

**SOLID.  
STABLE.  
SUSTAINABLE.**

**JM Financial Asset Reconstruction  
Company Limited  
Annual Report 2023-24**



# Corporate Information

## BOARD OF DIRECTORS

### NON-EXECUTIVE DIRECTORS

Mr. V P Shetty  
Mr. Narotam Sekhsaria  
Mr. Pulkit Sekhsaria  
Mr. Adi Patel  
Mr. Vishal Kampani

### INDEPENDENT DIRECTORS

Ms. Rupa Vora  
Dr. Vijay Kelkar  
Mr. Ameet Desai  
Mr. Satish Chand Mathur  
Mr. Munesh Khanna

### CHIEF EXECUTIVE OFFICER

Mr. Srinivasan Viswanathan

### CHIEF OPERATING OFFICER

Mr. Vivek Grover (ceased w.e.f. close of business hours of January 31, 2024)

### CHIEF FINANCIAL OFFICER

Mr. Sabyasachi Ray

### COMPANY SECRETARY

Mr. Vineet Singh

## REGISTERED OFFICE

### JM Financial Asset Reconstruction Company Limited

7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai - 400 025  
Tel: 91-22-66303030 Fax: 91-22-66303223  
Email ID: [vineet.singh@jmfl.com](mailto:vineet.singh@jmfl.com)  
Website: [www.jmfinancialarc.com](http://www.jmfinancialarc.com)

**CIN: U67190MH2007PLC174287**

## OUR OFFICES

### Mumbai Office

3rd Floor, Suashish IT Park Building B,  
Dattapada Road, Borivali East,  
Mumbai - 400 066

### Delhi Office

Sood Tower (East Tower), 6th Floor,  
Barakhamba Road, Connaught Place,  
New Delhi - 110 001

### Bengaluru Office

4th Floor, Basappa Complex,  
Lavelle Road,  
Bengaluru - 560 001

## BANKERS

RBL Bank Limited  
IDBI Bank Limited  
Indian Overseas Bank  
Karur Vysya Bank  
Dhanlaxmi Bank Limited

## STATUTORY AUDITOR

**M/s. Sharp & Tannan Associates**

## REGISTRAR AND SHARE TRANSFER AGENTS

### KFin Technologies Limited

Selenium Tower B, Plot no. 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally  
Hyderabad - 500 032  
Telephone: 91-040-67162222  
Fax: (040) 2343 1551  
Email ID: [venu.sp@kfintech.com](mailto:venu.sp@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

## DEBENTURE TRUSTEE

### SBICAP Trustee Company Limited

4<sup>th</sup> Floor, Mistry Bhavan,  
122, Dinshaw Vachha Road,  
Churchgate, Mumbai - 400 020  
Tel: 91-22-43025555; Fax No: 91-22-22040465  
Email ID: [corporate@sbicaptrustee.com](mailto:corporate@sbicaptrustee.com)  
Website: [www.sbicaptrustee.com](http://www.sbicaptrustee.com)



# Notice

**NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH (17<sup>TH</sup>) ANNUAL GENERAL MEETING (THE “AGM”) OF THE MEMBERS OF JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED (THE “COMPANY”) WILL BE HELD ON THURSDAY, JULY 25, 2024 AT 5:15 P.M. (IST) AT 7<sup>TH</sup> FLOOR, CNERGY, APPASAHEB MARATHE MARG, PRABHADEVI, MUMBAI - 400 025 TO TRANSACT THE FOLLOWING BUSINESS:**

## Ordinary Business

1. To receive, consider and adopt the audited standalone financial statements of the Company consisting of the balance sheet as at March 31, 2024, the statement of profit and loss, statement of cash flow and statement of changes in equity for the year ended on that date and the explanatory notes, if any, annexed thereto, and forming part thereof, together with the reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company consisting of the balance sheet as at March 31, 2024, the statement of profit and loss, statement of cash flow and statement of changes in equity for the year ended on that date and the explanatory notes, if any, annexed thereto, and forming part thereof, together with the report of the Auditors thereon.
3. To appoint a director in place of Mr. V P Shetty (DIN: 00021773), who retires by rotation, at the Seventeenth (17<sup>th</sup>) Annual General Meeting, pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, offers his candidature for re-appointment as a director of the Company.

## Special Business

### 4. Continuation of directorship of Mr. Narotam Sekhsaria (DIN: 00276351)

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, consent of the members of the Company be and is hereby granted to Mr. Narotam Sekhsaria (DIN: 00276351), for continuing to hold the directorship as a Non-Executive Director of the Company notwithstanding

he attaining the age of seventy-five (75) years on September 21, 2024.”

