cost	B	(22.84)	(38.84)	(16.00)
Expected Credit Loss allowance on Investments and loans	C	(2.12)	(11.56)	(9.45)
Fair Valuation of Investments in Preference Shares	D	6.60	-	(6.59)
Fair Valuation of Investments in Security Receipts	D	(0.53)	(0.02)	0.50
Fair Valuation of Investments in Mutual Funds	D	0.06	0.06	-
Reclassification of net acturial loss on employee defined benefit obligation to Other Comprehensive Income (OCI)	E	0.11	(0.11)	-
Impact of deferred tax on above adjustment	F	5.58	15.43	9.71
Net profit / equity as per Ind AS		**202.68**	**921.34**	**778.19**
Other comprehensive income (net of tax)		(0.07)	-	-
Total Comprehensive income / Equity as per Ind AS		**202.61**	**921.34**	**778.19**

A Under Previous GAAP, transaction costs on borrowings were charged to Statement of Profit and Loss as and when incurred. Under Ind AS, these costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method

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 amortised cost and interest income is recognised as per effective interest rate method.

C Under previous GAAP, provision for doubtful loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, are determined using the expected credit loss model.

D Under Previous GAAP, investments were carried at cost whereas under Ind As, these are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The investments that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per the effective interest rate method. Those that do not meet these tests are measured at fair value.

E Under previous GAAP, Company recognises actuarial gains/losses on defined benefit plan in the profit and loss account. Under Ind AS, the actuarial gains and losses will be recognised in other comprehensive income as remeasurements.

F 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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40. Financial Instruments

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.

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's Capital Management is to maximize shareholders value. 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 adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in Crore

Borrowings	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Debt Securities	3,549.05	4,713.33	4,112.90
Borrowings (Other than Debt Securities)	1,070.98	954.17	425.12
Gross Debt	**4,620.03**	**5,667.50**	**4,538.02**
Less: Cash and cash Equivalents	(147.02)	(208.34)	(203.63)
Less: Other Bank Deposits	(60.10)	(205.50)	(60.00)
Less: Investment in liquid mutual fund	(378.13)	(2.33)	-
Adjusted Net Debt	**4,034.78**	**5,251.33**	**4,274.39**
Total Equity	1,553.24	1,465.84	1,322.69
Adjusted Net Debt to equity ratio	**2.60**	**3.58**	**3.23**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

41. Financial instruments

A Fair value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics

- the carrying amounts of financial instruments

- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and

- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Set out below, is the accounting classification of financial instruments:

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1. Accounting classification

₹ in Crore

As at March 31, 2019	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	-	-	147.02	147.02
Bank Balance other than cash and cash Equivalents	-	-	60.10	60.10
Loans	-	-	5,421.99	5,421.99
Invetsments	423.02	-	-	423.02
Other Financial Assets	-	-	86.39	86.39
Total Financial Assets	**423.02**	**-**	**5,715.50**	**6,138.52**
Financial Liabilities				
Borrowings	-	-	4,620.03	4,620.03
Trade Payables	-	-	1.63	1.63
Other Financial Liabilities	-	-	28.16	28.16
Total Financial Liabilities	**-**	**-**	**4,649.82**	**4,649.82**

As at March 31, 2018	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	-	-	208.34	208.34
Bank Balance other than cash and cash Equivalents	-	-	205.50	205.50
Loans	-	-	6,561.14	6,561.14
Invetsments	66.63	-	0.00	66.63
Other Financial Assets	-	-	88.88	88.88
Total Financial Assets	**66.63**	**-**	**7,063.86**	**7,130.49**
Financial Liabilities				
Borrowings	-	-	5,667.50	5,667.50
Trade Payables	-	-	1.12	1.12
Other Financial Liabilities	-	-	37.32	37.32
Total Financial Liabilities	**-**	**-**	**5,705.94**	**5,705.94**

As at April 01, 2017	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	-	-	203.63	203.63
Bank Balance other than cash and cash Equivalents	-	-	60.00	60.00
Loans	-	-	5,474.03	5,474.03
Invetsments	101.89	-	-	101.89
Other Financial Assets	-	-	19.76	19.76
Total Financial Assets	**101.89**	**-**	**5,757.42**	**5,859.31**
Financial Liabilities				
Borrowings	-	-	4,538.02	4,538.02
Trade Payables	-	-	0.14	0.14
Other Financial Liabilities	-	-	32.70	32.70
Total Financial Liabilities	**-**	**-**	**4,570.86**	**4,570.86**

2. Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

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Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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).

₹ in Crore

As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
Investments in Mutual Fund	378.13	378.13	-	-	378.13
Investments in Security Receipts	37.61	37.61	-	-	37.61
Investments in Equity Instruments	7.28	-	-	7.28	7.28
Total Financial Assets	**423.02**	**415.74**	**-**	**7.28**	**423.02**

As at March 31, 2018	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
Investments in Mutual Fund	2.33	2.33	-	-	2.33
Investments in Security Receipts	56.78	56.78	-	-	56.78
Investments in Equity Instruments	7.52	-	-	7.52	7.52
Total Financial Assets	**66.63**	**59.11**	**-**	**7.52**	**66.63**

As at April 1, 2017	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
Investments in Security Receipts	6.21	6.21	-	-	6.21
Investments in Equity Instruments	95.68	88.46	-	7.22	95.68
Total Financial Assets	**101.89**	**94.67**	**-**	**7.22**	**101.89**

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Group considers that the carrying amounts recognised in the financial statements are approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation techniques used to determine the fair values:

1. Listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.
2. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
3. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

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B Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including currency risk and interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Group is exposed to several risks related to the lending business and operating environment. The Group have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Group.

i) Credit Risk

Credit risk is the risk of loss that may occur from defaults by our customers under loan agreements. In order to assess credit risk, a separate set of credit policies that outline a standardized structure approach for customer selection. Credit approvers and relationship managers are responsible for ensuring adherence to these policies. Group has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

Collateral held as security and other credit enhancements

The Group has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the Group maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

In order to minimise credit risk, the Credit Committee has developed and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default.

The Group monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently. Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

Risk and monitoring team are assisted by officers who are also responsible for the collection of installments from each customer that are serviced by them. The Group believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is no significant increase in credit risk	Lifetime ECL
Stage 3	Assets for which there is significant increase in credit risk	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

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EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

For PD and Loss Given Default (LGD) the Company has relied upon the internal and external information.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

₹ in Crore

Category	March 31, 2019	March 31, 2018	April 1, 2017
Stage 1	5,432.64	6,573.00	5,509.75
Stage 2	21.73	13.10	-
Stage 3	3.69	16.83	4.14

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending.

₹ in Crore

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,573.00**	**13.10**	**16.83**	**6,602.93**
New assets originated or purchased	2350.44	-	-	2,350.44
Assets derecognised or repaid (excluding write offs)	(3464.54)	(0.46)	(28.48)	(3,493.48)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(9.09)	9.09	-	-
Transfers to Stage 3	(17.17)	-	17.17	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(1.83)	(1.83)
Gross carrying amount closing balance	**5,432.64**	**21.73**	**3.69**	**5,458.06**

₹ in Crore

Category	2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,509.75**	**-**	**4.14**	**5,513.90**
New assets originated or purchased	3,778.27			3,778.27
Assets derecognised or repaid (excluding write offs)	(2,685.09)			(2,685.09)
Transfers to Stage 1				-
Transfers to Stage 2	(13.10)	13.10		-
Transfers to Stage 3	(16.83)		16.83	-
Changes to contractual cash flows due to modifications not resulting in derecognition				-
Amounts written off			(4.14)	(4.14)
Gross carrying amount closing balance	**6,573.00**	**13.10**	**16.83**	**6,602.93**

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₹ in Crore

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**37.33**	**0.20**	**4.24**	**41.77**
New assets originated or purchased	17.16	-	-	17.16
Assets derecognised or repaid (excluding write offs)	(17.14)	(0.13)	(5.59)	(22.86)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.24)	0.24	-	-
Transfers to Stage 3	(1.72)	-	1.72	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	**35.39**	**0.31**	**0.37**	**36.07**

₹ in Crore

Category	2017 - 18			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**35.72**	**-**	**4.14**	**39.86**
New assets originated or purchased	23.08	-	-	23.08
Assets derecognised or repaid (excluding write offs)	(17.01)	-	-	(17.01)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.20)	0.20	-	-
Transfers to Stage 3	(4.24)	-	4.24	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Recoveries	-	-	-	-
Amounts written off	-	-	(4.14)	(4.14)
ECL allowance - closing balance	**37.35**	**0.20**	**4.24**	**41.79**

ii) 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 access public funds for businesses. Liquidity may be affected due to severe liquidity crunch in the market or due to market disruptions where the Group is unable to access public funds.

However the Group 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.

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.

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Ultimate responsibility for liquidity risk rest with the management, which has established 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 Group has undrawn lines of credit of ₹ 152.74 Crore, ₹ 100 Crore and ₹ 200 Crore as of March 31, 2019, March 31, 2018 and April 1, 2017 respectively, from its bankers for working capital requirements.

The Group has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to liquidity risk

The following are the details of Group's remaining contractual maturities of financial liabilities and assets at the reporting date.

₹ in Crore

March 31, 2019	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	3,549.05	1,828.99	1,438.03	250.80	31.23
Borrowing (Other than Debt Securities)	1,070.98	370.65	698.09	2.26	-
Other Financial Liabilities	28.16	27.09	0.03	0.03	1.01
Trade Payable	1.63	1.63	-	-	-
Total Financial Libilities	**4,649.82**	**2,228.35**	**2,136.15**	**253.08**	**32.24**
Financial Assets					
Cash and cash Equivalents	147.02	147.02	-	-	-
Bank Balance other than above	60.10	60.10	-	-	-
Loans	5,421.99	2,092.72	2,532.65	486.60	310.02
Investments	423.02	379.86	43.16	-	-
Other Financial Assets	86.38	81.87	0.02	0.38	4.11
Total Financial Assets	**6,138.51**	**2,761.57**	**2,575.83**	**486.98**	**314.13**

₹ in Crore

March 31, 2018	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	4,713.33	2,806.29	1,472.38	434.66	-
Borrowing (Other than Debt Securities)	954.17	213.35	611.67	129.15	-
Other Financial Liabilities	37.32	37.32	-	-	-
Trade Payable	1.12	1.12	-	-	-
Total Financial Libilities	**5,705.94**	**3,058.08**	**2,084.05**	**563.81**	**-**
Financial Assets					
Cash and Cash Equivalents	208.34	208.34	-	-	-
Bank Balance other than above	205.50	205.50	-	-	-
Loans	6,561.14	3,261.19	2,506.10	718.58	75.27
Investments	66.63	5.59	61.04	-	-
Other Financial Assets	88.88	87.90	0.02	0.24	0.72
Total Financial Assets	**7,130.49**	**3,768.52**	**2,567.16**	**718.82**	**75.99**

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₹ in Crore

April 1, 2017		0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	4,112.90	3,344.30	692.70	75.90	-
Borrowing (Other than Debt Securities)	425.12	20.33	225.73	179.06	-
Other Financial Liabilities	32.70	32.70	-	-	-
Trade Payable	0.14	0.14	-	-	-
Total Financial Libilities	**4,570.86**	**3,397.47**	**918.43**	**254.96**	**-**
Financial Assets					
Cash and Cash Equivalents	203.63	203.63	-	-	-
Bank Balance other than above	60.00	60.00	-	-	-
Loans	5,474.03	2,912.65	1,676.39	482.67	402.32
Investments	101.89	6.21	95.68	-	-
Other Financial Assets	19.76	11.65	-	-	8.11
Total Financial Assets	**5,859.31**	**3,194.14**	**1,772.07**	**482.67**	**410.43**

The inflows/(outflows) disclosed in the above table represent the contractual cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii) Market risk

The Group's activities expose it primarily to the interest rates.

Interest rate risk

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

₹ in Crore

	March, 31 2019	March, 31 2018	April, 1 2017
Financial assets			
Fixed-rate instruments*	2,591.88	4,235.87	3,619.53
Floating-rate instruments*	2,800.99	2,325.43	1,863.29
Total	**5,392.87**	**6,561.30**	**5,482.82**
Financial Liabilities			
Fixed-rate instruments	3,443.01	4,598.74	4,107.92
Floating-rate instruments	1,007.81	929.16	399.39
Total	**4,450.82**	**5,527.90**	**4,507.31**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. A 100 basis points 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.

Notes

to the Consolidated Financial Statements

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Group's profit before tax would have changed by the following:

₹ in Crore

	March, 31 2019		March, 31 2018	
	100 bps higher	100 bps Lower	100 bps higher	100 bps Lower
Floating-rate borrowings	(10.08)	10.08	(9.29)	9.29
Floating-rate loans	28.01	(28.01)	23.25	(23.25)
	17.93	**(17.93)**	**13.96**	**(13.96)**

42. Employee Stock Option Scheme:

During the current year, based on the request made by the Group, JM Financial Limited (ultimate holding Group), in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Group.

₹ in Crore

Particular	As at March 31, 2019	As at March 31, 2018
Charge on account of the above scheme included in employee benefit expenses	2.96	1.94

43. Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

a) Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in Crore

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Services Limited	Fellow Subsidiary	175.00	-
		(75.00)	-
JM Financial Investment Managers Limited	Fellow Subsidiary	-	-
(upto January 18 2018)		(2.20)	-
Infinite India Investment Management Limited	Fellow Subsidiary	91.70	-
		-	-
JM Financial Credit Solutions Limited	Fellow Subsidiary	-	-
		(125.00)	-
JM Financial Properties & Holdings Limited	Fellow Subsidiary	108.00	-
		(54.00)	-
Astute Investments	Fellow Subsidiary	120.00	24.73
		(80.93)	-
CR Retail Malls (India) Limited	Fellow Subsidiary	206.60	43.02
		(42.61)	(30)
JM Financial Capital Limited	Fellow Subsidiary	35.00	-
		(65.00)	-
JM Financial Asset Reconstruction Private Limited	Fellow Subsidiary	25.00	-
		(100.00)	-

Loans and advances shown above are interest bearing, repayable on demand and are utilised for their business purposes. (figures in brackets indicates previous year figures)

Notes

to the Consolidated Financial Statements

44. 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 Group during the year – ₹ 5.82 crore (previous year, ₹ 5.26 crore)

b) Amount spent and paid during the year by way of donations to charitable trusts – ₹ 5.82 crore (previous year, ₹ 5.26 crore)

45. Unhedged Foreign Currency Exposure

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 Year
FCY Receivables							
Loans to JV/WOS	-						
Others	-	-	-	-	-	-	-
		-	-	-	-	-	-
FCY Payables							
Imports	-						
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
		-	-	-	-	-	-

#Note: Covered Option(s) is/are not included

Our EBID i.e. profit after tax + Depreciation + Interest on debt as of this date is ₹ 720.35 crore

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

V.P. Shetty
Chairman
DIN – 00021773

Nishit Shah
Chief Financial Officer

Reena Sharda
Company Secretary

Place: Mumbai
Date : April 26, 2019

Independent Auditors' Report

To the Members of JM Financial Products Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

1. We have audited the accompanying standalone Ind AS Financial Statements of **JM Financial Products Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2020 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to note no. 50 of the standalone Ind AS Financial Statements, which describes the extent to which the COVID-19 pandemic may impact the Company's results will depend on future developments, which being highly uncertain, the said note narrates management's proposed future actions based on its assessment of internal and external factors and macro level developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS Financial Statements for the year under audit. These matters were addressed in the context of our audit of the standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

   Nature of Key audit Matter – provision towards Expected Credit Loss on Loans

   In terms of requirements of the new accounting framework namely, Ind AS adopted by the Company from the financial year 2018-19, the Company has reported financial assets viz Loans aggregating to ₹ 3,639.86 Crores net of provision towards expected credit loss of ₹ 95.06 Crores. The Expected Credit Loss ('ECL') is based on policy approved by Board of Directors of the Company, as revised consequent to RBI's guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 for the purpose of determination of the provision of impairment of the financial assets. The provision of ECL involves the estimations which include the potential impact of pandemic of ₹ 15.67 crore hence key audit matter. Measurement of credit impairment in outstanding loans involves application of significant judgement by the management of the Company like:

   ➢ Timely identification and classification of the impaired credits in the loans

   ➢ Determination of probability of defaults based on comparative external and internal ratings and further considering values of underlying securities/ collaterals and such other relevant factors.

   ➢ Assumptions for estimated future cashflows in respect of credit impaired loan accounts.

   Our audit processes applied to address the identified key audit Matter

   ➢ Tested the design and effectiveness of internal controls in respect of followings:

   - Identification and classification of loans with indications of impaired credits in loan accounts;

   - Evaluating management estimation of future cash flows basis the past experience;

Independent Auditors' Report (Contd.)

- For identified credit impaired accounts, selectively testing the forecasts and calculations pertaining thereto;
- Validation of the model used to ascertain impairment provisioning considering the bifurcation of such loans in correct bucketing;
- Testing the completeness and accuracy of data from the systems used in models including bucketing of loans into delinquency bands;
- Assessing management estimates / judgement of key assumptions for aforesaid matters including management's assessment on Covid-19 impact

Information Other than the Financial Statements and Auditor's Report Thereon

6. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Business Responsibility Report, Corporate Governance and such other disclosures related Information, excluding the standalone Ind AS Financial Statements and auditor's report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone 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 standalone Ind AS Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS Financial Statements or our knowledge obtained, during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility of Management for Standalone Ind AS Financial Statements

7. 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS Financial Statements. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

Report on Other Legal and Regulatory Requirements

9. 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 2, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by section 143(3) of the Act, we report that:

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

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

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

    d. In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

    f. In terms of provision of Section 197(16) of the Act, as per the information and explanation given, we report that the managerial remuneration paid by the company to its Directors is in accordance with the provision of Section 197 of the Act.

    g. 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 3.

    h. 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, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

        (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements – Refer Note 33 to the Financial Statements;

        (ii) The Company did not have any long-term contracts including derivative contracts 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

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/ W100621)

Hasmukh B Dedhia
Partner (F - 033494)
UDIN: 20033494AAAADL5544

Place: Mumbai
Date: May 4, 2020

Independent Auditors' Report (Contd.)

Annexure 1 to the Independent Auditors Report

(Referred to in paragraph 8 titled "Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements" in the Independent Auditors Report)

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Annexure 2 to the Independent Auditors' Report

(Referred to in para 9 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report)

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

(b) As informed to us, fixed assets were physically verified by the Management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company

ii. The nature of company's business does not require it to have inventories. Shares and securities, held as stock-in-trade, are periodically verified by the management of the Company with the holding statements of the custodians of such securities. In our opinion, the frequency of receipt of such confirmations is reasonable. There were no discrepancies noted in such stock-in-trade.

In our opinion and according to the information and explanations given to us.

iii. The Company has 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, in respect of which:

a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company.

b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular and as per stipulations.

c. There is no amount overdue for more than 90 days at the balance sheet date.

iv. 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.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. 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. Hence, reporting under (vi) of the Order is not applicable.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues generally have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a of more than six months from the date they became payable.

Considering the nature/size of business that the Company is engaged in, Employees' State Insurance, Excise Duty and Custom Duty are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Sales-tax, Service tax, Goods and Service Tax and Value added tax which have not been deposited as on 31 March 2020 on account of disputes

Details of dues of Income Tax which have not been deposited as on 31st March, 2020 on account of disputes are given below:

Nature of Status	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates (Financial Year)	Amount Unpaid ₹
Income Tax, 1961	Income Tax	Commissioner of Income Tax	2010-11 2013-14 2014-15 2015-16	42,119,790/- 5,952,050/- 5,831,013/- 2,660,566/-
Income Tax, 1961	Income Tax	In process of filing of appeal before CIT (A)	2016-17	3,419,069/-

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, financial institutions and dues to debenture holders. The Company has not taken loans or borrowings from government.

ix. In our opinion and according to the information and explanations given to us, money raised through issue of debt instruments and through terms loans have 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 of equity shares.

Independent Auditors' Report (Contd.)

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, reporting under clause (xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required under the applicable Accounting Standard.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, reporting under clause (xv) of the Order is not applicable to the Company.

xvi. The Company is registered under section 45IA of the Reserve Bank of India Act, 1934.

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/ W100621)

Hasmukh B Dedhia
Partner (F - 033494)
UDIN: 20033494AAAADL5544

Place: Mumbai
Date: May 4, 2020

Annexure 3 to the Independent Auditors' Report

[referred to in paragraph 10(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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 on Audit of Internal Financial Controls Over Financial Reporting (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, both issued by the ICAI. 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 judgment, including the assessment of the risks of material misstatement of the standalone 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:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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

(c) 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 standalone 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 considering the nature and size of the operations, 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, 2020, 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 ICAI.

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/ W100621)

Hasmukh B Dedhia
Partner (F - 033494)
UDIN: 20033494AAAADL5544

Place: Mumbai
Date: May 4, 2020

Independent Auditors' Report (Contd.)

To the Board of Directors JM Financial Products Limited

Introduction

1. We have audited the books of accounts and other relevant records of **JM Financial Products Limited ('the Company')** for the year ended March 31, 2020, to report on matters specified in paragraph 3 and 4 of Non-Banking Financial Companies Auditor's report (Reserve Bank) Directions, 2016, DNBS. PPD.03/66.15.001/2016-17 ("RBI Auditors Report Direction") dated 29th September 2016, for submission to the Reserve Bank of India (the "RBI").

Management Responsibility for the Compliance

2. The preparation and maintenance of all accounting and other relevant supporting records is the responsibility of the Company's Management under the Companies Act, 2013, the Reserve Bank of India Act, 1934 (the "RBI" Act) and the Compliance with the RBI Auditors Report Direction, requirement of the applicable RBI Circular/Master Direction and for providing all the relevant information to the RBI. This includes the design, implementation and maintenance of adequate internal financial controls relevant to ensuring compliances.

Auditors' Responsibility

3. Our responsibility is to report on matters specified in paragraph 3 and 4 of the RBI Auditors Report Directions for the year ended March 31, 2020 based on our assurance procedures.

4. We have conducted our procedure in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and Engagement Standards issued by the Institute of Chartered Accountants of India (ICAI) in so far as applicable for the purpose of this Report which includes the test checks and materiality. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI and plan and perform the assurance procedures on matters covered by paragraph 3 and 4 of the RBI Auditors Report Direction.

5. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audit and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

6. Our assurance procedures were performed to obtain audit evidence about matters covered by paragraph 3 and 4 of the RBI Auditors Report Directions. The procedures selected depend on auditor's judgement, including the assessment of the risks of material misstatement of the assertions on matters covered by paragraph 3 and 4 of the RBI Auditors Report Directions, whether due to fraud or error. In making the risk assessments, the auditor considers the internal control relevant to entity's monitoring of the compliance process in respect of matters covered by paragraph 3 and 4 of the RBI Auditors Report Directions in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal controls. Our work was planned to verify how each item specified in paragraphs 3 and 4 of the RBI Directions within our assurance scope was complied with by the management of the company.

7. We believe that we have obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion

Criteria

8. The criteria against which the matters specified in paragraph 3 and 4 of the RBI Auditors Report Direction were verified are:

    i) Certificate of Registration ("CoR")

    ii) Master Direction DNBR.PD.008/03.10.119/2016-17 - Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated as on February 17,2020 ("RBI Direction").

    iii) Audited books of accounts for the year ended March 31,2020; and

    iv) Certified true copy of resolution passed at the meeting of the Board of Directors of the Company regarding non-acceptance / holding of public deposits.

Opinion

9. On the basis of our assurance procedures carried out as aforesaid, we report as follows:

    i. The Company is engaged in the business of Non-Banking Financial Institution as defined in section 45IA of the Reserve Bank of India Act, 1934 and has obtained revised CoR bearing No. B-13.00178 dated March 2, 1998 from the Reserve Bank Of India ('the RBI ").

ii. The Company is entitled to hold CoR based on its assets/income pattern as on March 31, 2020 which has been computed in manner laid down in RBI Circular No. DNBS (PD) C.C. NO. 81/ 03.05.002/ 2006-07 dated 19th October 2006.

iii. The Company has complied with the net owned fund requirement as laid down in the RBI direction.

iv. The Board of Directors of the Company have passed a resolution for non-acceptance/holding of public deposits.

v. The Company has not accepted any public deposit during the year ended March 31, 2020.

vi. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it during the financial year ended March 31, 2020 in terms of RBI Direction.

vii. The Capital Adequacy Ratio (CRAR) of the Company as on March 31, 2020 has been correctly computed and is in compliance with the requirements of maintaining minimum CRAR of 15% as prescribed by the RBI.

viii. The annual statement of capital funds, risk assets/ exposures and risk asset ratio (NBS-7) as on March 31, 2020 due for submission on or before June 30, 2020 is pending to be submitted.

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/ W100621)

Hasmukh B Dedhia
Partner (F - 033494)
UDIN: 20033494AAAADM5566

Place: Mumbai
Date: May 4, 2020

Standalone Balance Sheet

as at March 31, 2020

₹ in Crore

Sr. No.		Notes	As at March 31, 2020	As at March 31, 2019
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	4	46.64	142.38
(b)	Other Bank Balances	5	60.00	60.05
(c)	Loans	6	3,639.86	5,220.58
(d)	Investments	7	1,322.46	541.82
(e)	Other Financial assets	8	162.06	85.56
			5,231.02	**6,050.39**
(2)	**Non-financial Assets**			
(a)	Current tax assets (net)	9	27.17	24.29
(b)	Deferred tax Assets (net)	10	30.94	28.60
(c)	Property, Plant and Equipment	11	85.03	6.19
(d)	Intangible assets	11	1.45	1.54
(e)	Intangible assets under development	11	–	0.41
(f)	Other non-financial assets	12	7.55	9.27
			152.14	**70.30**
	Total Assets		**5,383.16**	**6,120.69**
	LIABILITIES AND EQUITY			
(1)	**Financial Liabilities**			
(a)	Payables			
	(I) Trade Payables	13		
	(i) total outstanding dues of micro enterprises and small enterprises		0.02	0.01
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.13	0.49
(b)	Debt Securities	14	2,731.49	3,487.39
(c)	Borrowings (Other than Debt Securities)	15	826.08	1,036.03
(d)	Other financial liabilities	16	105.35	26.10
	Total Financial Liabilities		**3,664.07**	**4,550.02**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)	17	2.79	0.31
(b)	Provisions	18	3.96	3.31
(d)	Other non-financial liabilities	19	5.07	6.80
	Total Non-Financial Liabilities		**11.82**	**10.42**
(3)	**EQUITY**			
(a)	Equity Share capital	20	544.50	544.50
(b)	Other Equity	21	1,162.77	1,015.75
	Total Equity		**1,707.27**	**1,560.25**
	Total Liabilities and Equity		**5,383.16**	**6,120.69**
	Notes to the standalone financial statements	1 to 58		

In terms of our report attached

For and on behalf of the Board of Directors

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W / W100621)

Vishal Kampani
Managing Director
(DIN : 00009079)

E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Hasmukh B Dedhia
Partner (F-033494)

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

Place: Mumbai
Date: May 4, 2020

Standalone Statement of Profit and Loss

for the period ended March 31, 2020

₹ in Crore

Sr. No.		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
(I)	**Revenue from operations**			
(i)	Interest Income	22	701.75	853.70
(ii)	Fees and Commission Income	23	41.62	41.42
(iii)	Other Operating Income	24	23.87	7.10
(iv)	Net gain on fair value changes	25	56.45	30.98
(v)	Net gain on derecognition of financial instruments under amortised cost category	26	13.76	–
	Total Revenue from operations		**837.45**	**933.20**
(II)	**Other Income**	27	3.26	0.35
(III)	**Total Income (I+II)**		**840.71**	**933.55**
(IV)	**Expenses**			
(i)	Finance Costs	28	453.17	521.96
(ii)	Impairment on financial instruments	29	60.92	(6.82)
(iii)	Employee Benefits Expenses	30	46.59	53.86
(iv)	Depreciation, amortization and impairment	12	13.25	2.55
(v)	Operating and other expenses	31	36.10	46.24
	Total Expenses		**610.03**	**617.79**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		**230.68**	**315.76**
(VI)	**Tax Expense:**			
	Current tax		72.90	112.30
	Deferred tax		(2.35)	(0.84)
	Total tax expenses		**70.55**	**111.46**
(VII)	**Profit / (loss) for the period from continuing operations (V-VI)**		**160.13**	**204.30**
(VIII)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	– Remeasurment of employee defined benefit obligation		0.03	0.15
	– Income tax on above		(0.01)	(0.05)
	Other Comprehensive Income		**0.02**	**0.10**
(IX)	**Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**160.15**	**204.40**
(X)	**Earnings per equity share**	34		
	Basic EPS (in ₹) (Not annualised)		2.94	3.75
	Diluted EPS (in ₹) (Not annualised)		2.94	3.75
	Notes to the standalone financial statements	1 to 58		

In terms of our report attached

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W / W100621)

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
(DIN : 00009079)

E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

Standalone Statement of Cash Flows

for the year ended March 31, 2020

₹ in Crore

	Particulars	As at March 31, 2020	As at March 31, 2019
A	**Net Profit before tax**	**230.68**	**315.76**
	Adjustment for:		
	Depreciation/ Amortisation	13.25	2.55
	Loan funds written off	–	1.82
	Interest expenses - Others	453.17	0.03
	Provision for Non Performing Assets	1.38	(1.31)
	Provision for standard assets	–	3.26
	Interest Income on fixed deposits with Banks and others	(0.01)	(0.05)
	Finance Income on rent deposit	(0.38)	–
	Provision for bonus - written back	(0.81)	–
	Impairment on financial instruments	59.54	(6.82)
	Net loss on fair value changes	3.34	15.82
	Profit on sale of current investments	(59.79)	(46.81)
	Provision for TDS receivable	1.55	–
	Operating Profit before Working Capital Changes	**701.92**	**284.25**
	Changes in working capital		
	Adjustment for (increase)/ decrease in operating assets:		
	Loans and advances and other current assets	1,535.62	1,389.16
	Stock-in-trade	(91.45)	(49.18)
	Operating fixed deposits with banks	0.05	145.45
	Accrued interest income related to operating activities	(4.22)	0.13
	Adjustment for increase/ (decrease) in operating liabilities:		
	Trade payables, other liabilities and provisions	(1.45)	(13.68)
	Accrued interest expenses related to operating activities	44.15	29.64
	Cash (used in) operations	**2,184.62**	**1,785.77**
	Direct taxes paid (net)	(73.29)	(121.47)
	Net Cash (used in) Operating Activities (A)	**2,111.33**	**1,664.30**
B	**Cash flow from Investing Activities**		
	Purchase of fixed assets	(2.16)	(2.31)
	Sale of fixed assets	–	0.01
	Investment in a subsidiary	(29.70)	(86.80)
	Sale of investments	442.41	–
	Sale / (Purchase) of current investments (net)	(1,136.92)	(343.33)
	Interest received	0.01	0.05
	Net Cash generated from Investing Activities (B)	**(726.36)**	**(432.38)**

₹ in Crore

Particulars		As at March 31, 2020	As at March 31, 2019
C	**Cash flow from Financing Activities**		
	Proceeds / (Repayments) from long term borrowings (net)	(192.48)	(365.96)
	Proceeds / (Repayments) from short term borrowings (net)	(830.22)	(807.71)
	NCD issue Expenses	12.72	–
	Lease Rent Paid	(12.17)	–
	Interest paid	(445.45)	(0.03)
	Dividend paid (Including Corporate Dividend Tax)	(13.11)	(111.59)
	Net Cash flow from Financing Activities (C)	**(1,480.71)**	**(1,285.29)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(95.74)	(53.37)
	Cash and cash equivalents at the beginning of the year	142.38	195.75
	Cash and cash equivalents at the end of the year	**46.64**	**142.38**
Notes			
(1)	**Reconciliation of cash and cash equivalents:**		
	As per Balance Sheet (Refer note 5 & 6)	106.64	202.43
	Less: Balances with banks in deposit	60.00	60.05
	As per Cash-flow statement	**46.64**	**142.38**
(2)	Balances with banks in deposit includes ₹ 60.00 crore (Previous year ₹ 60.05 crore) placed as securities against overdraft facilities availed from the banks.		

In terms of our report attached

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W / W100621)

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
(DIN : 00009079)

E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

Standalone Statement of Changes in Equity

as at March 31, 2020

A. Equity Share Capital

₹ in Crore

Particulars	Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
Equity Share Capital	544.50	–	544.50

B. Other Equity

₹ in Crore

Particulars	Reserves and Surplus						
	Securities Premium	Capital Redemption Reserves	General Reserves	Retained earnings/ (accumulated deficit)	Capital Reserves	Statutory Reserves	Total Equity
Balance as at April 1, 2018	**38.23**	**0.00**	**–**	**608.43**	**–**	**276.29**	**922.95**
Addition/Reduction during the year							
Profit for the year	–	–	–	204.30	–	–	204.30
Transfer to statutory reserves	–	–	–	(41.00)	–	41.00	–
Final /Interim dividend	–	–	–	(92.57)	–	–	(92.57)
Corporate dividend tax	–	–	–	(19.03)	–	–	(19.03)
Other comprehensive income	–	–	–	0.10	–	–	0.10
Balance at March 31, 2019	**38.23**	**0.00**	**–**	**660.23**	**–**	**317.29**	**1,015.75**
Profit for the year	–	–	–	160.13	–	–	160.13
Transfer to statutory reserves	–	–	–	(33.00)	–	33.00	–
Final /Interim dividend	–	–	–	(10.89)	–	–	(10.89)
Corporate dividend tax	–	–	–	(2.24)	–	–	(2.24)
Other comprehensive income	–	–	–	0.02	–	–	0.02
Balance at March 31, 2020	**38.23**	**0.00**	**–**	**774.25**	**–**	**350.29**	**1,162.77**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report attached

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W / W100621)

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
(DIN : 00009079)

E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

Significant Accounting Policies

and notes to Standalone Financial Statements

1 Corporate Information

JM Financial Products Limited (our "Company") was originally incorporated at Mumbai, Maharashtra as a private limited company on July 10, 1984 under the provisions of the Companies Act, 1956 with registration number 33397 of 1984 and with the name "J.M. Lease Consultants Private Limited". By virtue of section 43A of the Companies Act, 1956 our Company became a deemed public company with the name "J.M Lease Consultants Limited" and received a certificate of incorporation dated July 15, 1992 from the Registrar of Companies, Mumbai, Maharashtra. Our Company further became a Private Company with effect from August 17, 2001. Subsequently, by way of a fresh certificate of incorporation dated June 10, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra, our Company's name was changed to "JM Financial Products Private Limited". Our Company was converted into a public limited company with the name "JM Financial Products Limited" and received a fresh certificate of incorporation consequent to change in status on June 28, 2010 from the Registrar of Companies, Mumbai, Maharashtra. Our Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. B - 13.00178 dated March 2, 1998.

JM Financial Home Loans Limited is the subsidiary company and JM Financial Limited is the ultimate parent company of the group, whose shares are listed in the reognised stock exchange in India. Company's shares are not listed in any rcognised stock exchange in India. However, Company's debt securities are listed in one of the recognised stock echange in India.

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

Historical cost convention

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability 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 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 116, and measurements that have some similarities to fair value but are not fair value value in use in Ind AS 36.

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

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

2.2 Presentation of financial statements

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

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

Significant Accounting Policies (Contd.)

and notes to Standalone Financial Statements

share data are presented in Indian Rupee to two decimal places.

2.3 Revenue Recognition

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

2.3.1 Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

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

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

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

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

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

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

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

2.3.2 Fees and Commission Income

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

2.3.3 Investment Income

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost.

2.3.4 Dividend Income

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

2.4 Leasing

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

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

a) the use of an identified asset,

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

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

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

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

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

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

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

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

Lease liability has been presented in Note 16 “Other Financial Liabilities” and ROU asset has been presented in Note 11 “Property, Plant and Equipment”.”

2.4.1 Finance Lease

Assets held under finance leases are initially recognised 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 recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company’s general policy on borrowing costs (see note 2.6 below).

2.4.2 Operating Lease

Rental expense from operating leases is generally recognised 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 recognised in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised 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.

As such, a lessee’s current operating lease accounting model will change significantly. The lessor accounting model will largely remain unchanged from that applied under current guidance.

Significant Accounting Policies (Contd.)

and notes to Standalone Financial Statements

2.5 Foreign currency transactions

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

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

2.6 Borrowing costs

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

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

2.7 Employee benefits

Retirement benefit costs and termination benefits

Defined Contribution Plan

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

Defined Benefit Obligation

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

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

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

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

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

Short-term benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term benefits

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

2.8 Share-based payment arrangements

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

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

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

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

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

2.9 Income tax

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

Current Tax

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

Deferred tax

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

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

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

Significant Accounting Policies (Contd.)

and notes to Standalone Financial Statements

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 Goods and Services Input Tax Credit

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

2.11 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. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs and impairment of assets below).

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Property, plant and equipment

Office Premise	3 Years
Leasehold improvements	3 Years
Computers	3 Years
Office equipment	5 Years
Furniture and fixtures	10 Years
Vehicles	5 Years

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

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

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

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

Intangible assets

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

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

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

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

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

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

Impairment losses on non financial assets

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

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

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

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

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

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

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

Contingent liability is disclosed in case of:

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

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

Contingent Assets

Contingent assets are not recognised in the financial statements.

2.13 Commitments

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

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

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

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

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

2.14 Statement of Cash Flows

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

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

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

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

Significant Accounting Policies (Contd.)

and notes to Standalone Financial Statements

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.

2.15 Segments

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

2.16 Financial Instruments

Recognition of Financial Instruments

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

Initial Measurement of Financial Instruments

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

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

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

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

Subsequent Measurement of Financial Assets

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

Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;

- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

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

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

A financial asset is held for trading if

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

Debt instruments at amortised cost or at FVTOCI

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

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

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

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

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

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

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

Equity Investments at FVTOCI

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

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

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

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects or 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.

Significant Accounting Policies (Contd.)

and notes to Standalone Financial Statements

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

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

Reclassifications

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

Impairment of financial assets

Overview of the Expected Credit Loss principles

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

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

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

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

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

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

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when:

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

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

Write-off

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instrument

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

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

Significant Accounting Policies (Contd.)

and notes to Standalone Financial Statements

Financial liabilities

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

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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

2.17 Cash and Cash Equivalents

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

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

2.18 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."

3 Critical accounting judgements and key sources of estimation uncertainties

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

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

Expected Credit Loss

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

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in refer note 40.

Fair Valuation

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in refer note 40.

Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Notes

to the Standalone Financial Statements

4 Cash and cash equivalents

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	–	–
Balances with banks		
– in current accounts	46.64	87.80
– in deposit accounts	–	40.00
Cheques on hand	–	14.58
Total	**46.64**	**142.38**

5 Other balances with Banks

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Deposit Accounts under lien against which overdraft facilities.(refer note 5.1)	60.00	60.05
Total	**60.00**	**60.05**

5.1 Deposit accounts under lien of ₹ 60.00 crore (Previous year ₹ 60.05 crore) against which overdraft facilities remained outstanding as at the year end of ₹ Nil (Previous year of ₹ Nil)

6 Loans

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
At amortised cost		
(i) Term Loans (refer note 6.1)	3,382.87	4,509.90
(ii) Demand Loan	295.95	716.69
(iii) Interest accrued	68.08	63.85
	3,746.90	5,290.44
Less: Impairment loss allowance /EIR	(107.04)	(69.86)
Net	**3,639.86**	**5,220.58**
Break up of loans into secured and unsecured		
(i) Secured by tangible assets	3,660.05	5,161.13
(ii) Loan funds (Unsecured)	18.77	65.46
(iii) Interest accrued	68.08	63.85
Gross	**3,746.90**	**5,290.44**
Less: Impairment loss allowance	(95.06)	(34.73)
Less: Processing fees -EIR	(11.98)	(35.13)
Total	**3,639.86**	**5,220.58**

Note : The loans are given in India to other than Public sectors

6.1 Term loan included unlisted Non Convertible Debenture amounting to ₹ 225.08 Crore (Previous year ₹ 219.55 Crore)

7 Investments

₹ in Crore

	As at March 31, 2020			
	QTY	Amortised cost	Fair Value Through profit and loss account	Total
Investments				
Mutual Funds				
JM Liquid Fund Growth Option	184,110,602	–	1,000.41	1,000.41
Frankline India Liquid Fund	199,918	–	59.64	59.64
SBI Liquid Fund	47,277	–	14.70	14.70
ICICI Prudential Overnight Fund	2,026,051	–	21.83	21.83
Preference Shares				
Compulsory Convertible Preference Share				
Fairassets Tech India Private Ltd -Series B	406	–	0.21	0.21
Fairassets Technologies India Private Limited - Series A3	12,508	–	6.34	6.34
Equity Shares				
In Subsidiary (unquoted)				
JM Financial Home Loans Ltd of ₹ 10/- each	148,500,000	148.50	–	148.50
Investment in Equity Shares (Fully paid up)				
Quoted				
Spandana Sphoorty Financial Limited # # Lock in upto 14-08-2020	541,535	–	20.32	20.32
Power Grid Corporation of India Ltd	550,000	–	8.75	8.75
NTPC Ltd	600,000	–	5.05	5.05
Coal India Limited	200,000	–	2.80	2.80
Sterling And Wilson Solar Ltd	85,000	–	0.65	0.65
Hero MotoCorp Limited	10,000	–	1.61	1.61
Motherson Sumi Systems Limited	25,000	–	0.15	0.15
Bajaj Finserv Limited	1,500	–	0.69	0.69
ITC Limited	2,000	–	0.03	0.03
IndusInd Bank	7,500	–	0.26	0.26
Unquoted				
Fairassets Technologies India Private Limited of ₹ 10/- each * *₹ 11,542/- (Previous Year ₹ 11542/-)	2	–	0.00	0.00
Security Receipts				
(Unquoted)				
Class A Security Receipts of ₹ 1,000/- each fully paid up (Face value partly reedemed)	200,000	–	0.00	0.00
Class A Security Receipts of ₹ 1,000/- each fully paid up	535,500	–	30.52	30.52
Total		**148.50**	**1,173.96**	**1,322.46**
Break up of gross investments:				
(i) Investments outside India		–	–	–
(ii) Investments in India		148.50	1,173.96	1,322.46
Total		**148.50**	**1,173.96**	**1,322.46**

Notes (Contd.)

to the Standalone Financial Statements

₹ in Crore

	As at March 31, 2019			
	QTY	Amortised cost	Fair Value Through profit and loss account	Total
Investments				
Mutual Funds				
JM High Liquid Fund - JM Liquid Fund (Direct) Growth Option	5,036,163	–	25.78	25.78
Reliance Mutual Fund - Reliance Liquid Fund	54,859	–	25.03	25.03
Frankline Mutual Fund - Franklin India Liquid fund	268,319	–	75.09	75.09
Kotak Mutual Fund - Kotak Liquid Direct Plan Growth	264,466	–	100.08	100.08
ICICI Mutual Fund - ICICI Prudential Liquid Fund	5,504,703	–	152.15	152.15
Preference Shares				
Compulsory Convertible Preference Share				
Fairassets Technologies India Private Limited - Series A3	12,508	–	7.05	7.05
Fairassets Technologies India Private Ltd -Series B	406	–	0.23	0.23
Equity Shares				
In Subsidiary (unquoted)				
JM Financial Home Loans Ltd of ₹ 10/- each	118,800,000	118.80	–	118.80
In Others (unquoted)				
Fairassets Technologies India Private Limited of ₹ 10/- each * *₹ 11,542/- (Previous Year ₹ 11542/-)	2	–	0.00	0.00
Security Receipts (Unquoted)				
Class A Security Receipts of ₹ 1,000/- each fully paid up (Face value partly reedemed)	200,000	–	1.68	1.68
Class A Security Receipts of ₹ 1,000/- each fully paid up	535,500	–	35.93	35.93
Total		**118.80**	**423.02**	**541.82**
Break up of gross investments:				
(i) Investments outside India		–	–	–
(ii) Investments in India		118.80	423.02	541.82
Total		**118.80**	**423.02**	**541.82**

8 Other Financial assets

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Security deposits		
To Related Parties	3.59	3.26
To Others	1.03	0.83
Advances to employees	0.01	0.03
Others Financial Assets		
Other receivables	16.73	32.15
Interest accrued on deposits	0.08	0.11
Stock in Trade		
Debt instruments	140.62	49.18
Total	**162.06**	**85.56**

9 Current tax assets (net)

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Advance tax (net of provision for tax)	27.17	24.29
Total	**27.17**	**24.29**

10 Deferred tax Assets (Net) (refer note 32.2)

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Re-measurement of Financial Liabilities at Amortised Cost	0.10	(3.99)
Impairment of Financial instruments	15.49	13.19
Fair Valuation of Investments	5.88	5.58
Provision on standard financial assets	7.99	11.09
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.40	1.77
Difference between books and tax written down value of fixed assets	0.84	0.96
Donations (Section 80G of the Income Tax Act, 1961)	(0.76)	–
Total	**30.94**	**28.60**

Notes (Contd.)

to the Standalone Financial Statements

11 Property, Plant and Equipment - As at March 31, 2020

₹ in Crore

Description	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2019	Additions/ Adjustments	(Deductions)/ Adjustments	As at March 31,2020	As at April 1, 2019	Charge for the year	(Deductions)/ Adjustments	As at March 31,2020	As at March 31,2020
Property, Plant and Equipment									
Freehold Land	0.21	–	–	0.21	–	–	–	–	0.21
Leasehold improvements	4.12	0.43	–	4.55	1.58	0.78	–	2.36	2.19
Computers	2.08	0.60	–	2.68	0.79	0.68	–	1.47	1.21
Office Equipment	0.64	0.08	–	0.72	0.20	0.14	–	0.34	0.38
Furniture and fixtures	0.55	0.07	–	0.62	0.18	0.11	–	0.29	0.33
Vehicles	1.53	–	–	1.53	0.64	0.32	–	0.96	0.57
Leased Assets									
Vehicles*	0.73	0.48	0.26	1.47	0.31	0.28	0.26	0.85	0.62
Office premises (Refer note 35)	–	90.42	(0.65)	89.77	–	10.33	(0.08)	10.25	79.52
Total Property Plant and Equipment	**9.86**	**92.08**	**(0.39)**	**101.55**	**3.70**	**12.64**	**0.18**	**16.52**	**85.03**
*Includes adjustments in related to inadvertent error during the transition period of IND AS									
Intangible assets As at March 31, 2020									
Software	2.62	0.52	–	3.13	1.07	0.61	–	1.68	1.45
Total Intangible Assets	**2.62**	**0.52**	**–**	**3.13**	**1.07**	**0.61**	**–**	**1.68**	**1.45**
Intangible assets under development As at March 31, 2020									**–**

Property, Plant and Equipment - As at March 31, 2019

₹ in Crore

Description	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31,2019	As at April 1, 2018	Charge for the year	Deductions/ Adjustments	As at March 31,2019	As at March 31,2019
Property, Plant and Equipment									
Freehold Land	0.21	–	–	0.21	–	–	–	–	0.21
Leasehold improvements	1.62	2.50	–	4.12	0.89	0.68	–	1.57	2.55
Computers	1.36	0.75	0.03	2.08	0.29	0.52	0.02	0.79	1.29
Office Equipment	0.25	0.39	–	0.64	0.07	0.13	–	0.20	0.44
Furniture and fixtures	0.42	0.14	–	0.56	0.09	0.09	–	0.18	0.38
Vehicles	1.53	–	–	1.53	–	0.57	–	0.57	0.96
Leased Assets									
Vehicles	0.39	0.34	–	0.73	0.35	0.02	–	0.37	0.36
Total Property Plant and Equipment	**5.78**	**4.12**	**0.03**	**9.87**	**1.69**	**2.01**	**0.02**	**3.68**	**6.19**
Intangible assets As at March 31, 2019									
Software	2.01	0.61	–	2.62	0.54	0.54	–	1.08	1.54
Total Intangible Assets	**2.01**	**0.61**	**–**	**2.62**	**0.54**	**0.54**	**–**	**1.08**	**1.54**
Intangible assets under development As at March 31, 2019									**0.41**

12 Other non-financial assets

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	0.14	0.01
Advance against expenses	0.41	–
Prepaid expenses	0.83	5.34
Balance with statutory authorities	6.17	3.92
Total	**7.55**	**9.27**

13 Trade Payables

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Total outstanding dues of micro and small enterprises	0.02	0.01
(ii) Total outstanding dues of creditors other than micro and small enterprises	1.13	0.49
Total	**1.15**	**0.50**
Particulars		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.02	0.01
(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 further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–

14 Debt Securities

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
(At amortized cost)		
Commercial Paper (refer note no 14.1 & 14.2)	293.01	1,123.23
Non Convertible Debentures (refer note no 14.3 & 14.4)	2,438.48	2,364.15
Total	**2,731.49**	**3,487.39**

14.1 The maximum amount of commercial paper outstanding at any time during the year was ₹ 3946.70 Crore (Previous year ₹ 3,859.70 Crore).

14.2 Interest rate of commercial paper issued during the year ranges from 7.00% to 13% p.a.(Previous year 7.50% to 11.00% p.a.) . Commercial paper are payable form 7 days to 365 days.

14.3 Non-Convertible Debentures are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

14.4 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCDs) at face value.

Notes (Contd.)

to the Standalone Financial Statements

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Private Placement - Face vlaue - ₹ 10,00,000 each		
0.00% NCD redeemable in year 2019-20 *	–	264.70
0.00% NCD redeemable in year 2020-21 *	133.60	158.60
0.00% NCD redeemable in year 2021-22 *	385.00	385.00
0.00% NCD redeemable in year 2022-23 *	110.00	110.00
8.81% NCD redeemable in year 2020-21	260.00	260.00
8.80% NCD redeemable in year 2020-21	120.00	120.00
8.90% NCD redeemable in year 2020-21	150.00	150.00
9.20% NCD redeemable in year 2022-23	150.00	150.00
9.34% NCD redeemable in year 2021-22	109.80	109.80
9.42% NCD redeemable in year 2019-20	–	75.00
9.55% NCD redeemable in year 2019-20 ***	–	55.00
10.00% NCD redeemable in year 2022-23	50.00	–
NCD redeemable in year 2019-20**	–	139.00
NCD redeemable in year 2020-21**	88.40	108.40
Private Placement - Face vlaue - ₹ 2,00,000 each		
NCD redeemable in year 2021-22**	50.00	120.00
Public issue - Face value - ₹ 1,000 each		
9.50% NCD redeemable in year 2021-22	61.83	–
9.90% NCD redeemable in year 2021-22	53.83	–
10.20% NCD redeemable in year 2022-23	241.09	–
9.73% NCD redeemable in year 2023-24	12.52	–
9.70% NCD redeemable in year 2023-24	15.96	–
9.85% NCD redeemable in year 2024-25	15.38	–
10.04% NCD redeemable in year 2024-25	66.92	–
10.30% NCD redeemable in year 2024-25	29.50	–
10.50% NCD redeemable in year 2024-25	100.10	–
9.90% NCD redeemable in year 2025-26	27.17	–
10.40% NCD redeemable in year 2026-27	8.31	–
9.99% NCD redeemable in year 2030-31	2.37	–
10.00% NCD redeemable in year 2030-31	4.96	–
Total	**2,246.74**	**2,205.50**

* Redeemable at premium
** Market linked debentures (MLD)
*** Unsecured

Maturity profile above is disclosed at face value without considering premium / unamortized discount on issue of ₹ 0.59 Crore (previous year ₹ 1.50 Crore) , impact of effective interest rate adjustment amounting to ₹ 6.20 Crore (previous year ₹ 9.16) and preliminary expesnses on issue of non convertable debenture ₹ 12.72 Crore (previous year Nil).

15 Borrowings (Other than Debt Securities)

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Term loan		
From banks & others	799.15	962.79
Interest / Processing fees - EIR	(0.69)	(1.61)
Secured		
(i) from banks (refer note no 15.1) *	772.33	910.55
(ii) from other parties (refer note no 15.1)	24.99	50.00
Interest accrued but not due on term loan	1.14	0.63
Finance lease obligations (refer note no 15.2)	0.57	0.32
Cash Credit Facility from Banks (refer note no 15.3)	–	47.26
Interest accrued but not due on Cash Credit	–	0.12
Unsecured		
Inter Corporate Deposit	25.00	25.00
Interest accrued but not due on inter corporate deposit	2.05	2.15
Total	**826.08**	**1,036.03**

15.1 Term Loan from a Bank & Other parties

a) Term Loan is secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of Term Loan:

₹ in Crore

Residual Maturities	As at 31.03.2020		
	Upto one year April -2020 to March -2021	1-3 years April -2021 to March -2023	3 years & above April -2023 onwards
8% to 9%	33.33	–	–
9% to 10%	345.27	223.61	–
10% to 11%	136.94	30.00	30.00
	515.54	**253.61**	**30.00**

Maturity profile shown without considering effective interest rate impact amounting to ₹ 1.83 crore

₹ in Crore

Residual Maturities	As at 31.03.2019		
	Upto one year April -2019 to March -2020	1-3 years April -2020 to March -2022	3 years & above April -2022 onwards
8% to 9%	94.44	155.53	–
9% to 10%	219.03	470.07	23.72
	313.47	**625.60**	**23.72**

Maturity profit shown without considering effective interest rate impact amounting to ₹ 2.24 crore

* The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

15.2 Finance lease obligations are secured by way of hypothecation of vehicles.

Notes (Contd.)

to the Standalone Financial Statements

15.3 Cash credit facility are secured by way of hypothecation on certain identified loan fund balances of the Company.

15.4 Bank overdraft facility are secured by way of lien mark on fixed deposit.

16 Other financial liabilities

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Employee benefits payable	17.27	23.83
Other Liabilities	7.44	1.77
Directors’ commission payable	0.35	0.50
Lease Liability (refer note 35)	80.29	–
Total	**105.35**	**26.10**

17 Current tax liabilities (Net)

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Provision for tax (net of advance tax)	2.79	0.31
Total	**2.79**	**0.31**

18 Provisions

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity (refer note no 36)	2.37	1.95
Provision for compensated absence	1.59	1.36
Total	**3.96**	**3.31**

19 Other non-financial liabilities

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Statutory dues	3.31	3.14
Income received in advance	1.76	3.66
Total	**5.07**	**6.80**

Note 20

₹ in Crore

Number of Shares	As at March 31, 2020		As at March 31, 2019	
Particulars	Number	Amount	Number	Amount
[a] Authorised share capital				
Equity shares of the par value of ₹ 10 each	1,10,00,00,000	1,100.00	1,10,00,00,000	1,100.00
Preference Shares of the par vlaue of ₹ 10 each	10,00,00,000	100.00	10,00,00,000	100.00
Total	**1,20,00,00,000**	**1,200.00**	**1,20,00,00,000**	**1,200.00**
[b] Issued				
Equity shares of ₹ 10 each	54,45,00,000	544.50	54,45,00,000	544.50
Total	**54,45,00,000**	**544.50**	**54,45,00,000**	**544.50**
[c] Subscribed and paid up				
Equity shares of ₹ 10 each	54,45,00,000	544.50	54,45,00,000	544.50
Total	**54,45,00,000**	**544.50**	**54,45,00,000**	**544.50**

[d] Reconciliation of number of shares outstanding at the beginning and end of the year

	As at March 31, 2020	
	Number of Shares	Amount
Equity :		
Outstanding as on April 1, 2019	54,45,00,000	544.50
Issued during the year	–	–
Outstanding as on March 31, 2020	**54,45,00,000**	**544.50**

	As at March 31, 2019	
	Number of Shares	Amount
Equity :		
Outstanding as on April 1, 2018	54,45,00,000	544.50
Issued during the year	–	–
Outstanding as on March 31, 2019	**54,45,00,000**	**544.50**

[e] Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2020	
	Number of Shares	Amount
JM Financial Limited and its nominees (5 shares held by nominees)	54,09,68,650	99.35%

Name of the shareholder	As at March 31, 2019	
	Number of Shares	Amount
JM Financial Limited and its nominees (5 shares held by nominees)	54,09,39,050	99.35%

Terms and rights attached to each class of shares :

Equity Shares

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuring Annual General meeting, except in case of interim dividend.