**“RESOLVED FURTHER THAT** the Board (which term shall include any of the committees thereof), be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, desirable or expedient to give effect to the above resolution and matters connected therewith or incidental thereto.”

### 5. Approval for issuance of Non-Convertible Debentures

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (the “Act”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and pursuant to the applicable provisions of the Securities and Exchange Board of India (the “SEBI”) (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations and guidelines as issued by SEBI, Reserve Bank of India together with the applicable circulars and clarifications issued by them from time to time and to the extent applicable to the Company (including any amendments, statutory modifications and/or re-enactment thereof for the time being in force) and subject to the provisions of the Company’s Memorandum and Articles of Association, consent of the members of the Company be and is hereby accorded to the Board of Directors (the “Board”, which term shall include any of the committees thereof) to offer, issue and allot secured/unsecured, listed/unlisted, rated/unrated, redeemable Non-Convertible Debentures (the “NCDs”), in one or more series/tranches, aggregating up to ₹ 7,000 Crore (Rupees Seven Thousand Crore only), on private placement basis and/or through public offer on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, desirable or expedient to give effect to the above resolution and matters connected therewith or incidental thereto, including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from powers herein conferred by the members.”



## 6. Approval for material related party transactions with JM Financial Limited

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and Section 188 of the Companies Act, 2013 (the **“Act”**), if any, and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, read with the Company’s Policy on dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation/approval of the Audit Committee/Board of Directors of the Company, consent of the members be and is hereby accorded to the Board of Directors (the **“Board”**, which term shall include any of the committees thereof) of the Company to enter into any and all material related party transactions/contracts/arrangements, whether by way of an individual transaction or series of transactions taken together, with JM Financial Limited (the **“JM Financial”**), the holding company of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to availing of loans including the inter corporate borrowings from, and/or giving of guarantees or issuing securities and/or selling of any securities to JM Financial and/or making of any investments in the securities of the Company and/or availing/providing of any services by the Company from/to JM Financial, on such terms and conditions as the Board, in its absolute discretion, may deem fit, **PROVIDED HOWEVER THAT** the aggregate outstanding value of all such material related party transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) from the conclusion of the Seventeenth Annual General Meeting (the **“AGM”**) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from the powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”

## 7. Approval for material related party transactions with JM Financial Products Limited

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and Section 188 of the Companies Act, 2013 (the **“Act”**), if any, and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, read with the Company’s Policy on dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation/approval of the Audit Committee/Board of Directors of the Company, consent of the members be and is hereby accorded to the Board of Directors (the **“Board”**, which term shall include any of the committees thereof) of the Company to enter into any and all material related party transactions/contracts/arrangements, whether by way of an individual transaction or series of transactions taken together, with JM Financial Products Limited (the **“JM Financial Products”**), a fellow subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to availing of loans including the inter corporate borrowings from, and/or giving of guarantees or issuing securities and/or selling of any securities to JM Financial Products and/or making of any investments in the securities of the Company and/or availing/providing of any services by the Company from/to JM Financial Products, on such terms and conditions as the Board, in its absolute discretion, may deem fit, **PROVIDED HOWEVER THAT** the aggregate outstanding value of all such material related party transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) from the conclusion of the Seventeenth Annual General Meeting (the **“AGM”**) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from the powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”



## 8. Approval for material related party transactions with JM Financial Credit Solutions Limited

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and Section 188 of the Companies Act, 2013 (the **“Act”**), if any, and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, read with the Company’s Policy on dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation/approval of the Audit Committee/Board of Directors of the Company, consent of the members be and is hereby accorded to the Board of Directors (the **“Board”**, which term shall include any of the committees thereof) of the Company to enter into any and all material related party transactions/contracts/arrangements, whether by way of an individual transaction or series of transactions taken together, with JM Financial Credit Solutions Limited (the **“JM Financial Credit Solutions”**), a fellow subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to availing of loans including the inter corporate borrowings from, and/or giving guarantees or issuing securities and/or selling of any securities to JM Financial Credit Solutions and/or making of any investments in the securities of the Company and/or availing/providing of any services by the Company from/to JM Financial Credit Solutions, on such terms and conditions as the Board, in its absolute discretion, may deem fit, **PROVIDED HOWEVER THAT** the aggregate outstanding value of all such material related party transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 1,000 Crore (Rupees One Thousand Crore only) from the conclusion of the Seventeenth Annual General Meeting (the **“AGM”**) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from the powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”