Notes (Contd.)

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21 Other Equity

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Retained earnings		
Balance as at the beginning of the year	660.23	608.43
Addition/(Reduction) during the year		
Transfer to statutory reserves	(33.00)	(41.00)
Final /Interim dividend	(10.89)	(92.57)
Corporate dividend tax	(2.24)	(19.03)
Other comprehensive income	0.02	0.10
Profit for the year	160.13	204.30
Retained earnings	**774.25**	**660.23**
Securities premium account	38.23	38.23
Capital Redemption Reserve* ***₹ 1,000/- (Previous Year ₹ 1,000/-)**	0.00	0.00
Statutory reserve		
(under section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	317.29	276.29
Addition/(Reduction) during the year	33.00	41.00
Statutory reserve	350.29	317.29
Total	**1,162.77**	**1,015.75**

For addition and deductions under each of the above heads, refer Statement of changes in equity

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The General Reserve is used from time to time to transfer profits from Retained earnings for appropriate purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of Other comprehensive income, items included in the General Reserve will not be reclassified subsequently to Profit or Loss.

Statutory Reserve

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit every year in terms of Section 45-IC of the RBI Act, 1934.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

22 Interest income

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
at Amortised Cost		
Interest on Loans	701.75	853.70
Total	**701.75**	**853.70**

23 Fees and commission Income

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Advisory and other fees	35.19	38.99
Brokerage Income	6.43	2.43
Total	**41.62**	**41.42**

24 Other Operating Income

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income from trading in debt instruments (net)	23.87	7.10
Total	**23.87**	**7.10**

25 Net gain/ (loss) on fair value changes

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
a) On trading portfolio		
– Investments	–	–
– Derivatives	–	–
– Others	–	–
b) On financial instruments designated at fair value through profit and loss account	56.45	30.98
(B) Others		
–Cumulative (gain)/loss reclassified to profit or loss on sale of debt instruments at FVTOCI	–	–
Total Net gain/(loss) on fair value changes (C)	**56.45**	**30.98**
Fair Value changes:		
–Realised	59.79	46.81
–Unrealised	(3.34)	(15.83)
Total Net gain/(loss) on fair value changes	**56.45**	**30.98**
Fair Value changes:		
- Financial assets mandatorily measured at FVTPL	–	–
- Held for trading financial liabilities	–	–
- Financial assets designated at FVTPL	–	–
- Financial liabilities designated at FVTPL	–	–
Total Net gain/(loss) on fair value changes	**56.45**	**30.98**

26 Net gain on derecognition of financial instruments under amortised cost category

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit on sale of Loan	13.76	–
Total	**13.76**	**–**

Notes (Contd.)

to the Standalone Financial Statements

27 Other Income

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on:		
– Fixed deposits with banks	0.01	0.05
– Others	0.01	0.00
Provision for bonus written back	0.81	–
Miscellaneous income	0.11	0.24
Profit on Sale of Fixed Assets (net)	–	0.00
Finance Income on rent deposit	0.38	0.06
Int Income on Commercial Paper	1.34	–
Dividend on Shares	0.60	–
Total	**3.26**	**0.35**

28 Finance costs

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
At Amortised Cost		
Debt Securities	340.39	428.09
Borrowings (Other than Debt Securities)	104.79	93.83
Other Interest expense	7.99	0.04
Total	**453.17**	**521.96**

29 Impairment on financial instruments

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for Expected Credit Loss (Stage 1 & 2)		
On loans	58.96	(5.50)
On receivables	0.58	–
Provision for Expected Credit Loss (Stage 3)	1.38	(1.31)
Total	**60.92**	**(6.82)**

30 Employee benefits expense

₹ in Crore

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, bonus, other allowances and benefits	43.94	50.72
Contribution to provident and other funds	1.99	1.93
Gratuity (refer note 36)	0.46	0.69
OCL Impact of Ind AS	0.03	0.15
Staff welfare expenses	0.17	0.37
Total	**46.59**	**53.86**

31 Operating and Other expenses

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Professional and consultancy charges	4.54	7.25
Space and other related costs	0.07	12.30
net of recoveries of ₹ 0.08 crore (Previous year ₹ 0.04 crore)		
Rates and taxes	4.19	2.21
Membership and subscription	0.62	0.64
Manpower cost	1.47	1.30
Auditors' remuneration (refer note 31.1)	0.12	0.12
Electricity	0.81	0.64
Communication expenses	0.20	0.17
Travelling and conveyance	0.65	0.90
Insurance	0.41	0.37
Printing and stationery	0.13	0.11
Repairs and maintenance - others	1.07	0.83
Loan funds written off	–	1.82
Donations	7.29	6.82
Provision for TDS receivable	1.56	–
Directors' commission	0.35	0.50
Sitting fees to directors	0.16	0.15
Marketing Expenses	8.07	4.37
DSA Commission	0.21	0.47
Miscellaneous expenses	4.18	5.27
Total	**36.10**	**46.24**

31.1 Payment to Auditors': (Excluding goods & service tax)

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit Fees	0.08	0.08
In any other manner (Certifications, limited reviews, etc.)	0.04	0.04
Out of pocket expenses * * Current year ₹ 33,566/- (Previous year ₹ 33,187/-)	0.00	0.00
Total	**0.12**	**0.12**
Fees paid in connection with Public issue of NCD included for measurement of financial liabilities at amortized cost	0.13	0.10
Total	**0.25**	**0.22**

32 Income Tax

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	72.90	112.30
Tax adjustment in respect of earlier years	–	–
Deferred tax	(2.35)	(0.84)
Total income tax expenses recognised in the current year	**70.55**	**111.46**
Income tax expense recognised in other comprehensive income	**(0.01)**	**(0.05)**

Notes (Contd.)

to the Standalone Financial Statements

32.1 Reconciliation of total tax charge

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Income tax expense for the year reconciled to the accounting profit		
Profit before tax	230.68	315.76
Income tax rate	25.17%	34.94%
Income tax expense	58.06	110.34
Tax Effect of:		
Effect of income that is exempt from tax	(0.15)	–
14A disallowance	0.01	–
Effect of expenses that are not deductible in determining taxable profits	0.91	1.22
Adjustment in respect of earlier years (net)	–	–
Deferred tax impact mainly in respect of fair valuation gain on freehold land, etc.	–	–
Adjustment for deemed equity on the date of transition	–	–
MAT credit entitlement	–	–
Effect of change in tax rates	8.00	–
Others	3.72	(0.10)
Income tax expense recognised in profit and loss	**70.55**	**111.46**

The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective 1st April 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening deferred tax asset as on April 1, 2019, amounting to ₹ 8.0 crore has been reversed during the year ended March 31, 2020.

32.2 Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2020

₹ in Crore

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Re-measurement of Financial Liabilities at Amortised Cost	(3.99)	4.09	–	0.10
Impairment of Financial instruments	13.19	2.30	–	15.49
Fair Valuation of Investments	5.58	0.30	–	5.88
Provision on standard financial assets	11.08	(3.10)	–	7.98
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.78	(0.37)	–	1.41
Difference between books and tax written down value of fixed assets	0.96	(0.12)	–	0.84
Donations (Section 80G of the Income Tax Act, 1961)	–	(0.76)	–	(0.76)
Total	**28.60**	**2.34**	**–**	**30.94**

For the year ended March 31, 2019

₹ in Crore

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Re-measurement of Financial Liabilities at Amortised Cost	(2.10)	(1.89)	–	(3.99)
Impairment of Financial instruments	17.53	(4.34)	–	13.19
Fair Valuation of Investments	(0.01)	5.59	–	5.58
Provision on standard financial assets	9.86	1.22	–	11.08
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.75	0.03	–	1.78
Difference between books and tax written down value of fixed assets	0.78	0.18	–	0.96
Total	**27.81**	**0.79**	**–**	**28.60**

33 Contingent Liabilities and commitments

₹ in Crore

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
(a) Contingent Liabilities	6.00	5.66
(b) Undisbursed Commitment *	118.22	292.58
(c) Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.19	0.01

*This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03.10.01/2011-12 dated 26th Dec, 2011 issued by Reserve Bank of India.

34 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

	For the year ended March 31, 2020	**For the year ended March 31, 2019**
Profit for the year (In ₹ Crore)	160.13	204.30
Profit attributable to equity shareholders (In ₹ Crore)	160.13	204.30
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	54,45,00,000	54,45,00,000
Basic earnings per share (Rupees)	2.94	3.75
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	54,45,00,000	54,45,00,000
Diluted earnings per share (Rupees)	2.94	3.75
Nominal value per share (Rupees)	10.00	10.00

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35 Leasing

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year ended March 31, 2019.

On the date of initial application, the adoption of the new standard resulted in recognition of “Right to Use’ asset (premises) of ₹ 88.00 crore and a lease liability of ₹ 83.00 crore. The weighted average of discount rate applied to lease liabilities as at April 1, 2019 is 9.40%. During the year Company has recognised depreciation expenses from ROU of ₹ 10.25 crore (premises) and interest expenses on lease liabilities of ₹ 7.72 crore (premises).

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as March 31, 2019 under Ind AS 17 disclosed under note no. 35 of annual financial statements forming part of 2019 annual report and the value of lease liability as of April 1, 2019 is primarily on account of discounting the lease liabilities to the present value under Ind AS 116.

₹ in Crore

Particulars	Amount
Operating non cancellable lease commitments as at March 31, 2019	121.53
Operating cancellable lease commitments as at March 31, 2019	10.96
Total operating lease commitment (on an undiscounted basis)	**132.49**
Less: Future finance cost	(49.49)
Total operating lease commitment recognised under Ind AS 116 as at April 1, 2019	**83.00**

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2020:

₹ in Crore

Category	Gross Block			Accumulated Depreciation			Net Block
	As at April 1, 2019	Additions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Additions/ Adjustments	As at March 31, 2020	As at March 31, 2020
Office premises	–	89.77	**89.77**	–	**10.25**	**10.25**	**79.52**
Total	**–**	**89.77**	**89.77**	**–**	**10.25**	**10.25**	**79.52**

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

Following table summarizes impact on profit for the year ended March 31, 2020.

₹ in Crore

Increase/(Decrease)	Year Ended March 31, 2020
Other operational expenses	(12.17)
Depreciation and amortization expenses	10.33
Finance Cost	7.72
Profit before tax	**5.88**

A Operating Leases

The Company has taken certain Premises, Furniture and Fixtures on operating lease basis. The minimum lease rentals outstanding in respect of these are as under:

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Not later than one year	12.85	12.15
Later than one year and not later than five years	51.52	51.81
Later than five years	55.96	68.52
Total	**120.33**	**132.49**

B Finance Leases

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

₹ in Crore

Due	Minimum Lease payments		Present values of Minimum Lease payments	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Not later than one year	0.39	0.11	0.32	0.06
Later than one year and not later than five years	0.27	0.32	0.25	0.26
Later than five years	–	–	–	–
Total	**0.66**	**0.43**	**0.57**	**0.32**

36 Employee Benefits

Short-term employee benefits:

The Company provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

Defined Contribution Plan:

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident and other fund aggregating ₹ 1.99 crore (Previous year ₹ 1.93 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expenses.

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:

Notes (Contd.)

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Interest Rate Risk

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	6.80%	7.55%
Expected rate of Salary Increase	7.00%	7.00%
Other Assumption		
Mortality Rate	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

b) Amount recognised in Balance sheet in respect of these defined benefit obligation

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	2.37	1.95
Net liability	**2.37**	**1.95**

c) Amount recognised in statement of profit and loss in respect of these defined benefit obligation

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Current Service Cost	0.43	0.31
Interest Cost	0.12	0.11
Past Services Cost	–	–
Impact of inter group transfer	(0.09)	–
Total expenses charged to Profit & Loss Account	**0.46**	**0.42**

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

d) Amount recognised in Other Comprehensive Income

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Opening amount recognized in OCI outside Profit and Loss Account	**0.25**	**(0.02)**
Components of defined benefits costs recognised in profit or loss.		
Remeasurements on the net defined benefit liability :		
– Actuarial (gain)/LOSS from change in demographic assumptions	–	(0.00)
– Actuarial (gain)/loss from change in financial assumptions	0.16	0.05
– Actuarial (gain)/loss from change in experience adjustments	(0.19)	0.22
Total amount recognised in OCI outside Profit and Loss Account	**0.22**	**0.25**

e) Movement in the present value of the defined benefit obligation are as follows

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	**1.95**	**1.58**
Current service cost	0.43	0.31
Past service cost	–	–
Interest cost	0.13	0.11
Remeasurements (gains)/losses:		
– Actuarial (gain)/loss from change in demographic assumptions	–	(0.00)
– Actuarial (gain)/loss from change in financial assumptions	0.16	0.05
– Actuarial (gain)/loss from change in experience adjustments	(0.19)	0.22
– Liabilities Assumed on Acquisition / (Settled on Divestiture)	0.09	0.07
Benefits paid	**(0.20)**	**(0.39)**
Closing defined benefit obligation	**2.37**	**1.95**

f) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	0.12	(0.11)	0.08	(0.08)
% change compared to base due to sensitivity	5.00%	-4.60%	4.34%	–4.00%
Salary growth rate (- / +0.5%)	(0.11)	0.12	(0.06)	0.06
% change compared to base due to sensitivity	-4.62%	4.97%	-2.93%	3.15%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

g) Projected benefits payable

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Expected benefits for year 1	–	0.48
Expected benefits for year 2	0.32	0.07
Expected benefits for year 3	0.08	0.29
Expected benefits for year 4	0.09	0.07
Expected benefits for year 5	0.09	0.07
Expected benefits for year 6 and above	4.53	3.56

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37 Related Party Disclosure:

Names of related parties and description of Relationship

Clause (a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity

None

(ii) has significant influence over the reporting entity

None

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Mr. Vishal Kampani

Close members of Mr. Vishal Kampani:

Mr. Nimesh Kampani

Ms Aruna Kampani

Ms Madhu Kampani

Mr. Shiv Kampani

Details of Directors

Non Executive Directors

Mr. V P Shetty

Mr. M R Umarji

Mr. Subodh Shinkar

Mr. Atul Mehra

Independent Directors

Mr. Eknath A. Kshirsagar

Mr. Dhirendra Singh

Mrs. Roshini Bakshi

Clause (b) (i) An entity is related to a reporting entity if the entity and the reporting entity are members of the same group

Holding Company

JM Financial Limited

Subsidiaries

JM Financial Home Loans Limited

Fellow Subsidiaries

JM Financial Services Limited

JM Financial Overseas Holdings Private Limited

JM Financial Securities Inc

JM Financial Singapore Pte Ltd.

JM Financial Credit Solutions Limited

JM Financial Properties & Holdings Limited

JM Financial Asset Management Limited

Infinite India Investment Management Limited

JM Financial Asset Reconstruction Company Limited

CR Retail Malls (India) Limited

JM Financial Capital Limited

JM Financial Commtrade Limited

JM Financial Institutional Securities Limited (w.e.f January 1, 2018)

Astute Investments

Clause (b) (ii) Associates or Joint Ventures
JM Financial Trustee Company Private Limited

Clause (b) (iii) Both entities are joint venture of the same third party.
None

Clause (b) (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
None

Clause (b) (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
None

Clause (b) (vi) The entity is controlled or jointly controlled by a person identified in (a).
(By Mr. Vishal Kampani and his close relative)

J.M. Financial & Investment Consultancy Services Private Limited

J.M. Assets Management Private Limited

JM Financial Trustee Company Private Limited

JSB Securities Limited

Kampani Consultants Limited

Persepolis Investment Company Private Limited

Capital Market Publishers India Private Limited

SNK Investments Private Limited

Kampani Properties and Holdings Limited

Clause (b)(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
None

Details of transactions with related parties

₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
JM Financial Limited	**Clause (b) (i)**		
Dividend paid		10.82	91.96
Reimbursement of employees expenses		1.87	2.85
Lead Manager Fees paid		0.30	–
Reimbursement of Expenses - Recd		0.01	–
Transfer of Gratuity Liability		0.10	0.07

Notes (Contd.)

to the Standalone Financial Statements

₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
JM Financial Home Loans Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		60.00	71.65
Inter Corporate Deposits repaid		60.00	71.65
Interest income on Inter Corporate Deposits given		0.61	0.53
Investment in equity shares		29.70	86.80
Recovery of expenses		0.05	0.01
Reimbursement of Expenses		0.04	–
Direct assignment of identified portfolio of retail mortgage loans from JM Financial Home Loans.		86.58	–
Receipt of Principal , Interest and Other Charges on Direct assignment of identified portfolio of retail mortgage loans		13.81	–
Closing Balance as at the year end - (₹ 22,391/-)		0.00	–
JM Financial Services Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		244.00	665.00
Inter Corporate Deposits repaid		244.00	665.00
Interest income on Inter Corporate Deposits given		0.21	0.93
Issue of market linked debentures		50.00	–
Arrangers Fees / Brokerage charges		5.22	0.08
Reimbursemen of Space Cost Paid		0.07	0.06
Closing balance as at the year end - Debit		0.67	–
Brokerage charges - Clientle		0.75	–
JM Financial Properties & Holdings Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		35.00	147.00
Inter Corporate Deposits repaid		35.00	147.00
Interest income on Inter Corporate Deposits given		0.06	0.15
Space & other related cost paid		9.66	9.20
Reimbursement of expenses (paid)		1.69	1.34
Property Deposit given		–	8.00
Closing balance as at the year end - Security Deposit given - debit		8.00	8.00
JM Financial Institutional Securities Limited	**Clause (b) (i)**		
Transfer of Fixed Assets		–	0.01
Inter Corporate Deposit Given		28.00	–
Inter Corporate Deposit repaid		28.00	–
Interest Income on ICD Given		0.01	–
Brokerage paid on transaction of purchase and sell through recogninsed stock exchanges as Broker		0.12	–
Infinite India Investment Management Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		–	91.70
Inter Corporate Deposits repaid		–	91.70
Interest income on Inter Corporate Deposits given		–	2.72
Purchase of Debenture		–	83.82

₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
J M Financial & Investment Consultancy Services Private Limited	**Clause (b) (vi)**		
Space cost paid		0.09	0.02
Subscription to NCD Public issue of JM Financial Products Limted		10.00	–
Property Deposit given		–	0.04
Closing balance as at the year end - Security Deposit given - debit		0.04	0.04
Closing balance as at the year end - NCD - (Credit)		(10.00)	–
JM Financial Asset Management Limited	**Clause (b) (i)**		
Purchase of Unlisted NCD of RMZ Buildcon Pvt Ltd		111.60	–
J M Assets Management Private Limited	**Clause (b) (vi)**		
Subscription to NCD Public issue of JM Financial Products Limted		10.00	–
Closing balance as at the year end - NCD - (Credit)		(10.00)	–
Astute Investments	**Clause (b) (i)**		
Recovery of rent expenses		0.03	0.03
Loan Given		6.00	94.43
Loan repaid		30.43	70.00
Interest income on loan given		0.72	2.30
Closing Balance - Loan given		–	24.43
JM Financial Capital Limited	**Clause (b) (i)**		
Transfer of Staff Loan Liability (Paid)		0.02	–
Inter Corporate Deposits given		–	75.00
Inter Corporate Deposits repaid		–	75.00
Interest income on Inter Corporate Deposits taken		–	0.46
Closing Balance as at the year end NCD - (credit)		(27.10)	–
JM Financial Credit Solutions Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		12.00	–
Inter Corporate Deposits repaid		12.00	–
Interest income on Inter Corporate Deposits given		0.00	–
Loan Purchased		60.64	–
Interest received / receivable on NCD		0.19	–
Gratuity recd on Transfer of employee		0.04	–
Recovery of expenses/support service charges		5.76	5.70
Closing Balance as at the year end NCD - (Debit) *		4.18	–
Interest receivable on NCD - (Debit) # ₹ 40,883		0.00	–
Closing balance as at the year end - debit * Fair Value of NCD as on 31.03.2020 is ₹ 4.48 Crore		6.22	6.16
CR Retail Malls (India) Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		1.20	227.05
Inter Corporate Deposits repaid		44.22	214.04
Interest income on Inter Corporate Deposits given		1.63	5.75
Sell of Debentures		–	11.95
Closing balance as at the year end - debit		–	43.02

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₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
JM Financial Assets Reconstruction Company Ltd	**Clause (b) (i)**		
Inter Corporate Deposits given		–	25.00
Inter Corporate Deposits repaid		–	25.00
Interest income on Inter Corporate Deposits given		–	0.03
Interest income on NCD		6.29	–
amount recd on repayment of NCD		35.00	–
Management Fees Paid		1.26	1.26
Mr. Vishal Kampani	**Clause (a) (iii)**		
Managerial remuneration		8.69	12.65
Purchase of Bond of Home Credit India Finance Private Limited		–	2.55
Subscription to NCD Public issue of JM Financial Products Limted		7.50	–
Interest Paid on NCD (Public Issue)		0.17	–
Closing Balance as at the year end - (credit)		(7.00)	(11.00)
Closing Balance as at the year end NCD - (credit)		(7.50)	–
Closing Balance as at the year end NCD Interest payable - (credit)		(0.02)	–
Mr. Nimesh N Kampani	**Clause (a) (iii)**		
Subscription to NCD Public issue of JM Financial Products Limted		7.00	–
Closing Balance as at the year end NCD - (credit)		(7.00)	–
Ms. Aruna N Kampani	**Clause (a) (iii)**		
Subscription to NCD Public issue of JM Financial Products Limted		5.00	–
Closing Balance as at the year end NCD - (credit)		(5.00)	–
Mr. V P Shetty	**Clause (a) (iii)**		
Director Siting fees		0.02	0.02
Director Commission		0.10	0.25
Subscription to NCD Public issue of JM Financial Products Limted		1.00	–
Closing Balance as at the year end - (credit)		(0.10)	(0.25)
Closing Balance as at the year end NCD - (credit)		(1.00)	–
Ms. Roshini Bakshi	**Clause (a) (iii)**		
Director Siting fees		0.03	0.01
Director Commission		0.06	0.05
Closing Balance as at the year end - (credit)		(0.06)	(0.05)
Mr. Madhukar R. Umarji	**Clause (a) (iii)**		
Director Siting fees		0.02	0.03
Director Commission		0.06	0.07
Closing Balance as at the year end - (credit)		(0.06)	(0.07)
Mr. Eknath A. Kshirsagar	**Clause (a) (iii)**		
Director Siting fees		0.04	0.04
Director Commission		0.07	0.08
Closing Balance as at the year end - (credit)		(0.07)	(0.08)

₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
Mr. Dhirendra Singh	**Clause (a) (iii)**		
Director Siting fees		0.04	0.03
Director Commission		0.06	0.07
Closing Balance as at the year end - (credit)		(0.06)	(0.07)

(iv) Balances of related parties:

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
Payables			
JM Financial Home Loan Limited	Clause (b) (i)	0.00	–
JM Financial Services Limited	Clause (b) (i)	0.67	–
J M Assets Management Private Limited	Clause (b) (vi)	(10.00)	–
Astute Investments	Clause (b) (i)	–	24.43
JM Financial Capital Limited	Clause (b) (i)	(27.10)	–
JM Financial Credit Solutions Limited	Clause (b) (i)	10.41	6.16
CR Retail Malls (India) Limited	Clause (b) (i)	–	43.02
J M Financial & Investment Consultancy Services Private Limited	Clause (b) (vi)	(10.00)	–
Mr. Vishal Kampani	Clause (a) (iii)	(14.52)	(11.00)
Mr. Nimesh N Kampani	Clause (a) (iii)	(7.00)	–
Mrs. Aruna N Kampani	Clause (a) (iii)	(5.00)	–
Mr. V P Shetty	Clause (a) (iii)	(1.10)	(0.25)
Mr. Dhirendra Singh	Clause (a) (iii)	(0.06)	(0.07)
Mr. Eknath A. Kshirsagar	Clause (a) (iii)	(0.07)	(0.08)
Mr. Madhukar R. Umarji	Clause (a) (iii)	(0.06)	(0.07)
Mrs. Roshini Bakshi	Clause (a) (iii)	(0.06)	(0.05)
Security Deposits Receivble			
J M Financial & Investment Consultancy Services Private Limited	Clause (b) (vi)	0.04	0.04
JM Financial Properties & Holding Limited	Clause (b) (i)	8.00	8.00

37.1 There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.

37.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the Company as a whole.

37.3 The transactions disclosed above are exclusive of Goods and Services Tax.

37.4 The related party relationship are identified by management and relied upon by auditors.

Notes (Contd.)

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38 Maturity Analysis of Assets and Liabilities

₹ in Crore

Sr No	Particulars	As at March 31, 2020			As at March 31, 2019		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	Assets						
1	**Financial Assets**						
a	Cash and cash Equivalents	46.64	–	46.64	142.38	–	142.38
b	Bank Balance other than (a) above	60.00	–	60.00	60.05	–	60.05
c	Loans	1,579.49	2,060.37	3,639.86	2,085.53	3,135.05	5,220.58
d	Investment	1,167.41	155.05	1,322.46	379.86	161.96	541.82
e	Other Financial Assets	157.45	4.61	162.06	81.44	4.12	85.56
	Total Financial Assets	**3,010.99**	**2,220.03**	**5,231.02**	**2,749.26**	**3,301.13**	**6,050.39**
2	**Non Financial Asstes**						
a	Current Tax Assets (Net)	–	27.17	27.17	–	24.29	24.29
b	Deferred Tax Assets (Net)	–	30.94	30.94	–	28.60	28.60
c	Property, Plant and Equipment	0.01	85.02	85.03	–	6.19	6.19
d	Other Intangible Assets	–	1.45	1.45	–	1.54	1.54
e	Intangible assets under development	–	–	–	–	0.41	0.41
f	Other Non Financial Assets	1.38	6.17	7.55	4.27	5.00	9.27
	Total Non Financial Assets	**1.39**	**150.75**	**152.14**	**4.27**	**66.03**	**70.30**
	Total Assets	**3,012.38**	**2,370.78**	**5,383.16**	**2,753.53**	**3,367.16**	**6,120.69**

₹ in Crore

Sr No	Particulars	As at March 31, 2020			As at March 31, 2019		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	Liabilities and Equity						
1	**Financial Liablilities**						
a	Payables						
	Trade payables						
	(i) total outstanding dues of micro enterprises and smal enterprises	0.02	–	0.02	0.01	–	0.01
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.13	–	1.13	0.49	–	0.49
b	Debt Securities	1,163.53	1,567.96	2,731.49	1,738.85	1,748.54	3,487.39
c	Borrowing (Other than Debt Securities)	542.90	283.18	826.08	388.69	647.34	1,036.03
d	Other Financial Liablilities	29.11	76.24	105.35	25.39	0.71	26.10
	Total Financial Liablilities	**1,736.69**	**1,927.38**	**3,664.07**	**2,153.43**	**2,396.59**	**4,550.02**
2	**Non Financial Liabilities**						
a	Current Tax Liabilities (Net)	2.79	–	2.79	0.31	–	0.31
b	Provisions	1.92	2.04	3.96	1.85	1.46	3.31
c	Other Non Financial Liablilities	3.32	1.75	5.07	6.80	–	6.80
	Total Non Financial Liablilities	**8.03**	**3.79**	**11.82**	**8.96**	**1.46**	**10.42**
3	**Equity**						
a	Equity Share Capital	–	544.50	544.50	–	544.50	544.50
b	Other Equity	–	1,162.77	1,162.77	–	1,015.75	1,015.75
	Total Equity	**–**	**1,707.27**	**1,707.27**	**–**	**1,560.25**	**1,560.25**
	Total Liabilities and Equity	**1,744.72**	**3,638.44**	**5,383.16**	**2,162.39**	**3,958.30**	**6,120.69**

39 Financial Instruments

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in Crore

Borrowings	As at March 31, 2020	As at March 31, 2019
Debt Securities	2,731.49	3,487.39
Borrowings (Other than Debt Securities)	826.08	1,036.03
Gross Debt	**3,557.57**	**4,523.42**
Less: Cash and cash Equivalents	46.64	142.38
Less: Other Bank Deposits	60.00	60.05
Less: Investment in liquid mutual fund	1,096.58	378.13
Adjusted Net Debt	**2,354.35**	**3,942.86**
Total Equity	1,707.27	1,560.25
Adjusted Net Debt to equity ratio	**1.38**	**2.53**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15.00% as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2020, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, was 31.94%, as compared to the minimum capital adequacy requirement of 15.00% as stipulated by the RBI. We believe that our high capital adequacy gives us significant headroom to grow our business.

Particulars	March 31, 2020	March 31, 2019
CRAR prescribed by RBI	15.00%	15.00%
Total capital adequacy ratio		
i) Tier I	31.25%	24.87%
ii) Tier II	0.68%	0.58%

40 Financial instruments

A Fair value

Classes and categories of financial instruments and their fair values

The following table combines information about:

– classes of financial instruments based on their nature and characteristics

– the carrying amounts of financial instruments

– fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and

– fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Notes (Contd.)

to the Standalone Financial Statements

Set out below, is the accounting classification of financial instruments:

1 Accounting classification

₹ in Crore

As at March 31, 2020	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	–	–	46.64	46.64
Bank Balance other than (A) above	–	–	60.00	60.00
Loans	–	–	3,639.86	3,639.86
Investments	1,173.96	–	148.50	1,322.46
Other Financial Assets	140.62	–	21.44	162.06
Total Financial Assets	**1,314.58**	**–**	**3,916.44**	**5,231.02**
Financial Liabilities				
Borrowings & Debt Securities	–	–	3,557.57	3,557.57
Trade Payables	–	–	1.15	1.15
Other Financial Liabilities	–	–	105.35	105.35
Total Financial Liabilities	**–**	**–**	**3,664.07**	**3,664.07**

As at March 31, 2019	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	–	–	142.38	142.38
Bank Balance other than (A) above	–	–	60.05	60.05
Loans	–	–	5,220.58	5,220.58
Investments	423.02	–	118.80	541.82
Other Financial Assets	49.18	–	36.38	85.56
Total Financial Assets	**472.20**	**–**	**5,578.19**	**6,050.39**
Financial Liabilities				
Borrowings & Debt Securities	–	–	4,523.42	4,523.42
Trade Payables	–	–	0.50	0.50
Other Financial Liabilities	–	–	26.10	26.10
Total Financial Liabilities	**–**	**–**	**4,550.02**	**4,550.02**

Notes:

(a) The Company considers that the carrying amounts recognised in the financial statements for loans, Debt Securities and borrowings approximate their fair values.

(b) For financial assets that are measured at fair value, except those included in point (a) above, the carrying amounts are equal to the fair values.

Includes debt securities issued at fixed rate of interest for which carrying value and fair value are as under :

₹ in Crore

Particulars	Carrying Value	Fair Value
As at March 31, 2020	2,456.80	2,458.06
As at March 31, 2019	2,371.82	2,338.40

2 Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

₹ in Crore

As at March 31, 2020	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments in Mutual Fund		1,096.57	1,096.57	–	–	1,096.57
Investments in Security Receipts		30.52	–	–	30.52	30.52
Investments in Equity Instruments		46.87	20.00	20.32	6.55	46.87
Total Financial Assets		**1,173.96**	**1,116.57**	**20.32**	**37.07**	**1,173.96**

₹ in Crore

As at March 31, 2019	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments in Mutual Fund		378.13	378.13	–	–	378.13
Investments in Security Receipts		37.61	–	–	37.61	37.61
Investments in Equity Instruments		7.28	–	–	7.28	7.28
Total Financial Assets		**423.02**	**378.13**	**–**	**44.89**	**423.02**

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements are approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation techniques used to determine the fair values:

(a) Listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.

(b) Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

(c) The Company has made necessary adjustments to the observable and unobservable inputs used for the purpose of valuation

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3 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31, 2020 and March 31, 2019.

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**7.28**	**7.52**
Acquisitions	–	–
Gains / (Losses) recognized	(0.73)	(0.24)
Realisations	–	–
Closing Balance	**6.55**	**7.28**

4 Sensitivity for instruments

Nature of the instrument	Fair Value As at March 31, 2020	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2020	
				FV Increase	FV Decrease
Debentures	–	Discount Rate	100 bps	–	–

* There were no significant inter-relationships between unobservable inputs that materially affect fair values

B Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk ; and
- Market risk (including currency risk and interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Company.

i) Credit Risk

Credit risk is the risk of loss that may occur from defaults by our customers under loan agreements. In order to assess credit risk, a separate set of credit policies that outline a standardized structure approach for customer selection. Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Company has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

The company has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default and loss given default have been assessed considering the likelihood of increased credit risk and consequential default due to pandemic.

Collateral held as security and other credit enhancements

The Company has set out security creation requirements in the loan documents. In most lending transaction the company maintains a reasonable security and receivables cover of the loan amount. This gives enough flexibility in the event asset prices come down or there is a cost overrun. It also helps ensure equity of the promoter in terms of the residual value cover.

In order to minimise credit risk, the Credit Committee has developed and maintain the Company's credit risk gradings to categorise exposures according to their degree of risk of default.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently. Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

Risk and monitoring team are assisted by officers who are also responsible for the collection of installments from each customer that are serviced by them. The Company believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

The Company's current credit risk grading framework comprises the following categories: "

Category	Description	Basis for recognising expected credit losses
Stage 1	Performing assets	12-month ECL
Stage 2	Under performing assets	Lifetime ECL
Stage 3	Assets overdue more than 90 days past due.	Lifetime ECL

For PD and Loss Given Default (LGD) the Company has relied upon the internal and external information.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

₹ in Crore

Category	March 31,2020	March 31,2019
Stage 1	3,492.98	5,229.89
Stage 2	237.38	21.73
Stage 3	4.56	3.69

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending.

₹ in Crore

Category	2019 - 20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,229.89**	**21.73**	**3.69**	**5,255.31**
New assets originated or purchased	1,223.74	81.97	–	1,305.71
Assets derecognised or repaid (excluding write offs)	(2,812.24)	(13.83)	(0.03)	(2,826.10)
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(147.51)	147.51	–	–
Transfers to Stage 3	(0.90)	–	0.90	–
Impact on year end ECL of exposures transferred between stages during the year	**(148.41)**	**147.51**	**0.90**	**–**
Gross carrying amount closing balance	**3,492.98**	**237.38**	**4.56**	**3,734.92**

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₹ in Crore

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,555.26**	**13.10**	**16.83**	**6,585.19**
New assets originated or purchased	2,163.49	–	–	2,163.49
Assets derecognised or repaid (excluding write offs)	(3,462.60)	(0.46)	(28.48)	(3,491.54)
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(9.09)	9.09	–	
Transfers to Stage 3	(17.17)	–	17.17	–
Impact on year end ECL of exposures transferred between stages during the year	**(26.26)**	**9.09**	**17.17**	**–**
Amounts written off	–	–	(1.83)	(1.83)
Gross carrying amount closing balance	**5,229.89**	**21.73**	**3.69**	**5,255.31**

₹ in Crore

Category	2019 - 20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**34.04**	**0.31**	**0.37**	**34.72**
New assets originated or purchased	19.73	6.12	1.11	26.96
Assets derecognised or repaid (excluding write offs)	(14.58)	(0.07)	–	(14.65)
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(2.84)	50.60	–	47.76
Transfers to Stage 3	(0.00)	–	0.27	0.27
Impact on year end ECL of exposures transferred between stages during the year	**(2.84)**	**50.60**	**0.27**	**48.03**
ECL allowance - closing balance	**36.35**	**56.96**	**1.75**	**95.06**

₹ in Crore

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	**37.26**	**0.20**	**4.24**	**41.70**
New assets originated or purchased	15.87	–	–	15.87
Assets derecognised or repaid (excluding write offs)	(17.13)	(0.13)	(5.59)	(22.85)
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(0.24)	0.24	–	–
Transfers to Stage 3	(1.72)	–	1.72	–
Impact on year end ECL of exposures transferred between stages during the year	**–**	**–**	**–**	**–**
ECL allowance - closing balance	**34.04**	**0.31**	**0.37**	**34.72**

ii) **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 access public funds for businesses. Liquidity may be affected due to severe liquidity crunch in the market or due to market disruptions where the Company is unable to access public funds.

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.

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.

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.

The Company has undrawn lines of credit of ₹ 251.58 Crore and ₹ 152.74 Crore as of March 31, 2020 and March 31, 2019 respectively, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to liquidity risk

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date.

₹ in Crore

March 31, 2020	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	2,731.49	1,163.53	1,286.68	238.53	42.75
Borrowing (Other than Debt Securities)	826.08	542.90	253.28	29.90	–
Other Financial Liabilities	105.35	29.11	15.45	14.60	46.19
Trade Payable	1.15	1.15	–	–	–
Total Financial Libilities	**3,664.07**	**1,736.69**	**1,555.41**	**283.03**	**88.94**
Financial Assets					
Cash and cash Equivalents	46.64	46.64	–	–	–
Bank Balance other than above	60.00	60.00	–	–	–
Loans	3,639.86	1,579.49	976.04	568.41	515.92
Investments	1,322.46	1,167.41	6.55	–	148.50
Other Financial Assets	162.06	157.45	4.46	0.14	0.01
Total Financial Assets	**5,231.02**	**3,010.99**	**987.05**	**568.55**	**664.43**

₹ in Crore

March 31, 2019	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	3,487.39	1,738.85	1,413.11	335.43	–
Borrowing (Other than Debt Securities)	1,036.03	388.69	623.62	23.72	–
Other Financial Liabilities	26.10	25.39	0.71	–	–
Trade Payable	0.50	0.50	–	–	–
Total Financial Libilities	**4,550.02**	**2,153.43**	**2,037.44**	**359.15**	**–**
Financial Assets					
Cash and cash Equivalents	142.38	142.38	–	–	–
Bank Balance other than above	60.05	60.05	–	–	–
Loans	5,220.58	2,085.53	2,518.53	469.44	147.08
Investments	541.82	379.86	43.16	–	118.80
Other Financial Assets	85.56	81.44	0.52	3.54	0.06
Total Financial Assets	**6,050.39**	**2,749.26**	**2,562.21**	**472.98**	**265.94**

The inflows/(outflows) disclosed in the above table represent the contractual cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity

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iii) Market risk

The Company's activities expose it primarily to the interest rates.

Interest rate risk

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note

₹ in Crore

	March 31, 2020	March 31, 2019
Financial assets		
Fixed-rate instruments	1,354.88	2,556.79
Floating-rate instruments	2,311.97	2,634.67
Total	**3,666.85**	**5,191.46**
Financial Liabilities		
Fixed-rate instruments	2,481.77	3,346.39
Floating-rate instruments	862.55	1,007.81
Total	**3,344.32**	**4,354.20**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. A 100 basis points 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 interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

₹ in Crore

	March, 31 2020		March, 31 2019	
	100 bps higher	100 bps Lower	100 bps higher	100 bps Lower
Floating-rate borrowings	(8.63)	8.63	(10.08)	10.08
Floating-rate loans	23.12	(23.12)	26.35	(26.35)
	14.49	**(14.49)**	**16.27**	**(16.27)**

41 Utilisation of Issue Proceeds

There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Tranche I, Tranche II and Tranche III (to the extent utilized)document dated April 11, 2019, July 31, 2019 and February 10, 2020 respectively.

42 Employee Stock Option Scheme

During the current year, based on the request made by the Company, JM Financial Limited (ultimate holding company), in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company.

₹ in Crore

Particular	As at March 31, 2020	As at March 31, 2019
Charge on account of the above scheme included in employee benefit expenses	1.85	2.83

43 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

a) Loans and advances in the nature of loans given to subsidiaries and associates

₹ in Crore

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Services Limited	Fellow Subsidiary	150.00 (175.00)	– –
Infinite India Investment Management Limited	Fellow Subsidiary	– (91.70)	– –
JM Financial Credit Solutions Limited	Fellow Subsidiary	12.00 –	– –
JM Financial Properties & Holdings Limited	Fellow Subsidiary	35.00 (108.00)	– –
JM Financial Home Loans Limited	Fellow Subsidiary	30.00 (25.00)	– –
Astute Investments	Fellow Subsidiary	30.43 (120.00)	– (24.73)
CR Retail Malls (India) Limited	Fellow Subsidiary	43.02 (206.60)	– (43.02)
JM Financial Institutional Securities Limited	Fellow Subsidiary	28.00 –	– –
JM Financial Capital Limited	Fellow Subsidiary	– (35.00)	– –
JM Financial Asset Reconstruction Private Limited	Fellow Subsidiary	– (25.00)	– –

Loans and advances shown above are interest bearing, repayable on demand and are utilised for their business purposes.

(figures in brackets indicates previous year figures)

44 Corporate Governance and Disclosure Norms for NBFCs

(As stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014)

44.1 Capital Risk Adequacy Ratio (CRAR)

₹ in Crore

Particulars	March 31, 2020	March 31, 2019
CRAR (%)	**31.93%**	**25.45%**
CRAR - Tier I capital (%)	31.25%	24.87%
CRAR - Tier II capital (%)	0.68%	0.58%
Amount of subordinated debt raised as Tier-II capital	–	–
Amount raised by issue of Perpetual Debt instruments	–	–

Notes (Contd.)

to the Standalone Financial Statements

44.2 Exposures:

₹ in Crore

Sr No	Particulars	As at March 31, 2020	As at March 31, 2019
I	**Exposure to Real Estate Sector**		
a)	**Direct Exposure**		
(i)	**Residential Mortgages-**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh may be shown separately)	41.70	8.08
	Individual housing loans up to ₹ 15 lakh	5.45	1.31
(ii)	**Commercial Real Estate*-**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).		
	Exposure would also include non-fund based (NFB) limits;	1,867.46	1,829.37
	* Also includes Commercial Real Estate exposure in Investments.		
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures-**		
	a) Residential,	–	–
	b) Commercial Real Estate.	–	–
b)	**Indirect Exposure**		
	Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	148.50	118.80
	Total Exposure to Real Estate	**2,063.11**	**1,957.56**
II	**Exposure to Capital Market**		
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	40.32	–
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	200.50	363.93
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	880.13	1,478.52
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	–	–
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	12.08
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	–	–
(vii)	bridge loans to companies against expected equity flows / issues;	–	–
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	–	–
	Total Exposure to Capital Market	**1,120.95**	**1,854.53**
III	Details of financing of parent company products	Nil	Nil
IV	Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	Nil	Nil
V	Unsecured Advances given against intangible securities	Nil	Nil

45 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

₹ in Crore

Particulars	1 day to 7 day	8 day to 14 day	15 day to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities											
Borrowing from Banks & Others	25.00	–	–	55.25	75.85	138.97	244.32	253.03	29.90	–	822.32
	(47.26)	(–)	(25.00)	(16.67)	–	(40.49)	(256.31)	(618.51)	(28.57)	–	(1,032.81)
Market Borrowings	31.50	119.83	290.70	86.09	–	206.03	302.52	1,204.00	238.49	42.27	2,521.43
	(4.40)	(–)	(16.70)	(111.45)	(314.46)	(543.04)	(667.06)	(1,413.11)	(250.85)	–	(3,321.07)
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Assets											
Advances	267.67	8.53	17.13	141.14	108.67	423.43	544.84	976.04	568.41	515.92	3,571.78
	(139.73)	(20.59)	(41.18)	(227.63)	(572.49)	(402.72)	(617.34)	(2,518.53)	(469.44)	(147.07)	(5,156.72)
Deposits	0.01	–	–	–	–	–	–	4.46	0.14	0.01	4.62
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(0.05)	(9.03)	(0.01)	(9.09)
Investments	1,096.58	–	–	–	–	–	70.83	–	–	155.05	1,322.46
	(378.14)	(–)	(–)	(–)	(–)	(–)	(1.73)	(35.88)	(–)	(126.08)	(541.83)
Foreign currency assets	–	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)

Figures in brackets are for previous year

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) The above assets does not include Stock-in-Trade acquired from borrowed funds.

c) The above statement includes only certain items of assets and liabilities (as stipulated in Annexure 4 of Circular No. DNBR (PD) CC No. 002/03.10.001/2014-15, dated November 10, 2014) and therefore does not reflect the complete asset liability maturity pattern of the Company.

d) EIR effect on loan is given in over 5 years buckets

e) Previous year figure are regrouped in different bucket in reference to circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No 102/03.10.001/2019-20 of RBI

Notes (Contd.)

to the Standalone Financial Statements

46 Particulars

₹ in Crore

	Liabilities side	Amount outstanding	Amount overdue
(I)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	(i) Secured	2,438.48	–
		(2,309.15)	(–)
	(ii) Unsecured (other than falling within the meaning of public deposits)	–	–
		(55.00)	(–)
(b)	Deferred Credits	–	–
		–	(–)
(c)	Term Loans	799.60	–
		(961.81)	(–)
(d)	Inter-corporate loans and borrowing	27.04	–
		(27.16)	(–)
(e)	Commercial Paper (net of unamortised discount)	293.01	–
		(1,123.23)	(–)
(f)	Other Loans (Please Specify)		
	Overdraft Accounts	–	–
		–	(–)
	Cash Credits	–	–
		(47.26)	(–)
	CBLO Borrowing (net of unamortised discount)	–	–
		–	(–)
	Working capital demand loan	–	–
		–	(–)
	Due under finance lease	0.57	–
		(0.32)	(–)

₹ in Crore

	Assets side	Amount outstanding
(II)	**Break up of Loans and Advances including bills receivables (other than those included in (IV) below):**	
(a)	Secured	3,621.09
		(5,155.12)
(b)	Unsecured	18.77
		(65.46)
(III)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:**	
(a)	Lease assets including lease rentals under sundry debtors:	
	(i) Financial Lease	–
		(–)
	(ii) Operating Lease	–
		(–)
(b)	Stock on hire including hire charges under sundry debtors:	
	(i) Assets on hire	(–)
		–
	(ii) Repossessed Assets	(–)
		–
(c)	Other loans counting towards AFC activities:	
	(i) Loans where assets have been repossessed	–
		(–)
	(ii) Loans other than (a) above	–
		(–)

₹ in Crore

	Liabilities side	Amount outstanding
(IV)	**Break – up of Investments:**	
(a)	**Current Investments:**	
	1. Quoted:	
	(i) Shares:	
	(a) Equity	40.32
		(–)
	(b) Preference	–
		(–)
	(ii) Debentures and Bonds	–
		(–)
	(iii) Units of Mutual Funds	1,096.58
		(378.14)
	(iv) Government Securities	–
		(–)
	(v) Others (Please Specify)	–
		(–)
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	–
		(–)
	(b) Preference	–
		(–)
	(ii) Debentures and Bonds	–
		(–)
	(iii) Units of Mutual Funds	–
		(–)
	(iv) Government Securities	–
		(–)
	(v) Security receipts	30.52
		(1.68)
(b)	**Non Current Investments**	
	1. Quoted:	
	(i) Shares:	
	(a) Equity	–
		(–)
	(b) Preference	–
		(–)
	(ii) Debentures and Bonds	–
		(–)
	(iii) Units of Mutual Funds	–
		(–)
	(iv) Government Securities	–
		(–)
	(v) Security receipts	–
		(35.88)
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	148.50
		(118.80)
	(b) Preference	6.55
		(7.28)
	(ii) Debentures and Bonds	–
		(–)
	(iii) Units of Mutual Funds	–
		(–)
	(iv) Government Securities	–
		(–)
	(v) Others (Please Specify)	
	Class A Security Receipts	

Notes (Contd.)

to the Standalone Financial Statements

₹ in Crore

	Liabilities side	Amount net of provisions		
	Category	**Secured**	**Unsecured**	**Total**
(V)	**Borrower group – wise classification of assets financed as in (II) and (III) above:**			
(a)	**Related Parties**			
	(i) Subsidiaries	–	–	–
		(–)	(–)	–
	(ii) Companies in the same group	–	–	–
		(7.50)	(35.52)	(43.02)
	(iii) Other related parties	–	–	–
		(–)	(24.43)	(24.43)
(b)	**Other than related parties**	3,621.09	18.77	3,639.86
		(5,147.62)	(5.52)	(5,153.14)
	Total	**3,621.09**	**18.77**	**3,639.86**
		(5,155.12)	**(65.46)**	**(5,220.58)**

₹ in Crore

	Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
(VI)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**		
(a)	**Related Parties**		
	(i) Subsidiaries	149.07	148.50
		(110.69)	(118.80)
	(ii) Companies in the same group *	–	–
		(–)	(–)
	(iii) Other related parties	–	–
		(–)	(–)
(b)	**Other than related parties ****	1,173.96	1,173.96
		(423.02)	(423.02)
	Total	**1,323.03**	**1,322.46**
		(533.71)	**(541.82)**

₹ in Crore

	Particulars	Ruppes in Crore
(VII)	**Other Information:**	
(a)	**Gross Non – Performing Assets**	
	(i) Related Parties	–
		(–)
	(ii) Other than related parties	4.56
		(3.69)
(b)	**Net Non – Performing Assets**	
	(i) Related Parties	–
		(–)
	(ii) Other than related parties	2.81
		(3.33)
(c)	**Assets acquired in satisfaction of debt**	–
		(–)

(figures in brackets indicates previous year figures)

* Non cummulative redeemable preference shares and therefore considered at cost.

** cost is considered whereever fair value is not available

47. There are no restructured advances as on March 31, 2020, hence disclosure of information as required in terms of sub-Para 9 of Paragraph 27 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (issued vide Notification No. DNBR.009/CGM(CDS)-2015 dated March 27, 2015) is not warranted.

48. Company has purchased loan assets from its subsidiary in two tranches during the year, Tranche I ₹ 56.86 Crore (Including premium of ₹ 5.46 Crore) in September 2019 & Tranche II ₹ 39.22 Crore (Including premium of ₹ 4.04 Crore) in December 2019.

₹ in Crore

Sr No	Particulars	As at March 31, 2020	As at March 31, 2019
1	(a) No. of accounts purchased during the year	251	–
	(b) Aggregate Outstanding	66.77	–
2	(a) Of these, number of accounts restructured during the year	–	–
	(b) Aggregate Outstanding	–	–

49 Details of non performing financial assets purchase

₹ in Crore

Sr No	Particulars	As at March 31, 2020	As at March 31, 2019
1	(a) No. of account purchase	1.00	–
	(b) Aggregate outstanding*	–	–
2	(a) Of these, number of accounts restructured during the year	–	–
	(b) Aggregate outstanding	–	–

*Loan asset purchase for ₹ 60.64 Crore and balance outstanding as on March 31,2020 is Nil

50. The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections made already made in the month of March 31, 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy).

Further, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the board for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these Standalone financial results. Accordingly, the provision for expected credit loss on financial assets as at March 31, 2020 aggregates ₹ 95.06 crore (as at March 31, 2019, ₹ 34.73 crore) which includes potential impact on account the pandemic of ₹ 15.67 crore. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

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to the Standalone Financial Statements

51. Disclosure in respect of RBI circular on "COVID19 Regulatory Package - Asset Classification and Provisioning" dated April 17,2020 having reference number RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 as per para 10

₹ in Crore

Sr No	Particulars	Amount
a	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the RBI Circular;	132.54
b	Respective amount where asset classification benefits is extended as at March 31,2020	64.35
c	Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5 of the RBI Circular	32.42
d	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	NA

52. Disclosure in liquidity risk management framework dated November 04, 2019 having reference no RBI/2019-20/88 DOR. NBFC (PD) CC. No 102/03.10.001/2019-20

I) Funding Concentration based on significant counterparty (both deposits and borrowings)

₹ in Crore

Sr. No	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	17	2,407.81	NA	65.5%

II) Top 20 large deposits (amount in ₹ crore and % of total deposits) - Not Applicable

III) Top 10 borrowings (amount in ₹ crore and % of total borrowings)

Amount	% of Total Borrowings
1,981.64	55.7%

IV) Funding Concentration based on significant instrument/product

₹ in Crore

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Term Loans	799.60	21.8%
2	Non Convertible Debentures	2,438.48	66.3%
3	Commercial Papers	293.01	8.0%

V) Stock Ratios:

Commercial papers as a % of total public funds, total liabilities and total assets

₹ in Crore

Total Public funds	3,558.72	8.2%
Total Liabilities	3,675.89	8.0%
Total Assets	5,383.16	5.4%

Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets - **None**

Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

₹ in Crore

Total Public funds	3,558.72	49.0%
Total Liabilities	3,675.89	47.5%
Total Assets	5,383.16	32.4%

VI) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia, reviews the asset liability profile, risk monitoring system, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analyzing different scenarios and preparation of contingency plans. Further, the Risk Management Committee, inter alia, monitors and measures the risk profile of the Company and oversees the integrated risk management system of the Company.

The Company has also constituted the Asset Liability Management Support Group, inter alia, to analyse, monitor and report the liquidity risk profile to the Asset Liability Management Committee.

The Company manages liquidity risk by maintaining sufficient cash/treasury surplus and by having access to funding through an adequate amount of committed credit lines to meet obligations, in case required.

Management regularly monitors the position of cash and cash equivalents. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of balance sheet liquidity is considered while reviewing the liquidity position.

The Company manages liquidity risk in accordance with the Company's Asset Liability Management Policy and Liquidity Risk Management Framework. The Asset Liability Management Policy and Liquidity Risk Management Framework is reviewed periodically to realign the same pursuant to any regulatory changes/changes in the economic landscape or business needs.

Note : Disclosure effective from FY 2019-20 and therefore comparative figures are not made available.

53. Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170 , DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL

₹ in Crore

Asset Classification as per RBI Norms	Asset Classification as per RBI Norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3-4	6	*
Performing Assets						
Standard	Stage 1	3,492.98	35.06	3,457.92	14.01	21.05
	Stage 2	237.38	56.44	180.94	0.96	55.48
Subtotal		**3,730.36**	**91.50**	**3,638.86**	**14.97**	**76.53**
Non-Performing Assets (NPA)						
Substandard	Stage 3	0.90	0.27	0.63	0.09	0.18
Doubtful						
Up to 1 year	Stage 3	3.66	1.48	2.18	0.74	0.74
1 to 3 years	Stage 3	–	–	–	–	–
More than 3 years	Stage 3	–	–	–	–	–
Subtotal for doubtful		**4.56**	**1.75**	**2.81**	**0.83**	**0.92**
Loss	Stage 3	–	–	–	–	–
Subtotal for NPA		**4.56**	**1.75**	**2.81**	**0.83**	**0.92**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	116.27	1.29	114.98	–	1.29
	Stage 2	1.94	0.52	1.42	–	0.52
	Stage 3	–	–	–	–	
Subtotal		**118.21**	**1.81**	**116.40**	**–**	**1.81**
Total	Stage 1	3,609.25	36.35	3,572.90	14.01	22.34
	Stage 2	239.32	56.96	182.36	0.96	56.00
	Stage 3	4.56	1.75	2.81	0.83	0.92
Total		**3,853.13**	**95.06**	**3,758.07**	**15.80**	**79.26**

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to the Standalone Financial Statements

54 Investments

₹ in Crore

	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	**Value of Investments**		
(i)	Gross Value of Investments		
	(a) in India	1,322.46	541.82
	(b) outside India	–	–
(ii)	Provision for depreciation		
	(a) in India	–	–
	(b) outside India	–	–
(iii)	Net Value of Investments		
	(a) in India	1,322.46	541.82
	(b) outside India	–	–
(b)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balances	–	–
(ii)	Add : Provisions made during the year	–	–
(iii)	Less : Write-off / write-back of excess provisions during the year	–	–
(iv)	Closing balance	–	–

54.1 Additional & Miscellaneous Disclosures:

(I) Registration obtained from other financial sector regulators

Company has not registered with other financial sector regulators except with Reserve Bank of India

(II) Disclosure of Penalties imposed by RBI and other regulators

Nil

(III) Ratings assigned by credit rating agencies and migration of ratings during the year

Rating particulars	Rating Agency	Rating assigned
Commercial Paper Programme	ICRA Limited	ICRA A1+
	CARE Ratings Limited	Care A1+
	CRISIL Limited	Crisil A1+
Non-Convertible Debentures	ICRA Limited	ICRA AA / Stable
	CARE Ratings Limited	Care AA/Stable
	CRISIL Limited	Crisil AA / Stable
Bank Loan facility	ICRA Limited	ICRA AA / Stable
	CRISIL Limited	Crisil AA / Stable
Long Term Principal Protected Equity Linked Debentures Programme	ICRA Limited	PP-MLD[ICRA] AA / Stable

During the current year no change in the rating

(IV) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items and changes in accounting policies impacting net profit for the year

(V) Revenue Recognition

Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

(VI) Provisions and Contingencies

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	–	–
Provision towards NPA	1.38	(1.31)
Provision made towards Income tax	72.90	112.30
Provision for Standard Assets	58.96	(3.11)
Other Provision and Contingencies	2.14	–

(VII) Draw Down from Reserves

Nil Nil

(VIII) Concentration of Deposits, Advances, Exposures and NPAs

	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	**Concentration of Deposits (for deposit taking NBFCs)**		
	Total Deposits of twenty largest depositors	NA	NA
	Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA
(b)	**Concentration of Advances**		
	Total advances to twenty largest borrowers (Rupees in crore)	2,293.96	2,767.82
	Percentage of advances to twenty largest borrowers to total advances of the NBFC	61.42%	53.31%
(c)	**Concentration of Exposures**		
	Total exposure to twenty largest borrowers / customers (Rupees in crore)	2,318.94	2,806.14
	Percentage of Exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	62.09%	53.40%
(d)	**Concentration of NPAs**		
	Total exposure to top four NPA accounts (Rupees in crore)	4.56	3.69

	Sector	Percentage of Gross NPAs to Total Advances in that sector	Percentage of Gross NPAs to Total Advances in that sector
(e)	**Sector-wise NPAs**		
	Agriculture & allied activities	–	–
	MSME	–	–
	Corporate borrowers	–	–
	Services	–	–
	Unsecured personal loans	–	–
	Auto loans	–	–
	Other personal loans	–	–
	Other loans	1.06%	0.95%

Notes (Contd.)

to the Standalone Financial Statements

(IX) Movement of NPAs

₹ in Crore

		As at March 31, 2020	As at March 31, 2019
(i)	Net NPAs to Net Advances (%)	0.08%	0.06%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	3.69	16.83
	(b) Additions during the year	134.65	17.18
	(c) Reductions during the year	133.78	30.31
	(d) Closing balance	4.56	3.69
(iii)	Movement of Net NPAs		
	(a) Opening balance	3.33	15.15
	(b) Additions during the year	64.26	9.03
	(c) Reductions during the year	64.78	20.85
	(d) Closing balance	2.81	3.33
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	0.36	1.68
	(b) Provisions made during the year	70.39	8.15
	(c) Write-off / write-back of excess provisions	69.00	9.46
	(d) Closing balance	1.75	0.36

(X) Disclosure of Complaints

Customer Complaints

Particulars	As at March 31, 2020	As at March 31, 2019
No. of complaints pending at the beginning of the year	Nil	Nil
No. of complaints received during the year	7	10
No. of complaints redressed during the year	7	10
No. of complaints pending at the end of the year	Nil	Nil

(XI) Disclosure in respect of derivatives, securitisation transactions, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company.

55 Provision for Standard Assets

To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a Notification No. DNBS.222/CGM(US)-2011 dated January 17, 2011, requiring all NBFCs to make a general provision at 0.40 per cent of the outstanding standard assets. The Company had in the past created provision for standard assets as per guidelines prescribed by the Board of Directors which is sufficient to comply with the aforesaid RBI notification.

₹ in Crore

Movement in Provision for standard assets	As at March 31, 2020	As at March 31, 2019
(a) Opening balance as at the beginning of the year	31.75	28.49
(b) Provisions made during the year	–	3.26
(c) Utilisation of Provisions during the year*	–	–
(d) Reversal of Provisions during the year*	–	–
(e) Closing balance as at the end of the year	31.75	31.75

56 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 ₹ 6.29 crore (previous year, ₹ 5.82 crore)

b) Amount spent and paid during the year by way of donations to charitable trusts ₹ 6.29 crore (previous year, ₹ 5.82 crore)

57 Unhedged Foreign Currency Exposure

₹ in Crore

Particulars		Unhedged		Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 year
FCY Receivables							
Loans to JV/WOS	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–
FCY Payables							
Imports	–	–	–	–	–	–	–
Trade Credits	–	–	–	–	–	–	–
ECBs	–	–	–	–	–	–	–
Other FCY loans	–	–	–	–	–	–	–
INR to USD swaps	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**

#Note: Covered Option(s) is/are not included

Our EBID i.e. profit after tax + Depreciation + Interest on debt as of this date is ₹ 628.38 Crore

58 Previous year's figures have been rearranged / regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
(DIN : 00009079)

E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

Place: Mumbai
Date: May 4, 2020

Consolidated Balance Sheet

as at March 31, 2020

₹ in Crore

Sr. No.		Notes	As at March 31, 2020	As at March 31, 2019
	ASSETS			
(1)	**Financial Assets**			
(a)	Cash and cash equivalents	4	58.15	147.02
(b)	Other Bank Balances	5	60.05	60.10
(c)	Loans	6	3,937.06	5,421.99
(d)	Investments	7	1,173.96	423.02
(e)	Other Financial assets	8	163.06	86.39
			5,392.28	**6,138.52**
(2)	**Non-financial Assets**			
(a)	Current tax assets (net)	9	27.43	24.39
(b)	Deferred tax Assets (net)	10	33.12	28.66
(c)	Property, Plant and Equipment	11	92.20	9.50
(d)	Intangible assets	11	2.65	2.82
(e)	Intangible assets under development	11	-	0.39
(f)	Other non-financial assets	12	8.86	10.01
			164.26	**75.77**
	Total Assets		**5,556.54**	**6,214.29**
	LIABILITIES AND EQUITY			
(1)	**Financial Liabilities**			
(a)	Payables			
	(I) Trade Payables	13		
	(i) Total outstanding dues of micro enterprises and small enterprises		0.05	0.02
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2.64	1.61
(b)	Debt Securities	14	2,795.48	3,546.15
(c)	Borrowings (Other than Debt Securities)	15	931.96	1,073.88
(d)	Other financial liabilities	16	113.38	28.16
	Total Financial Liabilities		**3,843.51**	**4,649.82**
(2)	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)	17	2.79	0.31
(b)	Provisions	18	5.09	3.77
(c)	Other non-financial liabilities	19	5.43	7.15
	Total Non-Financial Liabilities		**13.31**	**11.23**
(3)	**EQUITY**			
(a)	Equity Share capital	20	544.50	544.50
(b)	Other Equity	21	1,153.73	1,007.54
	Equity attributable to owners		**1,698.23**	**1,552.04**
(c)	Non Controling Interests		1.49	1.20
	Total Equity		**1,699.72**	**1,553.24**
	Total Liabilities and Equity		**5,556.54**	**6,214.29**
	Notes to the consolidated financial statements	1 to 48		

In terms of our report attached

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W / W100621)

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
(DIN : 00009079)

E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

Consolidated Statement of Profit and Loss

for the period ended March 31, 2020

₹ in Crore

Sr. No.		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
(I)	**Revenue from operations**			
(i)	Interest Income	22	738.09	862.11
(ii)	Fees and Commission Income	23	43.14	42.49
(iii)	Other Operating Income	24	23.87	54.21
(iv)	Net gain on fair value changes	25	56.73	(15.82)
(v)	"Net gain on derecognition of financial instruments under amortised cost category"	26	13.76	-
	Total Revenue from operations		**875.59**	**942.98**
(II)	**Other Income**	27	6.91	1.84
(III)	**Total Income (I+II)**		**882.50**	**944.82**
(IV)	**Expenses**			
(i)	Finance Costs	28	466.40	524.82
(ii)	Impairment on financial instruments	29	63.30	(5.54)
(iii)	Employee Benefits Expenses	30	66.66	61.77
(iv)	Depreciation, amortization and impairment	11	15.50	3.28
(v)	Operating and other expenses	31	41.50	51.33
	Total Expenses		**653.36**	**635.66**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		**229.14**	**309.16**
(VI)	**Tax Expense:**			
	Current tax		74.15	112.30
	Deferred tax		(4.42)	(0.84)
	Total tax expenses		**69.73**	**111.46**
(VII)	**Profit / (loss) for the period from continuing operations (V-VI)**		**159.41**	**197.70**
(VIII)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurment of employee defined benefit obligation		(0.13)	0.14
	- Income tax on above		0.03	(0.05)
	Other Comprehensive Income		**(0.10)**	**0.09**
(IX)	**Total Comprehensive Income for the period (VII+VIII) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**159.31**	**197.80**
	Net Profit Attributable to :			
	Owners of the Company		159.42	197.62
	Non Controlling Interest		(0.01)	0.08
	Other Comprehensive Income Attributable to :			
	Owners of the Company		(0.10)	0.09
	Non Controlling Interest		(0.00)	(0.00)
	Total Comprehensive Income Attributable to :			
	Owners of the Company		159.31	197.71
	Non Controlling Interest		(0.01)	0.08
(X)	**Earnings per equity share**	34		
	Basic EPS (in Rs.) (Not annualised)		2.93	3.63
	Diluted EPS (in Rs.) (Not annualised)		2.93	3.63
	Notes to the consolidated financial statements	1 to 48		

In terms of our report attached

For Khimji Kunverji & Co LLP
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Chartered Accountants
(FRN: 105146W / W100621)

Hasmukh B Dedhia
Partner (F-033494)

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
(DIN : 00009079)

E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

Place: Mumbai
Date: May 4, 2020

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

₹ in Crore

Particulars		As at March 31, 2020	As at March 31, 2019
A	**Net Profit before tax**	**229.14**	**309.17**
	Adjustment for :		
	Depreciation/ Amortisation	15.50	3.28
	Loan funds written off	-	1.82
	Interest expenses - Others	453.53	0.03
	Provision for Non Performing Assets	1.38	(1.31)
	Provision for standard assets	-	4.53
	Interest Income on fixed deposits with Banks and others	(0.01)	(0.05)
	Finance Income on rent deposit	(0.38)	-
	Provision for bonus - written back	(0.81)	-
	Impairment on financial instruments	61.93	(6.82)
	Net loss on fair value changes	3.06	15.81
	Profit on sale of current investments	(59.79)	(47.12)
	Provision for TDS receivable	1.55	-
	Operating Profit before Working Capital Changes	**705.10**	**279.34**
	Changes in working capital		
	Adjustment for (increase)/ decrease in operating assets:		
	Loans and advances and other current assets	1,436.75	1,203.52
	Stock-in-trade	(91.45)	(49.18)
	Operating fixed deposits with banks	0.05	145.45
	Accrued interest income related to operating activities	(4.22)	0.13
	Adjustment for increase/ (decrease) in operating liabilities:		
	Trade payables, other liabilities and provisions	1.95	(9.12)
	Accrued interest expenses related to operating activities	44.15	29.64
	Cash (used in) operations	**2,092.33**	**1,599.78**
	Direct taxes paid (net)	(74.74)	(121.50)
	Net Cash (used in) Operating Activities (A)	**2,017.59**	**1,478.28**
B	**Cash flow from Investing Activities**		
	Purchase of fixed assets	(3.80)	(6.69)
	Sale of fixed assets	-	0.01
	Investment in a subsidiary	-	1.20
	Sale of investments	817.40	-
	Sale / (Purchase) of current investments (net)	(1,511.63)	(343.02)
	Interest received	0.01	0.05
	Increase in deposits placed (net)	(0.05)	-
	Net Cash generated from Investing Activities (B)	**(698.07)**	**(348.45)**

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
C Cash flow from Financing Activities		
Proceeds / (Repayments) from long term borrowings (net)	(119.30)	(271.82)
Proceeds from issue of equity share capital	0.30	-
Proceeds from /(Repayments) short term borrowings (net)	(830.22)	(807.71)
NCD issue Expenses	12.72	-
Lease Rent Paid	(13.33)	-
Interest paid	(445.45)	(0.03)
Dividend paid (Including Corporate Dividend Tax)	(13.11)	(111.59)
Net Cash flow from Financing Activities (C)	**(1,408.39)**	**(1,191.15)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(88.87)	(61.32)
Cash and cash equivalents at the beginning of the year	147.02	208.34
Cash and cash equivalents at the end of the year	**58.15**	**147.02**
Notes		
(1) **Reconciliation of cash and cash equivalents:**		
As per Balance Sheet (Refer note 17)	118.15	207.12
Less: Balances with banks in deposit	60.00	60.10
As per Cash-flow statement	**58.15**	**147.02**
(2) Balances with banks in deposit includes Rs.60.05 crore (Previous year Rs.60.10 crore) placed as securities against overdraft facilities availed from the banks.		

In terms of our report attached

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W / W100621)

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
(DIN : 00009079)

E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

Consolidated Statement of Changes in Equity

as at March 31, 2020

A. Equity Share Capital

₹ in Crore

Particulars	Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
Equity Share Capital	544.50	-	544.50

B. Other Equity

₹ in Crore

Particulars	Reserves and Surplus								
	Securities Premium	Capital Redemption Reserves	General Reserves	Retained earnings/ (accumulated deficit)	Capital Reserves	Statutory Reserves	Total	Non-Controlling Interests	Total Equity
Balance as at April 1, 2018	**38.23**	**0.00**	**-**	**606.82**	**-**	**276.29**	**921.34**	**-**	**921.34**
Addition/Reduction during the year									
Profit for the year				197.71			197.71		197.71
Transfer to statutory reserves				(41.00)		41.00	-		-
Final /Interim dividend				(92.57)			(92.57)		(92.57)
Corporate dividend tax				(19.03)			(19.03)		(19.03)
Other comprehensive income				0.09			0.09		0.09
Balance at March 31, 2019	**38.23**	**0.00**	**-**	**652.02**	**-**	**317.29**	**1,007.54**	**-**	**1,007.54**
Profit for the year				159.41			159.41		159.41
Transfer to statutory reserves				(34.48)		34.48	-		-
Final /Interim dividend				(10.89)			(10.89)		(10.89)
Corporate dividend tax				(2.24)			(2.24)		(2.24)
Other comprehensive income				(0.09)			(0.09)		(0.09)
Balance at March 31, 2020	**38.23**	**0.00**	**-**	**763.73**	**-**	**351.77**	**1,153.73**	**-**	**1,153.73**

C. Non Controling Interests

₹ in Crore

	"Balance as at April 1, 2018"	Changes in Non Controlling Interest during the year	"Balance as at March 31, 2019"	Changes in Non Controlling Interest during the year	"Balance as at March 31, 2020"
Equity Share Capital	-	1.20	1.20	0.29	1.49

The accompanying notes form an integral part of the consolidated financial statements - note no 1 to 48

In terms of our report attached

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W / W100621)

Hasmukh B Dedhia
Partner (F-033494)

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
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E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

Significant Accounting Policies

and notes to Consolidated Financial Statements

1 Principles of consolidation:

The consolidated financial statements relate to JM Financial Products Limited (the holding Group) and its subsidiary together referred as "the Group" or "the Group". The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Group i.e. 31st March, 2020.

b. "The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions. Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet."

c. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiary when they are used in preparing the consolidated financial statements that are presented in the same manner as the Group's separate financial statements.

The name of the subsidiary of the Group which is included in the consolidation and the Group's holding therein is as under:

Name of Subsidiary	Country of Incorporation / Registration	Percentage of Holding
JM Financial Home Loans Limited	India	99%

2 Significant Accounting Policies

2.1 Statement of Compliance

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

Historical cost convention

The consolidated 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 116, and measurements that have some similarities to fair value but are not fair value value in use in Ind AS 36.

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

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

2.2 Presentation of consolidated financial statements

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

Significant Accounting Policies (Contd.)

and notes to Consolidated Financial Statements

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

2.3 Revenue Recognition

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

2.3.1 Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period. The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in consolidated profit or loss at initial recognition. The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset. Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument. The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in consolidated profit or loss at initial recognition. The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset. “

2.3.2 Fees and Commission Income

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

2.3.3 Investment Income

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost.

2.3.4 Dividend Income

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

2.4 Leases

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,

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

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

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the Statement of profit and loss. For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in Note 16 “Other Financial Liabilities” and ROU asset has been presented in Note 11 “Property, Plant and Equipment” and Lease payment has been classified as Financial cash Flow.

2.4.1 Finance Lease

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

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in consolidated profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group’s general policy on borrowing costs (see note 2.6 below).

2.5 Foreign currency transactions

In preparing the consolidated 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 recognised in consolidated profit or loss in the period in which they arise.

2.6 Borrowing costs

“Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets as defined in Ind AS 23 are capitalized as a part of costs of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Consolidated Statement of profit and loss in the period in which they are incurred.”

Significant Accounting Policies (Contd.)

and notes to Consolidated Financial Statements

2.7 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

Defined Benefit Obligation:

The Group's Gratuity liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets."

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

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

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

Short-term benefits:

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the 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 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.

2.8 Share-based payment arrangements

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

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

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

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

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

2.9 Income tax

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

Current Tax

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the 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 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. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs and impairment of assets below).

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Significant Accounting Policies (Contd.)

and notes to Consolidated Financial Statements

Property, plant and equipment		
Office Premise	-	3 Years
Leasehold improvements	-	3 Years
Computers	-	3 Years
Office equipment	-	5 Years
Furniture and fixtures	-	10 Years
Vehicles	-	5 Years

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

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

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

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

Intangible assets

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

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

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

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

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

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

Impairment losses on non financial assets

The Group reviews as at the end of each year the carrying amount of its non-financial assets is PPE and intangible to determine whether there is any indication that these assets have suffered an impairment loss. An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets’ net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Consolidated Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in consolidated profit or loss.”

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

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

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

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

Contingent liability is disclosed in case of:

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

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

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.13 Commitments

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

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

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

iii. other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management. Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.14 Statement of Consolidated Cash Flows

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

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

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

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

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

2.15 Segments

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

2.16 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."

2.16.1 Initial Measurement of Financial Instruments

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

Significant Accounting Policies (Contd.)

and notes to Consolidated Financial Statements

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

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in consolidated profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability). After initial recognition, the deferred gain or loss will be released to the Statement of consolidated profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability."

2.16.2 Subsequent Measurement of Financial Assets:

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

2.16.3 Classification of Financial Assets:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL. However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:
- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option). A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the 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 or a financial guarantee.

2.16.4 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 managed at individual basis and collectively to achieve a particular business objective.

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

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

2.16.5 Equity Investments at FVTOCI

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

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

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

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

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

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

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

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

2.16.7 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 derecognition of financial assets described below.

2.16.8 Impairment of financial assets

Overview of the Expected Credit Loss principles

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

Significant Accounting Policies (Contd.)

and notes to Consolidated Financial Statements

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

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

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

The Group measures ECL on an individual/collective basis. With regard to the individual basis, the measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

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

The Group 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 Group 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 trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 and loans under short term financing, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the 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.

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

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

2.16.9 Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial assets or

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

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

2.16.10 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 derecognition 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.

2.16.11 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.

2.16.12 Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.16.13 Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group'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 Group's own equity instruments.

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

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

2.16.14 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised 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 amortised cost.

2.16.15 Financial liabilities subsequently measured at amortised cost

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

Significant Accounting Policies (Contd.)

and notes to Consolidated Financial Statements

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."

2.16.16 Derecognition of financial liabilities

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

2.17 Cash and Cash Equivalents

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

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

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.

3 Critical accounting judgements and key sources of estimation uncertainties

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

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

Expected Credit Loss

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

Fair Valuation

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

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

Leases:

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Group reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Notes

to the Consolidated Financial Statements

4 Cash and cash equivalents

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	0.00	0.05
Balances with banks		
- in current accounts	58.15	92.38
- in deposit accounts	-	40.00
Cheques on hand	-	14.59
Total	**58.15**	**147.02**

5 Other balances with Banks

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Deposit Accounts under lien against which overdraft facilities are availed (Note 5.1)	60.05	60.10
Total	**60.05**	**60.10**

5.1 Deposit accounts under lien of ₹ 60.00 crore (Previous year ₹ 60.10 crore) against which overdraft facilities remained outstanding as at the year end of ₹ Nil (Previous year of ₹ Nil)

6 Loans

₹ in Crore

	Particulars	As at March 31, 2020	As at March 31, 2019
	At amortised cost		
(i)	Term Loans (refer note 6.1)	3,691.90	4,712.64
(ii)	Demand Loan	295.95	716.69
(iii)	Interest accrued	68.08	63.86
		4,055.93	**5,493.19**
	Less: Impairment loss allowance /EIR	(118.87)	(71.20)
	Net	**3,937.06**	**5,421.99**
	Break up of loans into secured and unsecured		
(i)	Secured by tangible assets	3,969.07	5,363.87
(ii)	Loan funds (Unsecured)	18.78	65.46
(iii)	Interest accrued	68.08	63.86
	Gross	**4,055.93**	**5,493.19**
	Less: Impairment loss allowance	(98.80)	(36.07)
	EIR	(20.08)	(35.13)
	Total	**3,937.05**	**5,421.99**

Note : The loans are given in India to other than Public sectors

6.1 Term loan included unlisted Non Convertible Debenture amounting to Rs 225.08 Crore (Previous year Rs 219.55 Crore)

Notes (Contd.)

to the Consolidated Financial Statements

7 Investments

₹ in Crore

	QTY	As at March 31, 2020		
		Amortised cost	At Fair Value Through profit and loss account	Total
Investments				
Mutual Funds Units of ₹ 10/- each, Fully Paid Up				
JM Liquid Fund Growth Option	184,110,602.354	-	1,000.41	1,000.41
Frankline India Liquid Fund	199,918.293	-	59.64	59.64
SBI Liquid Fund	47,277.000	-	14.70	14.70
ICICI Prudential Overnight Fund	2,026,051.000	-	21.83	21.83
Preference Shares				
Compulsory Convertible Preference Share				
Fairassets Tech India Private Ltd -Series B	406	-	0.21	0.21
Fairassets Technologies India Private Limited - Series A3	12,508	-	6.34	6.34
Equity Shares				
In Others (unquoted)				
Investment in Equity Shares (Fully paid up)				
Quoted				
Spandana Sphoorty Financial Limited #	541535	-	20.32	20.32
# Lock in upto 14-08-2020				
Power Grid Corporation of India Ltd	550,000	-	8.75	8.75
National Thermal Power corporation	600,000	-	5.05	5.05
Coal India Limited	200,000	-	2.80	2.80
Sterling And Wilson Solar Ltd	85,000	-	0.65	0.65
Hero MotoCorp Limited	10,000	-	1.61	1.61
Motherson Sumi Systems Limited	25,000	-	0.15	0.15
Bajaj Finserv Limited	1,500	-	0.69	0.69
ITC Limited	2,000	-	0.03	0.03
IndulInd Bank	7,500	-	0.26	0.26
Unquoted				
Fairassets Technologies India Private Limited of ₹ 10/- each *	2	-	0.00	0.00
*Rs 11,542/- (Previous Year ₹ 11542/-)				
Security Receipts				
(Unquoted)				
Class A Security Receipts of Rs 1,000/- each fully paid up	200,000	-	0.00	0.00
(Face value partly reedemed)				
Class A Security Receipts of Rs 1,000/- each fully paid up	535,500	-	30.52	30.52
Total – Gross		**-**	**1,173.96**	**1,173.96**
Less: Impairment loss allowance		-	-	-
Total – Net		**-**	**1,173.96**	**1,173.96**
Break up of gross investments:				
(i) Investments outside India		-	-	-
(ii) Investments in India		-	1,173.96	1,173.96
Total		**-**	**1,173.96**	**1,173.96**

₹ in Crore

	QTY	As at March 31, 2019		
		Amortised cost	At Fair Value Through profit and loss account	Total
Investments				
Mutual Funds Units of ₹ 10/- each, Fully Paid Up				-
JM High Liquid Fund - JM Liquid Fund (Direct) Growth Option	5,036,162.5810	-	25.78	25.78
Reliance Mutual Fund - Reliance Liquid Fund	54,859.0160	-	25.03	25.03
Frankline Mutual Fund - Franklin India Liquid fund	268,319.3040	-	75.09	75.09
Kotak Mutual Fund - Kotak Liquid Direct Plan Growth	264,466.3140	-	100.08	100.08
ICICI Mutual Fund - ICICI Prudential Liquid Fund	5,504,703.4430	-	152.15	152.15
Preference Shares				
Compulsory Convertible Preference Share				
Fairassets Technologies India Private Limited - Series A3	12,508	-	7.05	7.05
Fairassets Tech India Private Ltd -Series B	406	-	0.23	0.23
Equity Shares				
In Others (unquoted)				
Fairassets Technologies India Private Limited of ₹ 10/- each *	2	-	0.00	0.00
*Rs 11,542/- (Previous Year ₹ 11542/-)				
Security Receipts				
(Unquoted)				
Class A Security Receipts of Rs 1,000/- each fully paid up	200,000	-	1.68	1.68
(Face value partly reedemed)				
Class A Security Receipts of Rs 1,000/- each fully paid up	535,500	-	35.93	35.93
Total – Gross		**-**	**423.02**	**423.02**
Less: Impairment loss allowance		-	-	-
Total – Net		**-**	**423.02**	**423.02**
Break up of gross investments:				
(i) Investments outside India		-	-	-
(ii) Investments in India		-	423.02	423.02
Total		**-**	**423.02**	**423.02**

8 Other Financial assets

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits		
To Related Parties	3.61	3.27
To Others	1.59	1.21
Advances to employees	0.01	0.03
Others Financial Assets		
Other receivables	17.15	32.59
Interest accrued on deposits	0.08	0.11
Stock in Trade		
Debt instruments	140.62	49.18
Total	**163.06**	**86.39**

Notes (Contd.)

to the Consolidated Financial Statements

9 Current tax assets (net)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax (net of provision for tax)	27.43	24.39
	27.43	**24.39**

10 Deferred tax Assets (Net)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
(Refer Note 32.2)		
Measurement of Financial Liabilities at Amortised Cost	1.04	(3.98)
Impairment of Financial instruments	16.25	13.20
Fair Valuation of Investments	5.88	5.58
Provision on standard financial assets	7.99	11.10
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.90	1.82
Difference between books and tax written down value of fixed assets	0.82	0.94
Donations (Section 80G of the Income Tax Act, 1961)	(0.76)	-
Total	**33.12**	**28.66**

11 Property, Plant and Equipment - As at March 31, 2020

₹ in Crore

	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2019	Additions/ Adjustments	(Deductions)/ Adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	(Deductions)/ Adjustments	As at March 31,2020	As at March 31,2020
Property, Plant and Equipment									
Freehold Land	0.28	-	-	0.28	-	-	-	-	0.28
Leasehold improvements	4.54	0.82	-	5.36	1.62	0.92	-	2.54	2.82
Computers	2.95	0.97	-	3.93	1.00	1.04	-	2.04	1.89
Office Equipment	1.04	0.16	-	1.20	0.27	0.23	-	0.50	0.70
Furniture and fixtures	2.53	0.52	-	3.05	0.36	0.39	-	0.75	2.30
Vehicles	1.53	-	-	1.53	0.64	0.32	-	0.96	0.57
Leased Assets									
Vehicles	0.82	0.57	0.26	1.65	0.32	0.31	0.26	0.89	0.76
Office premises	-	94.81	(0.65)	94.16	-	11.33	(0.08)	11.25	82.91
Total Property Plant and Equipment	**13.69**	**97.85**	**(0.39)**	**111.16**	**4.21**	**14.54**	**0.18**	**18.93**	**92.23**

*Includes adjustments in related to inadvertent error during the transition period of IND AS

Intangible assets - As at March 31, 2020

Software	4.14	0.77	-	4.91	1.31	0.96	-	2.27	2.64
Total Intangible Assets	**4.14**	**0.77**	**-**	**4.91**	**1.31**	**0.96**	**-**	**2.27**	**2.64**

Intangible assets under development - As at March 31, 2020	-	-	-	-	-				-

Property, Plant and Equipment - As at March 31, 2019

₹ in Crore

	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2018	Additions/ Adjustments	Deductions/ Adjustments	As at March 31,2019	As at April 1, 2018	Charge for the year	Deductions/ Adjustments	As at March 31,2019	As at March 31,2019
Property, Plant and Equipment									
Freehold Land	0.21	0.07	-	0.28	-	-	-	-	0.28
Leasehold improvements	1.67	2.88	-	4.55	0.89	0.73	-	1.62	2.93
Computers	1.50	1.48	0.03	2.95	0.30	0.71	0.02	0.99	1.96
Office Equipment	0.28	0.76	-	1.04	0.07	0.20	-	0.27	0.77
Furniture and fixtures	0.46	2.07	-	2.53	0.09	0.27	-	0.36	2.17
Vehicles	1.53	-	-	1.53	-	0.57	-	0.57	0.96
Leased Assets									
Vehicles	0.39	0.42	-	0.81	0.35	0.03	-	0.38	0.43
Total Property Plant and Equipment	**6.04**	**7.68**	**0.03**	**13.69**	**1.70**	**2.51**	**0.02**	**4.19**	**9.50**

Intangible assets - As at March 31, 2019

Software	2.01	2.13	-	4.14	0.54	0.78	-	1.32	2.82
Total Intangible Assets	**2.01**	**2.13**	**-**	**4.14**	**0.54**	**0.78**	**-**	**1.32**	**2.82**

Intangible assets under development - As at March 31, 2019	0.39

12 Other non-financial assets

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	0.17	0.16
Advance against Expenses	0.41	5.45
Prepaid expenses	1.02	-
Balance with statutory authorities	7.26	4.40
Total	**8.86**	**10.01**

13 Trade Payables

₹ in Crore

(i) Total outstanding dues of micro and small enterprises	0.05	0.02
(ii) Total outstanding dues of creditors other than micro and small enterprises	2.64	1.61
Total	**2.69**	**1.63**

Particulars		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.05	0.02
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Notes (Contd.)

to the Consolidated Financial Statements

14 Debt Securities

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
(At amortized cost)		
Commercial Paper (refer note no 14.1 and 14.2)	293.01	1,123.23
Non Convertible Debentures (refer note no 14.3 and 14.4)	2,502.47	2,422.92
Total	**2,795.48**	**3,546.15**
Debt securities in India	2,795.48	3,546.15
Debt securities outside India	-	-
Total	**2,795.48**	**3,546.15**

14.1 The maximum amount of commercial paper outstanding at any time during the year was ₹ 3,946.70 crore (Previous year ₹ 3,859.70 crore).