## 9. Approval for material related party transactions with JM Financial Services Limited

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and Section 188 of the Companies Act, 2013 (the **“Act”**), if any, and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, read with the Company’s Policy on dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation/approval of the Audit Committee/Board of Directors of the Company, consent of the members be and is hereby accorded to the Board of Directors (the **“Board”**, which term shall include any of the committees thereof) of the Company to enter into any and all material related party transactions/contracts/arrangements, whether by way of an individual transaction or series of transactions taken together, with JM Financial Services Limited (the **“JM Financial Services”**), a fellow subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to availing of loans including the inter corporate borrowings from, and/or giving guarantees or issuing securities and/or selling of any securities to JM Financial Services and/or making of any investments in the securities of the Company and/or availing/providing of any services by the Company from/to JM Financial Services, on such terms and conditions as the Board, in its absolute discretion, may deem fit, **PROVIDED HOWEVER THAT** the aggregate outstanding value of all such material related party transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 550 Crore (Rupees Five Hundred and Fifty Crore only) from the conclusion of the Seventeenth Annual General Meeting (the **“AGM”**) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from the powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”

#### 10. Approval for material related party transactions with JM Financial Home Loans Limited

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and Section 188 of the Companies Act, 2013 (the **“Act”**), if any, and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, read with the Company’s Policy on dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation/approval of the Audit Committee/Board of Directors of the Company, consent of the members be and is hereby accorded to the Board of Directors (the **“Board”**, which term shall include any of the committees thereof) of the Company to enter into any and all material related party transactions/contracts/arrangements, whether by way of an individual transaction or series of transactions taken together, with JM Financial Home Loans Limited (the **“JM Financial Home Loans”**), a fellow subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to availing of loans including the inter corporate borrowings from, and/or giving guarantees or issuing securities and/or selling of any securities to JM Financial Home Loans and/or making of any investments in the securities of the Company and/or availing/providing of any services by the Company from/to JM Financial Home Loans, on such terms and conditions as the Board, in its absolute discretion, may deem fit, **PROVIDED HOWEVER THAT** the aggregate outstanding value of all such material related party transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 100 Crore (Rupees One Hundred Crore only) from the conclusion of the Seventeenth Annual General Meeting (the **“AGM”**) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from the powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”

#### 11. Approval for material related party transactions with JM Financial Properties and Holdings Limited

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and Section 188 of the Companies Act, 2013 (the **“Act”**), if any, and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, read with the Company’s Policy on dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation/approval of the Audit Committee/Board of Directors of the Company, consent of the members be and is hereby accorded to the Board of Directors (the **“Board”**, which term shall include any of the committees thereof) of the Company to enter into any and all material related party transactions/contracts/arrangements, whether by way of an individual transaction or series of transactions taken together, with JM Financial Properties and Holdings Limited (the **“JM Financial Properties and Holdings”**), a fellow subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to availing of loans including the inter corporate borrowings from, and/or giving guarantees or issuing securities and/or selling of any securities to JM Financial Properties and Holdings and/or making of any investments in the securities of the Company and/or availing/providing of any services by the Company from/to JM Financial Properties and Holdings, on such terms and conditions as the Board, in its absolute discretion, may deem fit, **PROVIDED HOWEVER THAT** the aggregate outstanding value of all such material related party transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 200 Crore (Rupees Two Hundred Crore only) from the conclusion of the Seventeenth Annual General Meeting (the **“AGM”**) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from the powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”



## 12. Approval for material related party transactions with JM Financial Asset Management Limited

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and Section 188 of the Companies Act, 2013 (the **“Act”**), if any, and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, read with the Company’s Policy on dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation/approval of the Audit Committee/Board of Directors of the Company, consent of the members be and is hereby accorded to the Board of Directors (the **“Board”**), which term shall include any of the committees thereof of the Company to enter into any and all material related party transactions/contracts/arrangements, whether by way of an individual transaction or series of transactions taken together, with JM Financial Asset Management Limited (the **“JM Financial Asset Management”**), a fellow subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to availing of loans including the inter corporate borrowings from, and/or giving guarantees or issuing securities and/or selling of any securities to JM Financial Asset Management and/or making of any investments in the securities of the Company and/or availing/providing of any services by the Company from/to JM Financial Asset Management, on such terms and conditions as the Board, in its absolute discretion, may deem fit, **PROVIDED HOWEVER THAT** the aggregate outstanding value of all such material related party transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 200 Crore (Rupees Two Hundred Crore only) from the conclusion of the Seventeenth Annual General Meeting (the **“AGM”**) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from the powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”