14.2 Interest rate of commercial paper issued during the year ranges from 7.00% to 13% p.a.(Previous year 7.50% to 11.00% p.a.)

14.3 Non-Convertible Debentures are secured by way of first charge on freehold land and hypothecation on certain identified loan fund balances of the Company.

14.4 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCDs) at face value.

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Private Placement - Face vlaue - Rs 10,00,000 each		
0.00% NCD redeemable in year 2019-20 *	-	264.70
0.00% NCD redeemable in year 2020-21 *	133.60	158.60
0.00% NCD redeemable in year 2021-22 *	385.00	385.00
0.00% NCD redeemable in year 2022-23 *	110.00	110.00
8.81% NCD redeemable in year 2020-21	260.00	260.00
8.80% NCD redeemable in year 2020-21	120.00	120.00
8.90% NCD redeemable in year 2020-21	150.00	150.00
9.20% NCD redeemable in year 2022-23	150.00	150.00
9.25 % NCD redeemable in the year 2022-23	5.10	-
9.34% NCD redeemable in year 2021-22	109.80	109.80
9.25 % NCD redeemable in the year 2028-29	-	-
9.42% NCD redeemable in year 2019-20	-	75.00
9.55% NCD redeemable in year 2017-18	-	55.00
10% NCD redeemable in the year 2021-22	25.00	25.00
10.00% NCD redeemable in year 2022-23	50.00	-
10.10% NCD redeemable in the year 2024-25	6.30	6.30
9.50 % NCD redeemable in the year 2028-29	25.00	25.00
NCD redeemable in year 2019-20**	-	139.00
NCD redeemable in year 2020-21**	88.40	108.40
Private Placement - Face vlaue - Rs 2,00,000 each		
NCD redeemable in year 2021-22**	50.00	120.00
Public issue - Face value - Rs 1,000 each		
9.50% NCD redeemable in year 2021-22	61.83	-
9.90% NCD redeemable in year 2021-22	53.83	-
10.20% NCD redeemable in year 2022-23	241.09	-
9.70% NCD redeemable in year 2023-24	15.96	-
9.73% NCD redeemable in year 2023-24	12.52	-
9.85% NCD redeemable in year 2024-25	15.38	-
10.04% NCD redeemable in year 2024-25	66.92	-
10.30% NCD redeemable in year 2024-25	29.50	-
10.50% NCD redeemable in year 2024-25	100.10	-
9.90% NCD redeemable in year 2025-26	27.17	-
10.40% NCD redeemable in year 2026-27	8.31	-
9.99% NCD redeemable in year 2030-31	2.37	-
10.00% NCD redeemable in year 2030-31	4.96	-
	2,308.14	**2,261.80**

* Redeemable at premium

** Market linked debentures (MLD)

***Unsecured

Maturity profile above is disclosed at face value without considering premium / unamortized discount on issue of Rs 0.59 crore (2018-19 : Rs 1.50 crore) and impact of effective interest rate adjustment amounting to Rs 6.20 crore (As at March 31,2019 Rs 9.40) and preliminary expesnses on issue of non convertable debenture Rs 12.72 crore (previous year Nil)

15 Borrowings (Other than Debt Securities)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Term loan		
From banks & others	855.19	997.80
Interest / Processing fees - EIR	(0.69)	(2.24)
Secured		
(i) from banks (refer note no 15.1) *	828.33	945.56
(ii) from other parties (refer note no 15.1)	24.99	50.00
Interest accrued but not due on term loan	1.18	0.63
Finance lease obligations (refer note 15.2)	0.72	0.32
Cash Credit Facility from Banks (refer note no 15.3)	-	47.26
Overdraft from banks	9.60	2.84
Interest accrued but not due on Cash Credit	-	0.12
Unsecured		
Inter Corporate Deposit	65.10	25.00
Interest accrued but not due on inter corporate deposit	2.05	2.15
Total	**931.97**	**1,073.88**

15.1 Term Loan from a Bank & Other parties :

a) Term Loan is secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company.

b) Maturity profile and rate of interest of Term Loan:

Residual Maturities	As at 31.03.2020		
	Upto one year April -2020 to March -2021	1-3 years April -2021 to March -2023	3 years & above April -2023 onwards
8% to 9%	33.34	-	-
9% to 10%	359.28	265.62	-
10% to 11%	136.94	30.00	30.00
	529.56	**295.62**	**30.00**

Maturity profile shown without considering effective interest rate impact amounting to Rs 1.83 crore

Residual Maturities	As at 31.03.2019		
	Upto one year April -2019 to March -2020	1-3 years April -2020 to March -2022	3 years & above April -2022 onwards
8% to 9%	94.44	155.53	-
9% to 10%	226.03	484.07	37.73
	320.47	**639.60**	**37.73**

Maturity profit shown without considering effective interest rate impact amounting to Rs 2.26 crore

* The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and issubject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

Notes (Contd.)

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15.2 Finance lease obligations are secured by way of hypothecation of vehicles.

15.3 Cash credit facility are secured by way of hypothecation on certain identified loan fund balances of the Company.

15.4 Bank overdraft facility are secured by way of lien mark on fixed deposit.

16 Other financial liabilities

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefits payable	19.48	24.80
Other Liabilities	7.44	1.84
Directors' commission payable	0.35	0.50
Advance from customers	2.22	1.02
Lease Liability refer note 35	83.89	-
Total	**113.38**	**28.16**

17 Current tax liabilities (Net)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for tax (net of advance tax)	2.79	0.31
Total	**2.79**	**0.31**

18 Provisions

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Gratuity (refer note no 36)	2.88	2.08
Provision for compensated absence	2.21	1.69
Total	**5.09**	**3.77**

19 Other non-financial liabilities

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	3.67	3.49
Income received in advance	1.76	3.66
Total	**5.43**	**7.15**

Note - 20

Number of Shares	As at March 31, 2020		As at March 31, 2019	
Particulars	**Number**	**Amount**	**Number**	**Amount**
[a] Authorised share capital				
Equity shares of the par value of ₹ 10 each	1,100,000,000	1,100.00	1,100,000,000	1,100.00
Preference Shares of the par vlaue of ₹ 10 each	100,000,000	100.00	100,000,000	100.00
Total	**1,200,000,000**	**1,200.00**	**1,200,000,000**	**1,200.00**
[b] Issued				
Equity shares of ₹ 10 each	544,500,000	544.50	544,500,000	544.50
Total	**544,500,000**	**544.50**	**544,500,000**	**544.50**
[c] Subscribed and paid up				
Equity shares of ₹ 10 each	544,500,000	544.50	544,500,000	544.50
Total	**544,500,000**	**544.50**	**544,500,000**	**544.50**

[d] Reconciliation of number of shares outstanding at the beginning and end of the year :

	As at March 31, 2020	
	Number of Shares	**Amount**
Equity :		
Outstanding as on April 1, 2019	544,500,000	544.50
Issued during the year	-	-
Outstanding as on March 31, 2020	**544,500,000**	**544.50**

	As at March 31, 2019	
	Number of Shares	Amount
Equity :		
Outstanding as on April 1, 2018	544,500,000	544.50
Issued during the year	-	-
Outstanding as on March 31, 2019	544,500,000	544.50

[e] Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	As at March 31, 2020	
	Number of Shares	**Amount**
JM Financial Limited and its nominees (5 shares held by nominees)	**540,968,650**	**99.35%**

Name of the shareholder	**As at March 31, 2019**	
	Number of Shares	**Amount**
JM Financial Limited and its nominees (5 shares held by nominees)	540,939,050	99.35%

Terms and rights attached to each class of shares :

Equity Shares :

The group has only one class of shares referred to as equity shares having a face value of Rs 10/-. Each holder of eqity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuring Annual General meeting, except in case of interim dividend.

Notes (Contd.)

to the Consolidated Financial Statements

21 Other Equity

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Retained earnings		
Balance as at the beginning of the year	652.02	606.82
Addition/(Reduction) during the year		
Transfer to statutory reserves	(34.48)	(41.00)
Final /Interim dividend	(10.89)	(92.57)
Corporate dividend tax	(2.24)	(19.03)
Other comprehensive income	(0.09)	0.09
Profit for the year	159.41	197.71
Retained earnings	**763.73**	**652.02**
Securities premium account	38.23	38.23
Capital Redemption Reserve*	0.00	0.00
*₹ 1,000/- (Previous Year ₹ 1,000/-)		
Statutory reserve		
(under section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	317.29	276.29
Addition/(Reduction) during the year	34.48	41.00
Statutory reserve	351.77	317.29
Total	**1,153.73**	**1,007.54**

For addition and deductions under each of the above heads, refer Statement of changes in equity

Securities premium account

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The General Reserve is used from time to time to transfer profits from Retained earnings for appropriate purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of Other comprehensive income, items included in the General Reserve will not be reclassified subsequently to Profit or Loss.

Statutory Reserve

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit every year in terms of Section 45-IC of the RBI Act, 1934.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

22 Interest income

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest income		
at Amortised Cost		
Interest on Loans	738.09	862.11
Total	**738.09**	**862.11**

23 Fees and commission Income

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Advisory and other fees	36.71	40.06
Brokerage Income	6.43	2.43
Total	**43.14**	**42.49**

24 Other Operating Income

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Income from trading in debt instruments (net)	23.87	7.10
Profit on sale of investments	-	47.11
Total	**23.87**	**54.21**

25 Net gain/ (loss) on fair value changes *

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(A) Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
a) On trading portfolio		
- Investments	0.28	-
- Derivatives	-	-
- Others	-	-
b) On financial instruments designated at fair value through profit and loss account	56.45	(15.82)
(B) Others	-	-
-Cumulative (gain)/loss reclassified to profit or loss on sale of debt instruments at FVTOCI	-	-
Total Net gain/(loss) on fair value changes (C)	**56.73**	**(15.82)**
Fair Value changes:		
-Realised	60.07	-
-Unrealised	(3.34)	(15.82)
Total Net gain/(loss) on fair value changes(D) to tally with (C)	**56.73**	**(15.82)**
Fair Value changes:	-	-
-Financial assets mandatorily measured at FVTPL	-	-
-Held for trading financial liabilities	-	-
-Financial assets designated at FVTPL	-	-
-Financial liabilities designated at FVTPL”	-	-
Total Net gain/(loss) on fair value changes(E) to tally with (C)	**56.73**	**(15.82)**

*Fair value changes in this schedule are other than those arising on account of interest income/expense

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26 Net gain on derecognition of financial instruments under amortised cost category

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit on sale of Loan	13.76	-
Total	**13.76**	**-**

27 Other Income

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on:		
- Fixed deposits with banks	0.01	0.05
- Others	0.01	0.01
Provision for bonus written back	0.81	-
Miscellaneous income	3.76	0.30
Profit on Sale of Fixed Assets (net)	0.00	0.00
Finance Income on rent deposit	0.38	0.06
Promotional Service Income	-	1.42
Int Income on Commercial Paper	1.34	-
Dividend on Shares	0.60	-
Total	**6.91**	**1.84**

28 Finance costs

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
At Amortised Cost		
Debt Securities	346.35	430.82
Borrowings (Other than Debt Securities)	111.68	93.85
Other Interest expense	8.37	0.15
Total	**466.40**	**524.82**

29 Impairment on financial instruments

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Provision for Expected Credit Loss (Stage 1 & 2)		
On loans	61.34	(4.23)
On receivables	0.58	-
Provision for Expected Credit Loss (Stage 3)	1.38	(1.31)
Total	**63.30**	**(5.54)**

30 Employee benefits expense

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, bonus, other allowances and benefits	62.65	58.09
Contribution to provident and other funds	2.96	2.31
Gratuity (refer note 36)	0.67	0.76
OCL Impact of Ind AS	0.03	0.15
Staff welfare expenses	0.35	0.46
Total	**66.66**	**61.77**

31 Operating and Other expenses

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Professional and consultancy charges	6.68	8.92
Space and other related costs	0.22	13.02
net of recoveries of ₹ 0.08 crore (Previous year ₹ 0.04 crore)		
Rates and taxes	4.31	3.53
Membership and subscription	0.63	0.65
Manpower cost	2.04	1.36
Auditors' remuneration (refer note 31.1)	0.19	0.28
Electricity	1.00	0.73
Communication expenses	0.35	0.24
Travelling and conveyance	1.56	1.10
Insurance	0.75	0.49
Printing and stationery	0.34	0.24
Repairs and maintenance - others	1.27	1.08
Loan funds written off	-	1.82
Donations	7.29	6.82
Provision for TDS receivable	1.56	-
Directors' commission	0.35	0.50
Sitting fees to directors	0.16	0.15
Marketing Expenses	8.09	4.40
DSA Commission	0.21	0.47
Miscellaneous expenses	4.50	5.53
Total	**41.50**	**51.33**

31.1 Payment to Auditors': (Excluding goods & service tax)

Audit Fees	0.11	0.12
In any other manner (Certifications, limited reviews, etc.)	0.08	0.15
Out of pocket expenses	0.01	-
Total	**0.19**	**0.27**
Fees paid in connection with Public issue of NCD included for measurement of financial liabilities at amortized cost	0.13	-
Total	**0.32**	**0.27**

Notes (Contd.)

to the Consolidated Financial Statements

32 Income Tax

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax	74.15	112.30
Tax adjustment in respect of earlier years	-	-
Deferred tax	(4.42)	(0.84)
Total income tax expenses recognised in the current year	**69.73**	**111.46**
Income tax expense recognised in other comprehensive income	**(0.05)**	**(0.05)**

32.1 Reconciliation of total tax charge

₹ in Crore

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	229.14	309.16
Income tax rate	25.00%	35.00%
Income tax expense	57.67	108.03
Tax Effect of:		
Effect of income that is exempt from tax	(0.15)	-
14A disallowance	(2.09)	-
Effect of expenses that are not deductible in determining taxable profits	0.91	1.22
Adjustment in respect of earlier years (net)	-	-
Deferred tax impact mainly in respect of fair valuation gain on freehold land, etc.	-	-
Adjustment for deemed equity on the date of transition	-	-
MAT credit entitlement	-	-
Effect of change in tax rates	8.00	-
Others	5.39	2.21
Income tax expense recognised in profit and loss	**69.73**	**111.46**

The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective 1st April 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening deferred tax asset as on April 1, 2019, amounting to Rs 8.0 crore has been reversed during the year ended March 31, 2020.

32.2 Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2020

₹ in Crore

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Re-measurement of Financial Liabilities at Amortised Cost	(3.98)	4.84	-	0.86
Impairment of Financial instruments	13.20	3.23	-	16.43
Fair Valuation of Investments	5.58	0.30	-	5.88
Provision on standard financial assets	11.08	(3.10)	-	7.98
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.82	0.03	0.04	1.89
Difference between books and tax written down value of fixed assets	0.96	(0.13)	-	0.83
Donations (Section 80G of the Income Tax Act, 1961)	-	(0.76)	-	(0.76)
Total	**28.66**	**4.41**	**0.04**	**33.11**

For the year ended March 31, 2019

₹ in Crore

Deferred tax asset / (liability)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance
Re-measurement of Financial Liabilities at Amortised Cost	(2.09)	(1.89)	-	(3.98)
Impairment of Financial instruments	17.54	(4.34)	-	13.20
Fair Valuation of Investments	(0.01)	5.59	-	5.58
Provision on standard financial assets	9.86	1.22	-	11.08
Disallowances under section 43B and 35D of the Income Tax Act, 1961	1.80	0.02	-	1.82
Difference between books and tax written down value of fixed assets	0.78	0.18	-	0.96
Total	**27.88**	**0.78**	**-**	**28.66**

33 Contingent Liabilities and commitments

₹ in Crore

Note	Particulars	As at March 31, 2020	As at March 31, 2019
(a)	Contingent Liabilities	6.00	5.66
(b)	Undisbursed Commitment *	177.83	326.50
(c)	Capital Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	0.21	0.10

*This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03.10.01/2011-12 dated 26th Dec, 2011 issued by Reserve Bank of India.

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34 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 March 31, 2020	For the year ended March 31, 2019
Profit for the year (In Rs Crore)	159.41	197.70
Profit attributable to equity shareholders (In Rs Crore)	159.41	197.70
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	544,500,000	544,500,000
Basic earnings per share (Rupees)	2.93	3.63
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	544,500,000	544,500,000
Diluted earnings per share (Rupees)	2.93	3.63
Nominal value per share (Rupees)	10.00	10.00

35 Lease Transactions

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year ended March 31, 2019

On the date of initial application, the adoption of the new standard resulted in recognition of "Right to Use' asset (premises) of ₹ 91.10 crore and a lease liability of ₹ 86.10 crore. The weighted average of discount rate applied to lease liabilities as at April 1, 2019 is 9.40%. Company has recognised depreciation expenses from ROU of ₹ 11.25 crore (premises) and interest expenses on lease liabilities of ₹ 8.07 crore (premises).

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as March 31, 2019 under Ind AS 17 disclosed under note no. 35 of annual financial statements forming part of 2019 annual report and the value of lease liability as of April 1, 2019 is primarily on account of discounting the lease liabilities to the present value under Ind AS 116.

₹ in Crore

Particulars	Amount
Operating non cancellable lease commitments as at March 31, 2019	121.56
Operating cancellable lease commitments as at March 31, 2019	14.68
Total operating lease commitment (on an undiscounted basis)	**136.24**
Less: Future finance cost	(50.14)
Total operating lease commitment recognised under Ind AS 116 as at April 1, 2019	**86.10**

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2020:

Category	Gross Block			Accumulated Depreciation			Net Block
	As at April 1, 2019	Additions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Additions/ Adjustments	As at March 31, 2020	As at March 31, 2020
Office premises	-	94.16	94.16	-	11.25	11.25	82.91
Total	**-**	**94.16**	**94.16**	**-**	**11.25**	**11.25**	**82.91**

The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

Following table summarizes impact on profit for the year ended March 31, 2020.

₹ in Crore

Increase/(Decrease)	Year Ended March 31, 2020
Other operational expenses	(13.31)
Depreciation and amortization expenses	11.25
Finance Cost	8.07
Profit before tax	6.01

Statement showing contractual Maturities of Lease liability as on March 31, 2020 on an undiscounted basis

₹ in Crore

Due	As at 31st March, 2020	As at 31st March, 2019
Not later than one year	14.06	9.69
Later than one year and not later than five years	54.55	43.73
Later than five years	55.96	68.14
Total	**124.57**	**121.56**

B Finance Leases

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year end are as under:

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Due	Minimum Lease payments		Present values of Minimum Lease payments	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Not later than one year	0.45	0.13	0.32	0.08
Later than one year and not later than five years	0.52	0.40	0.33	0.32
Later than five years	-	-	-	-
Total	**0.97**	**0.54**	**0.65**	**0.40**

36 Employee Benefits:

Short-term employee benefits:

The Group provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised. The charge for the current year is disclosed under Salaries and Bonus.

Defined Contribution Plan:

The group operates defined contribution plan (Provident fund) for all qualifying employees of the Group. 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 and other Fund aggregating Rs 2.96 crore (Previous year ₹ 2.31 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expenses.

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 Group. 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.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	6.80%	7.55%
Expected rate of Salary Increase	7.00%	7.00%
Other Assumption		
Mortality Rate	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

b) Amount recognised in Balance sheet in respect of these defined benefit obligation:

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	2.88	2.08
Fair value of plan assets		
Net liability	**2.88**	**2.08**

c) Amount recognised in statement of profit and loss in respect of these defined benefit obligation

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Current Service Cost	0.56	0.38
Interest Cost	0.13	0.11
Past Services Cost	-	-
Impact of inter group transfer	(0.03)	-
Total expenses charged to Profit & Loss Account	**0.67**	**0.49**

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

d) Amount recognised in Other Comprehensive Income

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Opening amount recognized in OCI outside Profit and Loss Account	0.25	(0.02)
Components of defined benefits costs recognised in profit or loss.		
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/LOSS from change in demographic assumptions	-	(0.00)
- Actuarial (gain)/loss from change in financial assumptions	0.21	0.05
- Actuarial (gain)/loss from change in experience adjustments	(0.08)	0.22
Total amount recognised in OCI outside Profit and Loss Account	**0.13**	**0.25**

e) Movement in the present value of the defined benefit obligation are as follows:

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	2.07	1.63
Current service cost	0.56	0.38
Past service cost	-	-
Interest cost	0.14	0.11
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	-	(0.00)
- Actuarial (gain)/loss from change in financial assumptions	0.21	0.05
- Actuarial (gain)/loss from change in experience adjustments	(0.08)	0.22
- Liabilities Assumed on Acquisition / (Settled on Divestiture)	0.14	0.07
Benefits paid	**(0.17)**	**(0.39)**
Closing defined benefit obligation	**2.88**	**2.07**

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f) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	0.66	0.36	0.09	(0.09)
% change compared to base due to sensitivity	5.00%	-4.60%	4.58%	-4.22%
Salary growth rate (- / +0.5%)	0.36	0.66	-0.07	0.07
% change compared to base due to sensitivity	-4.62%	4.97%	-3.21%	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.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

g) **Projected benefits payable:**

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Expected benefits for year 1	0.01	0.48
Expected benefits for year 2	0.33	0.07
Expected benefits for year 3	0.10	0.30
Expected benefits for year 4	0.11	0.08
Expected benefits for year 5	0.12	0.08
Expected benefits for year 6 and above	6.03	4.04

37 Related Party Disclosure:

	Names of related parties and description of Relationship
Clause (a)	**A person or a close member of that person's family is related to a reporting entity if that person:**
	(i) has control or joint control over the reporting entity;
	None
	(ii) has significant influence over the reporting entity.
	None
	(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
	Mr. Vishal Kampani
	Close members of Mr. Vishal Kampani:
	Mr. Nimesh Kampani
	Ms Aruna Kampani
	Ms Madhu Kampani
	Mr. Shiv Kampani

Clause (a)	**Non Executive Directors**
	Mr.V P Shetty
	Mr M R Umarji
	Mr.Subodh Shinkar
	Mr. Atul Mehra
	Independent Directors
	Mr.Eknath A. Kshirsagar
	Mr.Dhirendra Singh
	Mrs.Roshini Bakshi
Clause (b) (i)	**An entity is related to a reporting entity if the entity and the reporting entity are members of the same group**
	Holding Company
	JM Financial Limited
	Subsidiaries
	JM Financial Home Loans Limited
	Fellow Subsidiaries
	JM Financial Services Limited
	JM Financial Overseas Holdings Private Limited
	JM Financial Securities Inc
	JM Financial Singapore Pte Ltd.
	JM Financial Credit Solutions Limited
	JM Financial Properties & Holdings Limited
	JM Financial Asset Management Limited
	Infinite India Investment Management Limited
	JM Financial Asset Reconstruction Company Limited
	CR Retail Malls (India) Limited
	JM Financial Capital Limited
	JM Financial Commtrade Limited
	JM Financial Institutional Securities Limited (wef January 1, 2018)
	Astute Investments
Clause (b) (ii)	**Associates or Joint Ventures**
	JM Financial Trustee Company Private Limited
Clause (b) (iii)	**Both entities are joint venture of the same third party.**
	None
Clause (b) (iv)	**One entity is a joint venture of a third entity and the other entity is an associate of the third entity.**
	None
Clause (b) (v)	The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
	None
Clause (b) (vi)	The entity is controlled or jointly controlled by a person identified in (a).
	(By Mr. Vishal Kampani and his close relative)
	1. J.M. Financial & Investment Consultancy Services Private Limited
	2. J.M. Assets Management Private Limited
	3. JM Financial Trustee Company Private Limited
	4. JSB Securities Limited
	5. Kampani Consultants Limited
	6. Persepolis Investment Company Private Limited
	7. Capital Market Publishers India Private Limited
	8. SNK Investments Private Limited
	9. Kampani Properties and Holdings Limited
Clause (b) (vii)	**A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).**
	None

Notes (Contd.)