## 13. Approval for material related party transactions with CR Retail Malls (India) Limited

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and Section 188 of the Companies Act, 2013 (the **“Act”**), if any, and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, read with the Company’s Policy on dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation/approval of the Audit Committee/Board of Directors of the Company, consent of the members be and is hereby accorded to the Board of Directors (the **“Board”**), which term shall include any of the committees thereof of the Company to enter into any and all material related party transactions/contracts/arrangements, whether by way of an individual transaction or series of transactions taken together, with CR Retail Malls (India) Limited (the **“CR Retail”**), a fellow subsidiary of the Company and a ‘related party’ as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to availing of loans including the inter corporate borrowings from, and/or giving guarantees or issuing securities and/or selling of any securities to CR Retail and/or making of any investments in the securities of the Company and/or availing/providing of any services by the Company from/to CR Retail, on such terms and conditions as the Board, in its absolute discretion, may deem fit, **PROVIDED HOWEVER THAT** the aggregate outstanding value of all such material related party transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 100 Crore (Rupees One Hundred Crore only) from the conclusion of the Seventeenth Annual General Meeting (the **“AGM”**) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from the powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”



#### 14. Approval for material related party transactions with Astute Investments

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “**SEBI Listing Regulations**”) and Section 188 of the Companies Act, 2013 (the “**Act**”), if any, and to the extent applicable, and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force, read with the Company’s Policy on dealing with Related Party Transactions, and subject to such other laws, rules and regulations as may be applicable in this regard and basis the recommendation/approval of the Audit Committee/Board of Directors of the Company, consent of the members be and is hereby accorded to the Board of Directors (the “**Board**”, which term shall include any of the committees thereof) of the Company to enter into any and all material related party transactions/contracts/arrangements, whether by way of an individual transaction or series of transactions taken together, with Astute Investments, a ‘related party’ as defined in Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to availing of loans including the inter corporate borrowings from, and/or giving guarantees or issuing securities and/or selling of any securities to Astute Investments and/or making of any investments in the securities of the Company and/or availing/providing of any services by the Company from/to Astute Investments, on such terms and conditions as the Board, in its absolute discretion, may deem fit, **PROVIDED HOWEVER THAT** the aggregate outstanding value of all such material related party transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 550 Crore (Rupees Five Hundred Fifty Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “**AGM**”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from the powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”

#### 15. Payment of remuneration to Non-Executive Directors of the Company for FY 2023-24

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 149 and other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any amendments, statutory modifications and/or re-enactment thereof for the time being in force and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the rules, regulations, directions and notifications issued/framed thereunder and Schedule V thereto, and basis the recommendation/approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the members be and is hereby accorded for payment of remuneration by way of commission to the Non-Executive Directors (including Independent Directors) of the Company, in accordance with the limits prescribed under Schedule V of the Act and the same be paid to and distributed amongst the Non-Executive Directors (including Independent Directors) of the Company in such amounts or proportions and in such manner as may be directed by the Board of Directors of the Company, upto an amount not exceeding ₹ 32,00,000/- for financial year 2023-24 (as detailed in explanatory statement) in view of inadequate profits for financial year 2023-24.”

**“RESOLVED FURTHER THAT** the above remuneration shall be in addition to sitting fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all actions and do all such acts, deeds, matters and things including deciding on the manner of payment of commission, as it may in its absolute discretion deem necessary, proper or desirable to give effect to the above resolution and matters connected therewith or incidental thereto including settling all such questions, difficulties or doubts that may arise with regard to the aforesaid resolution, without being required to seek any further consent/approval from the members of the Company.”

By Order of the Board

**Vineet Singh**  
Company Secretary

Place: Mumbai  
Date: May 16, 2024

**Registered Office:**  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai - 400 025  
(CIN: U67190MH2007PLC174287)





## Notes:

**A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DULY FILLED IN ALL RESPECTS AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

Pursuant to the applicable provisions of the Companies Act, 2013 (the “Act”) and the rules made thereunder, a person can act as proxy on behalf of the members not exceeding fifty (50) in number and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. Proxies submitted on behalf of the Companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. A member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