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Details of transactions with related parties

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
JM Financial Limited	**Clause (b) (i)**		
Dividend paid		10.82	91.96
Reimbursement of employees expenses		2.22	2.99
Lead Manager Fees paid		0.30	-
Reimbursement of Expenses - Recd		0.01	-
Transfer of Gratuity Liability		0.10	0.07
JM Financial Services Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		244.00	665.00
Inter Corporate Deposits repaid		244.00	665.00
Interest income on Inter Corporate Deposits given		0.21	0.93
Issue of market linked debentures		51.10	-
Arrangers Fees / Brokerage charges		5.27	0.21
Reimbursemen of Space Cost Paid		0.15	0.07
Interest expenses on NCD borrowed		0.09	-
Closing balance as at the year end - Debit		0.67	0.01
Brokerage charges - Clientle		0.75	-
JM Financial Properties & Holdings Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		35.00	147.00
Inter Corporate Deposits repaid		35.00	147.00
Interest income on Inter Corporate Deposits given		0.06	0.15
Space & other related cost paid		9.66	9.20
Reimbursement of expenses (paid)		1.69	1.34
Property Deposit given / (Refunded)		-	8.00
Closing balance as at the year end - Security Deposit given - debit		8.00	8.00
JM Financial Institutional Securities Limited	**Clause (b) (i)**		
Transfer of Fixed Assets		-	0.01
Inter Corporate Deposit Given		28.00	-
Inter Corporate Deposit repaid		28.00	-
Interest Income on ICD Given		0.01	-
Brokerage paid on transaction of purchase and sell through recogninsed stock exchanges as Broker		0.12	-
Infinite India Invt M Ltd	**Clause (b) (i)**		
Inter Corporate Deposits given		-	91.70
Inter Corporate Deposits repaid		-	91.70
Interest income on Inter Corporate Deposits given		-	2.72
Purchase of Debenture		-	83.82
J M Financial & Investment Consultancy Services Private Limited	**Clause (b) (vi)**		
Space cost paid		0.14	0.07
Subscription to NCD Public issue of JM Financial Products Limted		10.00	-
Property Deposit given		-	0.04
Closing balance as at the year end - Security Deposit given - debit		0.04	0.04
Closing balance as at the year end - NCD - (Credit)		(10.00)	-
JM Financial Asset Management Limited	**Clause (b) (i)**		
Purchase of Unlisted NCD of RMZ Buildcon Pvt Ltd		111.60	-
J M Assets Management Private Limited	**Clause (b) (vi)**		

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
Subscription to NCD Public issue of JM Financial Products Limted		10.00	-
Closing balance as at the year end - NCD - (Credit)		(10.00)	-
Astute Investments	**Clause (b) (i)**		
Recovery of rent expenses		0.03	0.03
Loan Given		6.00	94.43
Loan repaid		30.43	70.00
Interest income on loan given		0.72	2.30
Closing Balance - Inter Corporate Deposits given		-	24.43
JM Financial Capital Limited	**Clause (b) (i)**		
Transfer of Staff Loan Liability (Paid)		0.02	-
Inter Corporate Deposits given		-	75.00
Inter Corporate Deposits repaid		-	75.00
Interest income on Inter Corporate Deposits taken		-	0.46
Closing Balance as at the year end NCD - (credit)		(27.10)	-
JM Financial Credit Solutions Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		12.00	-
Inter Corporate Deposits repaid		12.00	-
Interest income on Inter Corporate Deposits given		-	-
Loan Purchased		60.64	-
Interest received / receivable on NCD		0.19	-
Gratuity recd on Transfer of employee		0.04	-
Recovery of expenses/support service charges		5.76	5.70
Closing Balance as at the year end NCD - (Debit) *		4.18	-
Interest receivable on NCD - (Debit) #		-	-
# Rs 40,883			
Closing balance as at the year end - debit		6.22	6.16
* Fair Value of NCD as on 31.03.2020 is Rs 4.48 Crore			
CR Retail Malls (India) Limited	**Clause (b) (i)**		
Inter Corporate Deposits given		1.20	227.05
Inter Corporate Deposits repaid		44.22	214.04
Interest income on Inter Corporate Deposits given		1.63	5.75
Inter Corporate Deposits taken		60.00	-
Inter Corporate Deposits repaid		20.00	-
Interest Expenses on Inter Corporate Deposits taken		0.15	-
Sale of Debentures		-	11.95
Closing balance as at the year end - debit		-	43.02
JM Financial Assets Reconstruction Company Ltd	**Clause (b) (i)**		
Inter Corporate Deposits given		-	25.00
Inter Corporate Deposits repaid		-	25.00
Interest income on Inter Corporate Deposits given		-	0.03
Interest income on NCD		6.29	-
amount recd on repayment of NCD		35.00	-
Management Fees Paid		1.26	1.26
Transfer of Fixed Assets		0.04	-
Reimbursement of Expenses		0.06	-
Mr. Vishal Kampani	**Clause (a) (iii)**		

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₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
Managerial remuneration		8.69	12.65
Purchase of Bond of Home Credit India Finance Private Limited		-	2.55
Subscription to NCD Public issue of JM Financial Products Limted		7.50	-
Interest Paid on NCD (Public Issue)		0.17	-
Closing Balance as at the year end - (credit)		(7.00)	(11.00)
Closing Balance as at the year end NCD - (credit)		(7.50)	-
Closing Balance as at the year end NCD Interest payable - (credit)		(0.02)	-
Mr. Nimesh N Kampani	**Clause (a) (iii)**		
Subscription to NCD Public issue of JM Financial Products Limted		7.00	-
Closing Balance as at the year end NCD - (credit)		(7.00)	-
Ms. Aruna N Kampani	**Clause (a) (iii)**		
Subscription to NCD Public issue of JM Financial Products Limted		5.00	-
Closing Balance as at the year end NCD - (credit)		(5.00)	-
Mr V P Shetty	**Clause (a) (iii)**		
Director Siting fees		0.02	0.02
Director Commission		0.10	0.25
Subscription to NCD Public issue of JM Financial Products Limted		1.00	-
Closing Balance as at the year end - (credit)		(0.10)	(0.25)
Closing Balance as at the year end NCD - (credit)		(1.00)	-
Ms.Roshini Bakshi	**Clause (a) (iii)**		
Director Siting fees		0.03	0.01
Director Commission		0.06	0.05
Closing Balance as at the year end - (credit)		(0.06)	(0.05)
Mr.Madhukar R. Umarji	**Clause (a) (iii)**		
Director Siting fees		0.02	0.03
Director Commission		0.06	0.07
Closing Balance as at the year end - (credit)		(0.06)	(0.07)
Mr.Eknath A. Kshirsagar	**Clause (a) (iii)**		
Director Siting fees		0.04	0.04
Director Commission		0.07	0.08
Closing Balance as at the year end - (credit)		(0.07)	(0.08)
Mr.Dhirendra Singh	**Clause (a) (iii)**		
Director Siting fees		0.04	0.03
Director Commission		0.06	0.07
Closing Balance as at the year end - (credit)		(0.06)	(0.07)

(iv) Balances of related parties:

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
Payables			
JM Financial Services Limited	Clause (b) (i)	(0.53)	-
JM Financial Asset Reconstruction Company Limited	Clause (b) (i)	0.06	-
J M Assets Management Private Limited	Clause (b) (i)	(10.00)	-
Astute Investments	Clause (b) (i)	-	24.43
JM Financial Capital Limited	Clause (b) (i)	(27.10)	-

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
JM Financial Credit Solutions Limited	Clause (b) (i)	10.41	6.16
CR Retail Malls (India) Limited	Clause (b) (i)	(40.10)	43.02
J M Financial & Investment Consultancy Services Private Limited	Clause (b) (i)	(10.00)	-
Mr. Vishal Kampani	Clause (a) (iii)	(14.52)	(11.00)
Mr. Nimesh N Kampani	Clause (a) (iii)	(7.00)	-
Mrs. Aruna N Kampani	Clause (a) (iii)	(5.00)	-
Mr.V P Shetty	Clause (a) (iii)	(1.10)	(0.25)
Mr.Dhirendra Singh	Clause (a) (iii)	(0.06)	(0.07)
Mr.Eknath A. Kshirsagar	Clause (a) (iii)	(0.07)	(0.08)
Mr.Madhukar R. Umarji	Clause (a) (iii)	(0.06)	(0.07)
Mrs.Roshini Bakshi	Clause (a) (iii)	(0.06)	(0.05)
Security Deposits Receivble			
JM Financial Properties & Holdings Limited	Clause (b) (i)	8.00	8.00
J M Financial & Investment Consultancy Services Private Limited	Clause (b) (i)	0.06	0.06

37.1 There are no provision for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.

37.2 Managerial remuneration excludes provision for gratuity as the incremental liability has been accounted for by the group as a whole.

37.3 The transactions disclosed above are exclusive of Goods and Services Tax.

37.4 The related party relationship are identified by management and relied upon by auditors.

38 Maturity Analysis of Assets and Liabilities

₹ in Crore

Sr No	Particulars	As at March 31, 2020			As at March 31, 2019		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	Assets						
1	**Financial Assets**						
A	Cash and cash Equivalents	58.15	-	58.15	147.02	-	147.02
B	Bank Balance other than (A) above	60.05	-	60.05	60.10	-	60.10
C	Loans	1,588.96	2,348.10	3,937.06	2,092.73	3,329.26	5,421.99
D	Invetsment	1,167.41	6.55	1,173.96	379.86	43.16	423.02
E	Other Financial Assets	157.91	5.15	163.06	81.86	4.53	86.39
	Total Financial Assets	**3,032.48**	**2,359.80**	**5,392.28**	**2,761.57**	**3,376.95**	**6,138.52**
2	**Non Financial Asstes**						
A	Current Tax Assets (Net)	-	27.43	27.43	-	24.39	24.39
B	Deferred Tax Assets (Net)	-	33.12	33.12	-	28.66	28.66
C	Property, Plant and Equipment	0.01	92.19	92.20	-	9.50	9.50
D	Intengible Assets	-	2.65	2.65	-	2.82	2.82
E	Intergible assets under development	-	-	-	-	0.39	0.39
F	Other Non Financial Assets	2.70	6.17	8.86	5.02	4.99	10.01
	Total Non Financial Assets	**2.71**	**161.55**	**164.26**	**5.02**	**70.75**	**75.77**
	Total Assets	**3,035.19**	**2,521.35**	**5,556.54**	**2,766.59**	**3,447.70**	**6,214.29**

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₹ in Crore

Sr No	Particulars	As at March 31, 2020			As at March 31, 2019		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
	Liabilities and Equity						
1	**Financial Liablilities**						
A	Payables						
	Trade payables						
	(i) total outstanding dues of micro enterprises and smal enterprises	0.05	-	0.05	0.02	-	0.02
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.64	-	2.64	1.61	-	1.61
B	Debt Securities	1,166.28	1,629.20	2,795.48	1,826.10	1,720.05	3,546.15
C	Borrowing (Other than Debt Securities)	606.67	325.29	931.96	373.53	700.34	1,073.88
D	Other Financial Liablilities	32.24	81.14	113.38	27.08	1.07	28.16
	Total Financial Liablilities	**1,807.88**	**2,035.63**	**3,843.51**	**2,228.36**	**2,421.46**	**4,649.82**
2	**Non Financial Liabilities**						
A	Current Tax Liabilities (Net)	2.79	-	2.79	0.31	-	0.31
B	Provisions	2.54	2.55	5.09	2.17	1.60	3.77
C	Other Non Financial Liablilities	3.68	1.75	5.43	7.15	-	7.15
	Total Non Financial Liablilities	**9.01**	**4.30**	**13.31**	**9.63**	**1.60**	**11.23**
3	Equity						
A	Equity Share Capital	-	544.50	544.50	-	544.50	544.50
B	Other Equity	-	1,153.73	1,153.73	-	1,007.54	1,007.54
C	Non Controling Interests	-	1.49	1.49	-	1.20	1.20
	Total Equity	**-**	**1,699.72**	**1,699.72**	**-**	**1,553.24**	**1,553.24**
	Total Liabilities and Equity	**1,816.89**	**3,739.65**	**5,556.54**	**2,237.99**	**3,976.30**	**6,214.29**

39 Financial Instruments

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.

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's Capital Management is to maximize shareholders value. 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 adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in Crore

Borrowings	As at March 31, 2020	As at March 31, 2019
Debt Securities	2,795.48	3,546.15
Borrowings (Other than Debt Securities)	931.96	1,073.88
Gross Debt	**3,727.44**	**4,620.03**
Less: Cash and cash Equivalents	58.15	147.02
Less: Other Bank Deposits	60.05	60.10
Less: Investment in liquid mutual fund	1,173.96	378.13
Adjusted Net Debt	**2,435.29**	**4,034.78**
Total Equity	1,699.72	1,553.24
Adjusted Net Debt to equity ratio	**1.43**	**2.60**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

JM Financial Products Limited (the holding company) is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. JM Financial Products Limited (the holding company) is currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2020, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, was 25.6%, as compared to the minimum capital adequacy requirement of 15.0% as stipulated by the RBI. We believe that our high capital adequacy gives us significant headroom to grow our business.

Particulars	March 31, 2020	March 31, 2019
CRAR prescribed by RBI	15.00%	15.00%
Total capital adequacy ratio		
i) Tier I	31.25%	24.87%
ii) Tier II	0.68%	0.58%

40 Financial instruments

A Fair value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics
- the carrying amounts of financial instruments
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Set out below, is the accounting classification of financial instruments:

1 Accounting classification

₹ in Crore

As at March 31, 2020	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	-	-	58.15	58.15
Bank Balance other than (A) above	-	-	60.05	60.05
Loans	-	-	3,937.06	3,937.06
Invetsments	1,173.96	-	-	1,173.96
Other Financial Assets	140.62	-	22.44	163.06
Total Financial Assets	**1,314.58**	**-**	**4,077.70**	**5,392.28**
Financial Liabilities				
Debt Securities	-	-	2,795.48	2,795.48
Borrowings (Other than Debt Securities)	-	-	931.96	931.96
Trade Payables	-	-	2.69	2.69
Other Financial Liabilities	-	-	113.38	113.38
Total Financial Liabilities	**-**	**-**	**3,843.51**	**3,843.51**

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₹ in Crore

As at March 31, 2019	FVTPL	FVTOCI	Amortised Cost	Total
Financial Assets				
Cash and cash Equivalents	-	-	147.02	147.02
Bank Balance other than (A) above	-	-	60.10	60.10
Loans	-	-	5,421.99	5,421.99
Invetsments	423.02	-	-	423.02
Other Financial Assets	49.18	-	37.21	86.39
Total Financial Assets	**472.20**	**-**	**5,666.33**	**6,138.52**
Financial Liabilities				
Debt Securities	-	-	3,546.15	3,546.15
Borrowings (Other than Debt Securities)	-	-	1,073.88	1,073.88
Trade Payables	-	-	1.63	1.63
Other Financial Liabilities	-	-	28.16	28.16
Total Financial Liabilities	**-**	**-**	**4,649.82**	**4,649.82**

Notes:

a The group considers that the carrying amounts recognised in the financial statements for loans, Debt Securities and borrowings approximate their fair values.

b For financial assets that are measured at fair value, except those included in point (a) above, the carrying amounts are equal to the fair values.

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, 2020	2,520.79	2,516.60
As at March 31, 2019	2,430.58	2,393.65

2 Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

₹ in Crore

As at March 31, 2020	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
Investments in Debentures or Bonds	-	-	-	-	-
Investments in Mutual Fund	1,096.57	1,096.57	-	-	1,096.57
Investments in Security Receipts	30.52	-	-	30.52	30.52
Investments in Equity Instruments	46.87	20.00	20.32	6.55	46.87
Total Financial Assets	**1,173.96**	**1,116.57**	**20.32**	**37.07**	**1,173.96**

₹ in Crore

As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
Investments in Mutual Fund	378.13	378.13	-	-	378.13
Investments in Security Receipts	37.61	-	-	37.61	37.61
Investments in Equity Instruments	7.28	-	-	7.28	7.28
Total Financial Assets	**423.02**	**378.13**	**-**	**44.89**	**423.02**

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Group considers that the carrying amounts recognised in the financial statements are approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation techniques used to determine the fair values:

(a) Listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.

(b) Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

(c) The group has made necessary adjustments to the observable and unobservable inputs used for the purpose of valuation.

3 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31, 2020 and March 31, 2019.

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Opening Balance	**7.28**	**7.52**
Acquisitions	-	-
Gains / (Losses) recognized	(0.73)	(0.24)
Realisations	-	-
Closing Balance	**6.55**	**7.28**

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4 Sensitivity for instruments

Nature of Instrument	Fair value As at March 31,2020	Significant Unobservable Inputs*	Increase / Decrease in the Unobservable Input	Sensitivity Impact for the year ended March 31, 2020	
				FV Increase	FV Decrease
Debentures	-	Discount Rate	100 bps	-	-

* There were no significant inter-relationships between unobservable inputs that materially affect fair values

B Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk ; and
- Market risk (including currency risk and interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Group is exposed to several risks related to the lending business and operating environment. The Group have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Group.

i) Credit Risk

Credit risk is the risk of loss that may occur from defaults by our customers under loan agreements. In order to assess credit risk, a separate set of credit policies that outline a standardized structure approach for customer selection. Credit approvers and relationship managers are responsible for ensuring adherence to these policies. Group has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

The Group has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default and loss given default have been assessed considering the likelihood of increased credit risk and consequential default due to pandemic.

Collateral held as security and other credit enhancements

The Group has set out security creation requirements in the loan documents. In most lending transaction the Group maintains a reasonable security and receivables cover of the loan amount. This gives enough flexibility in the event asset prices come down or there is a cost overrun. It also helps ensure equity of the promoter in terms of the residual value cover.

In order to minimise credit risk, the Credit Committee has developed and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default.

The Group monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently. Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

Risk and monitoring team are assisted by officers who are also responsible for the collection of installments from each customer that are serviced by them. The Group believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	Performing assets	12-month ECL
Stage 2	Under performing assets	Lifetime ECL
Stage 3	Assets overdue more than 90 days past due.	Lifetime ECL

For PD and Loss Given Default (LGD) the Group has relied upon the internal and external information.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

Category	March 31,2020	March 31,2019
Stage 1	3,791.08	5,432.63
Stage 2	239.51	21.73
Stage 3	5.26	3.69

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending.

₹ in Crore

Category	2019 - 20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	5,432.63	21.73	3.69	5,458.05
New assets originated or purchased	1,430.11	81.97	-	1,512.08
Assets derecognised or repaid (excluding write offs)	(2,920.43)	(13.83)	(0.03)	(2,934.28)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(149.64)	149.64	-	-
Transfers to Stage 3	(1.60)	-	1.60	-
Impact on year end ECL of exposures transferred between stages during the year	(151.24)	149.64	1.60	-
Gross carrying amount closing balance	**3,791.08**	**239.51**	**5.26**	**4,035.85**

₹ in Crore

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,576.42**	**13.10**	**16.83**	**6,606.35**
New assets originated or purchased	2,347.02	-	-	2,347.02
Assets derecognised or repaid (excluding write offs)	(3,464.54)	(0.46)	(28.48)	(3,493.48)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(9.09)	9.09	-	-
Transfers to Stage 3	(17.17)	-	17.17	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(1.83)	(1.83)
Gross carrying amount closing balance	**5,432.63**	**21.73**	**3.69**	**5,458.05**

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₹ in Crore

Category	2019 - 20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	35.39	0.31	0.37	36.07
New assets originated or purchased	22.64	6.12	1.11	29.87
Assets derecognised or repaid (excluding write offs)	(15.54)	(0.07)	-	(15.61)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(2.87)	50.87	-	48.00
Transfers to Stage 3	(0.01)	-	0.48	0.47
Impact on year end ECL of exposures transferred between stages during the year				
ECL allowance - closing balance	**39.61**	**57.23**	**1.96**	**98.80**

₹ in Crore

Category	2018 - 19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance opening balance	37.33	0.20	4.24	41.77
New assets originated or purchased	17.16	-	-	17.16
Assets derecognised or repaid (excluding write offs)	(17.14)	(0.13)	(5.59)	(22.86)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.24)	0.24	-	-
Transfers to Stage 3	(1.72)	-	1.72	-
Impact on year end ECL of exposures transferred between stages during the year				-
ECL allowance - closing balance	**35.39**	**0.32**	**0.37**	**36.07**

ii) 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 access public funds for businesses. Liquidity may be affected due to severe liquidity crunch in the market or due to market disruptions where the Group is unable to access public funds.

However the Group 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.

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.

Ultimate responsibility for liquidity risk rest with the management, which has established 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 Group has undrawn lines of credit of ₹ 251.63 Crore, ₹152.74 Crore and ₹100 Crore as of March 31, 2020, March 31, 2019 and March 31, 2018 respectively, from its bankers for working capital requirements.

The Group has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to liquidity risk

The following are the details of Group's remaining contractual maturities of financial liabilities and assets at the reporting date.

₹ in Crore

March 31, 2020	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	2,795.48	1,166.28	1,316.70	244.80	67.70
Borrowing (Other than Debt Securities)	931.96	606.67	281.37	43.91	-
Other Financial Liabilities	113.38	32.24	17.55	15.18	48.41
Trade Payable	2.69	2.69	-	-	-
Total Financial Libilities	**3,843.51**	**1,807.89**	**1,615.62**	**303.89**	**116.11**
Financial Assets					
Cash and cash Equivalents	58.15	58.15	-	-	-
Bank Balance other than above	60.05	60.05	-	-	-
Loans	3,937.06	1,588.96	994.84	592.79	760.46
Investments	1,173.96	1,167.41	6.55	-	-
Other Financial Assets	163.06	157.92	4.49	0.65	0.01
Total Financial Assets	**5,392.28**	**3,032.49**	**1,005.88**	**593.44**	**760.47**

₹ in Crore

March 31, 2019	Carrying Amount	0-1 Year	1-3 Years	3-5 Years	More than 5 Years
Financial liabilities					
Debt Securities	3,546.15	1,826.10	1,438.03	250.80	31.22
Borrowing (Other than Debt Securities)	1,073.88	373.53	670.34	30.00	-
Other Financial Liabilities	28.16	27.08	0.03	0.03	1.02
Trade Payable	1.63	1.63	-	-	-
Total Financial Libilities	**4,649.82**	**2,228.35**	**2,108.40**	**280.83**	**32.24**
Financial Assets					
Cash and Cash Equivalents	147.02	147.02	-	-	-
Bank Balance other than above	60.10	60.10	-	-	-
Loans	5,421.99	2,092.73	2,532.65	486.60	310.02
Investments	423.02	379.86	43.17	-	-
Other Financial Assets	86.38	81.86	0.02	0.38	4.11
Total Financial Assets	**6,138.52**	**2,761.57**	**2,575.84**	**486.98**	**314.13**

The inflows/(outflows) disclosed in the above table represent the contractual cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity

iii) Market risk

The Group's activities expose it primarily to the interest rates.

Interest rate risk

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage

Notes (Contd.)

to the Consolidated Financial Statements

the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note

₹ in Crore

	March, 31 2020	March, 31 2019
Financial assets		
Fixed-rate instruments	1,381.93	2,591.9
Floating-rate instruments	2,591.40	2,801.0
Total	**3,973.33**	**5,392.9**
Financial Liabilities		
Fixed-rate instruments	2,651.64	3,443.01
Floating-rate instruments	862.55	1,007.81
Total	**3,514.19**	**4,450.82**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. A 100 basis points 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 interest rates had been 100 basis points higher or lower and all other variables were constant, the Group's profit before tax would have changed by the following:

₹ in Crore

	March, 31 2020		March, 31 2019	
	100 bps higher	100 bps Lower	100 bps higher	100 bps Lower
Floating-rate borrowings	(8.63)	8.63	(10.08)	10.08
Floating-rate loans	25.91	(25.91)	28.01	(28.01)
	17.29	**(17.29)**	**17.93**	**(17.93)**

41 Utilisation of Issue Proceeds:

There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Tranche I, Tranche II and Tranche III document dated April 11, 2019, July 31, 2019 and February 10, 2020 respectively.

42 Employee Stock Option Scheme:

During the current year, based on the request made by the Company, JM Financial Limited (ultimate holding company), in accordance with Securities And Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999, has granted the equity stock options, inter alia, to the eligible employees and/or directors (the Employees) of the Company.

₹ in Crore

Particular	As at March 31, 2020	As at March 31, 2019
Charge on account of the above scheme included in employee benefit expenses	2.20	2.96

43 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

a) Loans and advances in the nature of loans given to subsidiaries and associates:

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Services Limited	Fellow Subsidiary	150.00	-
		(175.00)	-
Infinite India Investment Management Limited	Fellow Subsidiary	-	-
		(91.70)	-
JM Financial Credit Solutions Limited	Fellow Subsidiary	12.00	-
		-	-
JM Financial Properties & Holdings Limited	Fellow Subsidiary	35.00	-
		(108.00)	-
Astute Investments	Fellow Subsidiary	30.43	-
		(120.00)	(24.73)
CR Retail Malls (India) Limited	Fellow Subsidiary	43.02	-
		(206.60)	(43.02)
JM Financial Institutional Securities Limited	Fellow Subsidiary	28.00	-
		-	-
JM Financial Capital Limited	Fellow Subsidiary	-	-
		(35.00)	-
JM Financial Asset Reconstruction Private Limited	Fellow Subsidiary	-	-
		(25.00)	-

Loans and advances shown above are interest bearing, repayable on demand and are utilised for their business purposes. (figures in brackets indicates previous year figures)

44 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Group has proposed a moratorium of three months on the payment of all principal instalments and/or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections made already made in the month of March 31, 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Group's policy).

` Further, the Group has, based on current available information estimated and applied management overlays based on the policy approved by the board for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Group's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these Consolidated financial results. Accordingly, the provision for expected credit loss on financial assets as at March 31, 2020 aggregates ₹ 98.80 crore (as at March 31, 2019, ₹ 36.07 crore) which includes potential impact on account the pandemic of ₹ 17.30 crore. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate.

The extent to which the COVID-19 pandemic will impact the Group's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

Notes (Contd.)

to the Consolidated Financial Statements

45 A) Entities considered for Consolidation

Information about the composition of the Group at the end of the reporting period is as follows:

Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at March 31, 2020	As at March 31, 2019
Subsidiary in India			(%)	(%)
JM Financial Home Loans Limited	Housing Finance	India	99%	99%

B) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associate.

i) As at and for the year ended March 31, 2020

₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss
Parent								
JM Financial Products Limited	1,550.65	91.23%	160.13	100.45%	0.02	-21.73%	160.15	100.53%
Subsidiary in India								
JM Financial Home Loans Limited	147.59	8.68%	(0.71)	-0.45%	(0.12)	111.19%	(0.83)	-0.52%
	1,698.23	**99.91%**	**159.42**	**100.00%**	**(0.10)**	**89.46%**	**159.32**	**100.01%**
Non Controlling Interests in subsidiary								
JM Financial Home Loans Limited	1.49	0.09%	(0.01)	0.00%	(0.00)	1.00%	(0.01)	-0.01%
Total	**1,699.72**	**100%**	**159.41**	**100%**	**(0.10)**	**90%**	**159.31**	**100%**

ii) As at and for the year ended March 31, 2019

₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss
Parent								
JM Financial Products Limited	1,441.42	92.80%	205.80	104.10%	0.09	100.00%	205.90	104.10%
Subsidiary in India								
JM Financial Home Loans Limited	110.61	7.12%	(8.18)	-4.14%	0.00	0.84%	(8.18)	-4.14%
	1,552.04	**99.92%**	**197.62**	**99.96%**	**0.09**	**100.84%**	**197.71**	**99.96%**
Non Controlling Interests in subsidiary								
JM Financial Home Loans Limited	1.20	0.08%	0.08	0.04%	(0.00)	-0.84%	0.08	0.04%
Total	**1,553.24**	**100%**	**197.70**	**100%**	**0.09**	**100%**	**197.80**	**100%**

46 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 Group during the year – ₹ 6.29 crore (previous year, ₹ 5.82 crore)

b) Amount spent and paid during the year by way of donations to charitable trusts– ₹ 6.29 crore (previous year, ₹ 5.82 crore)

47 Unhedged Foreign Currency Exposure

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 Year
FCY Receivables							
Loans to JV/WOS	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
FCY Payables							
Imports	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-
ECBs	-	-	-	-	-	-	-
Other FCY loans	-	-	-	-	-	-	-
INR to USD swaps	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

#Note: Covered Option(s) is/are not included

Our EBID i.e. profit after tax + Depreciation + Interest on debt as of this date is ₹ 641.32 crore

48 Previous year's figures have been rearranged / regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosures.

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
(DIN : 00009079)

E A Kshirsagar
Audit Committee Chairman
(DIN : 00121824)

Place: Mumbai
Date: May 4, 2020

Nishit Shah
Chief Financial Officer

Rupesh Samani
Company Secretary

JM FINANCIAL

APPLICATION FORM – TRANCHE CI – 2020 (XXIX)

JM FINANCIAL PRODUCTS LIMITED

CIN - U74140MH1984PLC033397

(Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)

PRIVATE PLACEMENT OF UPTO 2,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("*TRANCHE CI DEBENTURES*" OR "*TRANCHE CI NCDS*") OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS. 200,00,00,000/- (RUPEES TWO HUNDRED CRORE ONLY) TO BE ISSUED UNDER THE DISCLOSURE DOCUMENT DATED DECEMBER 1, 2020 ("DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME

TRANCHE CI DEBENTURE APPLICATION FORM SERIAL NO.						0		0	1

TRANCHE CI – 2020 (XXIX) **Opens on: December 1, 2020**	**TRANCHE CI – 2020 (XXIX)** **Closes on: December 1, 2020**

Dear Sirs,

I/We have read and understood the terms and conditions of the issue of Tranche CI Debentures and all the information contained in the DD including in particular the Risk Factors described in the DD and have considered these in making my/our decision to apply. I/We bind myself/ourselves to the said terms and conditions and wish to apply for allotment of the Tranche CI Debentures. I/We request you to please place my/our name(s) on the Register of Tranche CI Debenture holders. The amount payable on application as shown below is remitted herewith and is paid from my own (first/sole applicant) bank account. I/We note that the Company is entitled in its absolute discretion, to accept or reject this application in whole, or in part, without assigning any reason whatsoever.

(PLEASE READ THE INSTRUCTIONS ON THE LAST PAGE CAREFULLY BEFORE FILLING THIS APPLICATION FORM)

All capitalized terms used in this application form which are not defined shall have the meaning attributed to them in the Disclosure Documents.

The application shall be for a minimum of 10 (Ten) Tranche CI NCD and in multiples of 1 (one) thereafter	
No. of Tranche CI NCDs applied for (in figures)	
No. of Tranche CI NCDs applied for (in words)	
Amount (Rs.) (in figures)	
Amount (Rs.) (in words)	

DETAILS OF PAYMENT:

Mode of Transfer (RTGS / NEFT / ECS / Direct Credit etc.): ______________________________________

Date of Transfer:____

Total Amount Transferred:

(Rs. in figures) ____

(Rs. in words) ____

The payment is to be made through any electronic mode of payment such as RTGS / NEFT, the funds have to be credited to the any of Designated Bank Accounts of ICCL, the details of which are as follows:

Bank	**ICICI Bank**	**YES Bank**	**HDFC Bank**
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Beneficiary Account No.	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060

I/We confirm that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

FIRST/SOLE APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

PAN / GIR No. / NOT ALLOTTED	IT Circle / Ward / District

SECOND APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

PAN / GIR No. / NOT ALLOTTED	IT Circle / Ward / District

THIRD APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

PAN / GIR No. / NOT ALLOTTED	IT Circle / Ward / District

FIRST/SOLE APPLICANT'S COMPLETE ADDRESS (Post Box No. alone is not sufficient)

PIN		PHONE		FAX	

FIRST/SOLE APPLICANT'S BANK DETAILS

Bank Name	
Bank Branch	
Branch City	
Nature of Account	
Account No.	
MICR Code	
RTGS Code	
IFSC Code	
Email id	

I/WE ARE APPLYING AS: (✔) COMPANY ( ) INDIVIDUAL ( ) MUTUAL FUND
( ) OTHERS SPECIFY ____

I/WE CONFIRM RESIDENTIAL STATUS AS **INDIAN**

TAX STATUS: NON EXEMPT (✔) EXEMPT ( ) (IF EXEMPT PLEASE SPECIFY) _______________
(IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)

I / WE CONFIRM that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING SOCIETY)

	Name of the Authorised Signatory(ies)	Designation	Signature
1			
2			
3			

Sole/First Applicant's Second Applicant's Third Applicant's

_________________ _________________ _______________

Signature Signature Signature

I/We the undersigned, are agreeable to holding the Tranche CH NCDs of the Company in dematerialised form. Details of my/our Beneficiary Account are given below:

DEPOSITORY	**NSDL ( ) CDSL ( )**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY CLIENT ID	
NAME OF THE APPLICANT(S)	

I/We understand that: i) in case of allotment of Tranche CI Debentures to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Tranche CI Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with the Depository Participant, iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Tranche CH Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application.

I/We confirm that I/We have for the purpose of investing in these Tranche CI Debentures carried out my/our own due diligence and made my/our own decisions with respect to investment in these Tranche CI Debentures and have not relied on any representations made by anyone other than those contained in the Disclosure Documents. I/We confirm that we have not been debarred from accessing the capital market or have been restrained by any regulatory authority from directly or indirectly acquiring the said securities.

I / We understand that the Company may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier. I / We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), I / We shall convey all the terms and conditions contained herein and in the Disclosure Documents to such Transferee. I / We shall indemnify the Company for all claims arising out of or as a consequence of us not conveying to the Transferee all the terms and conditions contained herein and in the Disclosure Documents.

Sole/First Applicant's Second Applicant's Third Applicant's

_________________ _________________ _______________

Signature Signature Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT ______________________ DATE OF CLEARANCE ________________________

JM FINANCIAL

ACKNOWLEDGMENT SLIP

JM FINANCIAL PRODUCTS LIMITED

(Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)

PRIVATE PLACEMENT OF UPTO 2,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("*TRANCHE CI DEBENTURES*" OR "*TRANCHE CI NCDS*") OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AGGREGATING UPTO RS. 200,00,00,000/- (RUPEES TWO HUNDRED CRORE ONLY) TO BE ISSUED UNDER THE DISCLOSURE DOCUMENT DATED DECEMBER 1, 2020 ("DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME

TRANCHE CI DEBENTURE APPLICATION FORM SERIAL NO.						0	0	**1**

TRANCHE CI – 2020 (XXIX) **Opens on: December 1, 2020**	**TRANCHE CI – 2020 (XXIX)** **Closes on: December 1, 2020**

Received from ____
Address____
____
____
Cheque/Draft # ______________ Drawn on (Bank & Branch) ____________________________________
/ Electronic Fund Transfer from (Bank & Branch)____
for Rs. ___________ (Rupees ____only)
on account of application for ____ Tranche CI Debentures.

INSTRUCTIONS

1. Application must be completed entirely in English, using BLOCK LETTERS.
2. A signature can be made either in English or in any other Indian language.
3. Application forms duly completed in all respects, together with Electronic Fund Transfer Instructions, must be lodged at the Company’s Registered Office.
4. As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, the applicant is requested to mention the full particulars of the bank account, as specified in the Application Form.
5. The applicant should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the Application Form in the space provided.
6. The application would be accepted as per the terms of the Issue outlined in the Disclosure Documents.
7. The application form is to be filled along with the FATCA/CRS Declaration, which is enclosed herewith.

FATCA/CRS DECLARATION FOR NON-INDIVIDUAL ACCOUNTS

(To be filled along with Application Form)

Note – The information in this section is being collected in order to fully comply with Foreign Account Tax Compliance Act (FATCA) requirements and the Common Reporting Standards (CRS) requirements.

For more information refer:

http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA

http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-financial-account-information-common-reporting-standard.pdf

FATCA / CRS declaration and details for entities

(We are unable to provide advice about your FATCA classification or interpretation of any terms. Please therefore seek advice from a tax professional on any FATCA aspects)

Part A – Preliminary details (All fields mandatory)

Sr. No	Particulars	Details of Applicant	
1	**Name of the Entity**		
2	**Entity PAN**		
3	**Address for Tax Residence** **(including city, state, country and pin code)**		
4	**Address Type (Business or registered office)**		
5	**Entity Constitution Type.** (Refer Instruction "6" in Annexure)		
6	**Do you satisfy any of the criteria mentioned below?**		
	a. Is the entity a U.S. person (Please refer 'Other Definitions' in the Instructions)	Yes □ (Please answer "b")	No □ (Please go to "c")
	b. Is the entity a Specified US Person	Yes □	No □ Entity's Exemption Code: ______ (Refer Instruction "5" in the Annexure)
	c. Is the entity formed/incorporated outside India	Yes □ No □	< If yes, please specify city and country of incorporation / formation> City: ______ Country: ______
	d. Is the entity having Tax Residency in any country(ies) other than India	Yes □ No □	<< If yes, please provide the following details>> Country of Tax Residency | PAN/ Tax Identification No. (TIN equivalent) of | Identification Type# #In case Tax Identification Number is not available, kindly provide functional equivalent or Company Identification Number or Global Entity Identification Number.
7	Is the entity a Financial Institution (FI) {including an Foreign Financial Institution} (Refer Instruction "1" in the Annexure)	Yes □ (Please fill Part "B")	No □ (Go to next question)
	Is the entity a Direct Reporting NFFE (Refer 'Other Definitions' in the Annexure)	Yes □ (Please fill Part "B")	No □ (Go to next question)
8	Is the entity a publicly traded corporation/a related entity of a publicly traded corporation/ Active NFFE	Yes □ (Please fill Part "C")	No □ (Go to next question)
9	The entity is a Passive NFFE	□ (Please fill Part "D")	**Please specify nature of business**

Part B – If your answer to question 7 in Part A is a YES, please provide details in relation to Financial Institutions/ Foreign Financial Institutions or Direct Reporting NFFEs:

Particulars	Details of Applicant
The entity is: **1) Financial Institution** ☐ **2) Direct Reporting NFFE** ☐	**Global Intermediary Identification Number (GIIN)** ____ Note: If you do not have a GIIN but you are sponsored by another entity, please provide your sponsor's GIIN and name below: Name of sponsoring entity: ____________________ (For clarification, refer 'Other Definitions' in the Annexure) Sponsoring Entity's GIIN: ___________________ (If GIIN provided, please go directly to "Declaration and Acknowledgment".)
If GIIN not available [tick any one]: (Not applicable to Direct Reporting NFFE)	**a. Not obtained:** ☐ **b. Applied for:** ☐ [_________________________] [insert application date] **c. GIIN not required:** ☐ **Please insert code:**____________ (Mention Code – For clarification, refer Instruction "2" in the Annexure) (Please go to "Declaration and Acknowledgment".)

Part C– If your answer to question 8 in Part A is a YES, please provide following details:

Sr No	Particulars	Details of Applicant	
1	**a. Are you a publicly traded company?** (Refer Instruction "3" in the Annexure)	Yes □ [Please fill "C1(b)"]	No □ (Please fill "C2")
	b. Are your shares regularly traded on a recognized stock exchange	Yes □	No □ (Please fill "C2")
		If yes, please provide name of the stock exchange where the shares are regularly traded: 1. ______________________________ 2. ______________________________ (Please go to "Declaration and Acknowledgment")	
2	**Are you a related entity# of a listed company mentioned in Part C (1) above** # Related entity – An entity is a related entity of another entity if either entity controls the other entity or the two entities are under common control. For this purpose, control includes direct or indirect ownership of more than 50% of the votes and value in an entity.	Yes □ Nature of relation with the related entity: □ Subsidiary of the listed company. □ Controlled by the listed company.	No □ (Please fill "C3")
		If yes, please provide name of the related entity that is listed : ______________________ **Name of the stock exchange where the shares of the related listed entity are regularly traded:** 1. ____________________ (Please go to "Declaration and Acknowledgement".)	
3	**Entity is an Active NFFE**	Please specify nature of business:______________ Active NFFE Code:______________ (Refer codes in Instruction "3" in the Annexure)	

Part D – Controlling Person/Ultimate Beneficial Owner (UBO) Declaration

Provide details of all UBO/s or Controlling person/s, [natural persons as per PMLA] (including Owner Documented FFI's[For clarification, refer 'Other Definitions' in the Annexure]) **in the table below**

Are you an Owner-documented FFI's - Yes ☐ **No** ☐

If ' Yes', <u>in addition to the below details</u> , please provide a duly filled form W8BEN E along with FFI Owner Reporting Statement and Auditor's Letter.
If 'No', Please provide below details only.

	Controlling Person 1	Controlling Person 2	Controlling Person 3	Controlling Person 4	Controlling Person 5
Name (#)					
Country of Birth					
City of birth (Please mention only if the Country of Birth is other than India)					
Birth Date					
Address (include City State, Country & Pin code)					
Address type for address mentioned above	☐ Residential or Business	☐ Residential or Business	☐ Residential or Business	☐ Residential or Business	☐ Residential or Business
	☐ Residential	☐ Residential	☐ Residential	☐ Residential	☐ Residential
	☐ Business	☐ Business	☐ Business	☐ Business	☐ Business
	☐ Registered Office	☐ Registered Office	☐ Registered Office	☐ Registered Office	☐ Registered Office
Nationality					
Father's Name (if PAN not available)					
Spouse's name (optional)					
Telephone/mobile number with ISD code					
PAN					
Identification No.					
Identification Type (TIN or Other, please specify	☐ Passport	☐ Passport	☐ Passport	☐ Passport	☐ Passport
	☐ PAN	☐ PAN	☐ PAN	☐ PAN	☐ PAN

the name of document for above)	□ Election / Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________	□ Election / Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________	□ Election / Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________	□ Election/ Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________	□ Election / Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________
% of beneficial interest / Ownership /Capital / Profits.					
Controlling Person Type (#) (Refer Instruction"7" of the Annexure.)					
Gender	□ Male □ Female □ Other______________	□ Male □ Female □ Other_____________	□ Male □ Female □ Other_____________	□ Male □ Female □ Other_____________	□ Male □ Female □ Other_____________
Occupation Type	□ Service □ Business □ Others	□ Service □ Business □ Others	□ Service □ Business □ Others	□ Service □ Business □ Others	□ Service □ Business □ Others
Country of tax residency* (#)					
Additional details to be filled below ONLY by controlling persons having tax residency/permanent residency/citizenship in any country other than India including green card					
	Controlling Person 1	**Controlling Person 2**	**Controlling Person 3**	**Controlling Person 4**	**Controlling Person 5**
Tax Identification Number (TIN) (or functional equivalent) of Controlling Person for each country identified in relation to him/her (#)					
Identification Type (TIN or Other, please specify) (#)					

Note:

A. Submit documentary proof like shareholding pattern duly self-attested by Authorized Signatory / Company Secretary.
B. If number of UBOs are greater than 5 or the space required is insufficient, information in the given format can be given in additional sheets.
C. In case of a multiple intermediaries, please provide the shareholding / controlling structure of each such intermediary/ies.
These details are mandatory for Passive NFFES.
(*) To include US, where Controlling Person is a US citizen or Green Card holder.

FATCA – CRS Terms and Conditions

The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income-tax Rules, 1962, which Rules require Indian Financial Institutions to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In relevant cases, information will have to be reported to tax authorities / appointed agencies. Towards compliance, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto.

Towards compliance with tax information sharing laws, such as FATCA and CRS, we would be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from our account holders. Such information may be sought either at the time of account opening or any time subsequently. As may be required by domestic or overseas regulators/ tax authorities, we may also be constrained to withhold and pay out any sums from your account or close or suspend your account(s).

Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days from the date of change in such information.

If you have any questions about your tax residency, please contact your tax advisor. If any controlling person of the entity is a US citizen or resident or green card holder, please include United States in the foreign country information field along with the US Tax Identification Number.

Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010.

JM FINANCIAL

Declaration & Acknowledgement	I/We have understood the information requirements of this Form (read along with the FATCA-CRS Instructions & Definitions) and hereby confirm that the information provided by us on this Form is True, Correct, Complete and updated, and the submitted documents are genuine and duly executed. I/We also confirm that I/We have read and understood the FATCA-CRS Terms and Conditions above and hereby accept the same. I/We certify that (i) I/We am/are taxable as a ("U.S.") person under the laws of the United States of America or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the U.S., (ii) an estate the income of which is subject to U.S. federal income tax regardless of the source thereof (This clause is applicable only if the account holder is identified as a U.S. person); or The applicant is an applicant taxable as a tax resident under the laws of country outside India (This clause is applicable only if the account holder is a tax resident outside India) I/We acknowledge that towards compliance with tax information sharing laws, such as FATCA / CRS, Financial Institution (FI) may be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from the account holder. Such information may be sought either at the time of account opening or any time subsequently. In certain circumstances (including if FI does not receive a valid self-certification from me) the FI may be obliged to share information on my account with relevant tax authorities. Should there be any change in any information provided by me, I ensure that I will advise FI promptly, i.e., within 30 days. Towards compliance with such laws, Financial Institutions may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto. As may be required by domestic or overseas regulators/ tax authorities, Financial Institutions may also be constrained to withhold and pay out any sums from my/our account or close or suspend my/our account(s).

Customer's Authorised Person Name			
Signature			
Designation			
Date			
Place			

Form Type Submitted – W-8 BENE ☐

JM FINANCIAL

ANNEXURE

Instructions for the purposes of FATCA/ CRS

1. **Financial Institution or Foreign Financial Institution (FFI)-** The term FFI means any financial institution that is a:

A. Depository institution:
Accepts deposits in the ordinary course of banking or similar business.

B. Custodial institution:
As a substantial portion of its business, holds financial assets for the account of others

Meaning of Substantial portion:

- An entity holds financial assets for the account of others as a substantial portion of its business if the entity's gross income attributable to holding financial assets and related financial services equals or exceeds 20 percent of the entity's gross income during the shorter of-
  (1) The three financial years preceding the year in which the determination is made;
  (2) The period during which the entity has been in existence before the determination is made.

Meaning of Income attributable to holding financial assets and related financial services:

- Income attributable to holding financial assets and related financial services means custody, account maintenance, and transfer fees; commissions and fees earned from executing and pricing securities transactions; income earned from extending credit to customers with respect to financial assets held in custody by the entity (or acquired through such extension of credit); income earned on the bid-ask spread of financial assets; fees for providing financial advice with respect to financial assets held in (or potentially to be held in) custody by the entity; and fees for clearance and settlement services)

C. Investment entity:
Primarily conducts a business or operates for or on behalf of a customer for any of the following 3 activities-

- Trading in money market instruments, foreign exchange, foreign currency, etc.
- Individual or collective portfolio management
- Investing, administering or managing funds, money or financial asset on behalf of other persons;

Or

- The gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity

Explanation - An entity is treated as primarily conducting as a business one or more of the activities described in sub-clause (A), or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets for purposes of sub-clause (B), if the entity's gross income attributable to the relevant activities equals or exceeds 50 percent of the entity's gross income during the shorter of: (i) the three-year period ending on 31 March of the year preceding the year in which the determination is made; or (ii) the period during which the entity has been in existence.

D. Specified Insurance company:
Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

E. Holding company or treasury company:
Is an entity that is a holding company or treasury center that is a part of an expanded affiliate group that includes a depository, custodial institution, specified insurance company or investment entity.

2. **Financial Institutions not required to have a GIIN:**

Code	Category
01	Governmental Entity, International Organization or Central Bank
02	Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental Entity, International Organization or Central Bank
03	Non-public fund of the armed forces, an employees' state insurance fund, a gratuity fund or a provident fund
04	Entity is an Indian FI solely because it is an investment entity
05	Qualified credit card issuer
06	Investment Advisors, Investment Managers and Executing Brokers
07	Exempt collective investment vehicle
08	Trustee of an Indian Trust
09	FI with a local client base

10	Non-registering local banks
11	FFI with only Low-Value Accounts
12	Sponsored investment entity and controlled foreign corporation
13	Sponsored, Closely Held Investment Vehicle
14	Owner documented FFI

3. **Non-financial Entity (NFFE) –** Any entity that is not a financial institution (including a territory NFFE)

Types of NFFEs excluded from FATCA reporting are:

A. Publicly traded corporation (listed company)
The stock of such corporation is regularly traded on one or more established securities markets
(Established securities market means an exchange that is officially recognized and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange).

B. Related entity of a listed company
The entity identified is a member of the same expanded affiliate group as an entity the stock of which is regularly traded on an established securities market;

C. Active NFFE: (is any one of the following):

Code	Sub-category
01	Less than 50 percent of the NFFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 percent of the assets held by the NFFE during the preceding financial year or other appropriate reporting period are assets that produce or are held for the production of passive income;
02	The NFFE is a government (other than the U.S. government), a political subdivision of such government (which, for the avoidance of doubt, includes a state, province, county, or municipality), or a public body performing a function of such government or a political subdivision thereof, a government of a U.S. Territory, an international organization, a non-U.S. central bank of issue, or an Entity wholly owned by one or more of the foregoing;
03	Substantially all of the activities of the NFFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity shall not qualify for NFFE status if the entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
04	The NFFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFFE shall not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFFE;
05	The NFFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution;
06	The NFFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;

07	Any NFFE is a 'non for profit' organization which meets all of the following requirements: o It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare; o It is exempt from income tax in its jurisdiction of residence; o It has no shareholders or members who have a proprietary or beneficial interest in its income or assets; o The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents do not permit any income or assets of the NFFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFFE has purchased; and The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents require that, upon the NFFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFFE's jurisdiction of residence or any political subdivision thereof. Explanation.- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:- (I) an Investor Protection Fund referred to in clause (23EA); (II) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and (III) an Investor Protection Fund referred to in clause (23EC; of section 10 of the Act;

4. Other definitions

(i) **Expanded affiliated group**

Expanded affiliated group is defined to mean one or more chains of members connected through ownership (50% or more, by vote or value, as the case may be) by a common parent entity if the common parent entity directly owns stock or other equity interests meeting the requirements in at least one of the other members. Generally, only a corporation shall be treated as the common parent entity of an expanded affiliated group.

(ii) **Passive NFFE**

The term passive NFFE means any NFFE:
(i) that is not an Active NFFE (including publicly traded entities or their related entities); or
(ii) the gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity; or
(iii) a withholding foreign partnership or withholding foreign trust pursuant to relevant U.S. Treasury Regulations.

(Note: Foreign persons having controlling interest in a passive NFFE are liable to be reported for tax information compliance purposes).

(iii) **Passive income**

The term passive income means the portion of gross income that consists of:
(1) Dividends, including substitute dividend amounts;
(2) Interest
(3) Income equivalent to interest, including substitute interest and amounts received from or with respect to a pool of insurance contracts if the amounts received depend in whole or part upon the performance of the pool;
(4) Rents and royalties, other than rents and royalties derived in the active conduct of a trade or business conducted, at least in part, by employees of the NFFE
(5) Annuities
(6) The excess of gains over losses from the sale or exchange of financial assets that gives rise to passive income described in this section
(7) The excess of gains over losses from transactions (including futures, forwards, and similar transactions) in any financial assets
(8) The excess of foreign currency gains over foreign currency losses
(9) Net income from notional principal contracts
(10) Amounts received under cash value insurance contracts
(11) Amounts earned by an insurance company in connection with its reserves for insurance and annuity contracts
(12) Net income from swaps.

But passive income will not include in case of a non-financial entity that acts as a dealer in financial assets, any income from any transaction entered into in the ordinary course of such dealer's business as a dealer.

(iv) **Controlling persons**

Controlling persons are natural persons who exercise control over an entity.
In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.
The term "Controlling Persons" shall be interpreted in a manner consistent with the Financial Action Task Force recommendations.

Pursuant to guidelines on identification of Beneficial Ownership issued vide RBI circular no. DBOD.AML.BC. No.71/14.01.001/2012- 13 dated January 18, 2013, persons (other than Individuals) are required to provide details of Beneficial Owner(s) ('BO'). Accordingly, the Beneficial Owner means 'Natural Person', who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of / entitlements to:

i. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
ii. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
iii. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

Where the client is a trust, the banking company and financial institution, as the case may be, shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

Where no natural person is identified the identity of the relevant natural person who holds the position of senior managing official.

(v) **U.S. Person**

U.S. Person means a United States of America citizen or resident individual, a partnership or corporation organized in the United States of America or under the laws of the United States of America or any State thereof, a trust if (i) a court within the United States of America would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States of America.

(vi) **Specified U.S. person**

A U.S person **other than** the following:

(i) a corporation the stock of which is regularly traded on one or more established securities markets;
(ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
(iii) the United States or any wholly owned agency or instrumentality thereof;
(iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
(v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
(vi) any bank as defined in section 581 of the U.S. Internal Revenue Code;
(vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
(viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64);
(ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
(x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code;
(xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
(xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or
(xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

(vii) **Direct Reporting NFFE**

Direct reporting NFFE will mean an NFFE that elects to report on Form 8966 directly to the IRS certain information about its direct or indirect substantial U.S. owners, in lieu of providing such information to withholding agents or participating FFIs with which the NFFE holds a financial account

(viii) **Owner documented FFI**

An FFI that meets the following requirements:

(A) The FFI is an FFI solely because it is an investment entity;

(B) The FFI is not owned by or related to any FFI that is a depository institution, custodial institution, or specified insurance company;

(C) The FFI does not maintain a financial account for any non participating FFI;

(D) The FFI provides the designated withholding agent with all of the documentation and agrees to notify the withholding agent if there is a change in circumstances; and

(E) The designated withholding agent agrees to report to the IRS (or, in the case of a reporting Model 1 FFI, to the relevant foreign government or agency thereof) all of the information described in or (as appropriate) with respect to any specified U.S. persons and (2).

Notwithstanding the previous sentence, the designated withholding agent is not required to report information with respect to an indirect owner of the FFI that holds its interest through a participating FFI, a deemed-compliant FFI (other than an owner-documented FFI), an entity that is a U.S. person, an exempt beneficial owner, or an excepted NFFE.

ix) **Sponsoring Entity**

The term sponsoring entity means an entity that registers with the IRS and agrees to perform the due diligence, withholding, and reporting obligations of one or more FFIs pursuant to § 1.1471–5(f)(1)(i)(F) or (2)(iii).

5. Entity Exemption Code for U.S. persons

Code	Sub-category
A	An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
B	The United States or any of its agencies or instrumentalities
C	A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
D	A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
E	A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
F	A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
G	A real estate investment trust
H	A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
I	A common trust fund as defined in section 584(a)
J	A bank as defined in section 581
K	A broker
L	A trust exempt from tax under section 664 or described in section 4947(a)(1)
M	A tax exempt trust under a section 403(b) plan or section 457(g) plan

6. Entity Constitution Type

Code	Category
00	Partnership Firm
01	HUF
02	Private Limited Company
03	Public Company
04	Society
05	AOP /BOI
06	Trust
07	Liquidator
08	LLP
09	Artificial Juridical person
10	Bank
11	Others

7. Controlling Person (UBO) Type/Code

Code	Sub-category	Description
C01	CP of legal person-ownership	Controlling ownership interest of more than: • 25% of shares or capital or profits of the juridical person [Investor], where the juridical person is a company;

		• 15% of the capital or profits of the juridical person [Investor], where the juridical person is a partnership; • 15% of the property or capital or profits of the juridical person [Investor], where the juridical person is an unincorporated association or body of individuals.
C02	CP of legal person-other means	Natural person exercising control over the juridical person through other means exercised through voting rights, agreement, arrangements or in any other manner [In cases where there exists doubt under UBO-1 to UBO - 3 above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests].
C03	CP of legal person-senior managing official	Natural person who holds the position of senior managing official [In case no natural person cannot be identified as above].
C04	CP of legal arrangement-trust-settlor	
C05	CP of legal arrangement--trust-trustee	
C06	CP of legal arrangement--trust-protector	
C07	CP of legal arrangement--trust-beneficiary	The beneficiaries with 15% or more interest in the trust if they are natural person(s).
C08	CP of legal arrangement--trust-other	Natural person(s) exercising ultimate effective control over the Trust through a chain of control or ownership.
C09	CP of legal arrangement—Other-settlor equivalent	
C10	CP of legal arrangement—Other-trustee equivalent	
C11	CP of legal arrangement— Other-protector equivalent	
C12	CP of legal arrangement—Other-beneficiary equivalent	
C13	CP of legal arrangement—Other-other equivalent	
C14	Unknown	