1. The relevant statement to be annexed to the Notice pursuant to Section 102 of the Act setting out the details concerning the special business under item nos. 4 to 15 of this Notice along with the additional information as required under applicable provisions of the Act, SEBI Master Circular and other circulars issued thereunder, is annexed hereto and forming part of this Notice.
2. The body(ies) corporate/institutional investors, who are members of the Company, are encouraged to attend the meeting and vote. They are also requested to send scanned copy(ies) (PDF/JPG format) of their board or governing body resolution/authorisation, permitting their representatives to attend the AGM on their behalf and/or vote. The said resolution/authorization, if any, shall be emailed, through its registered email address to the Company Secretary at [vineet.singh@jmfl.com](mailto:vineet.singh@jmfl.com).
3. Members/ Proxies/ Authorised Representatives are requested to:
  - a. bring the attendance slips duly completed and signed for attending the AGM.
  - b. Quote their respective folio numbers or DP ID or client ID numbers in the attendance slip for easy identification of their attendance at the meeting.
4. In compliance with the applicable circulars, the Annual Report for the financial year 2023-24 including the Notice of the AGM along with Attendance Slip and Proxy Form are being sent by the Company in electronic mode to those members/debenture holders whose email IDs

are registered with the Depository Participants (“DPs”) / Depositories, the Company or its Registrar and Transfer Agents (“RTA”), viz., KFin Technologies Limited. Members/ Debenture holders who wish to change their email IDs or have not registered their email IDs so far, are requested to promptly intimate the same to their respective DPs or to the Company/its RTA, as the case may be.

5. During the period beginning twenty-four (24) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company.
6. The Securities and Exchange Board of India (the “SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts.
7. Notice convening the Seventeenth (17<sup>th</sup>) AGM along with the Annual Report for the financial year 2023-24 will also be available on the Company’s website at [www.jmfinancialarc.com](http://www.jmfinancialarc.com) and on the website of the stock exchange i.e., BSE Limited (the “BSE”) at [www.bseindia.com](http://www.bseindia.com).
8. The Company has paid the annual listing fees to BSE for the financial year 2024-25.
9. All the document referred to in this Notice and the Statement annexed hereto and such other statutory documents as required under the Act, shall be available for inspection at the Company’s registered office on all the working days (Monday to Friday) between 2:00 p.m. and 4:00 p.m. up to the date of this AGM and at the venue of the AGM during its duration. Any member interested in obtaining a copy of the same may write to the Company Secretary at [vineet.singh@jmfl.com](mailto:vineet.singh@jmfl.com).
10. The relevant details as required under clause 1.2.5 of Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the person seeking re-appointment as director is given in annexure forming part of this Notice.
11. The route map showing directions to reach the venue of the Seventeenth (17<sup>th</sup>) AGM forms part of this Notice.

## Statement to be annexed to the Notice pursuant to Section 102 of the Companies Act, 2013

### Item no. 4

Regulation 17(1A) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), states that "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five (75) years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person".

Mr. Narotam Sekhsaria, is a non-executive director of the Company. Mr. Sekhsaria has been a director of the Company since 2008 and shall be attaining the age of seventy-five (75) years on September 21, 2024. Hence, pursuant to the above regulation of SEBI Listing Regulations, it is necessary to seek approval of the members of the Company through special resolution for continuation of his directorship as a non-executive director of the Company.

#### Profile of Mr. Narotam Sekhsaria and justification for continuation of his directorship beyond the age of seventy-five (75) years is stated below:

Mr. Narotam Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. He holds a Bachelor's Degree with honours and distinction in Chemical Engineering from UDCT Bombay.

As the Principal-Founder Promoter of Ambuja Cements, he built Ambuja Cements into the most efficient and profitable cement Company in India. In a career spanning over 40 years, Mr. Sekhsaria has re-defined cement industry practices from a commodity into a brand. He brought cement plants closer to cement markets and linking plants to lucrative coastal markets by setting up ports and a fleet of bulk cement ships for the first time in India. Presently, he is the Chairman Emeritus of Ambuja Cements.

Another initiative from him was setting up of a not-for-profit institution - Ambuja Cement Foundation - to realize his vision of community development in rural communities. The Foundation today is operating in 11 States with an annual budget exceeding ₹ 125 Crore and employing about 1000 people engaged in Water Harvesting Projects, Women Empowerment, Animal Husbandry and adoption of Zilla Parishad Schools and other social initiatives. He has been the Chairman of the Foundation since its inception.

Mr. Sekhsaria is also the Chairman of Narotam Sekhsaria Foundation, a not-for-profit organization set up by an endowment from him in September 2002.

Mr. Sekhsaria has been an active member of the Board. He has extensive knowledge and expertise in the Finance sector.

With his in-depth knowledge, he ensures the contribution of his pluralistic viewpoints to debate on various items discussed in the meetings of the Board.

Details of Mr. Sekhsaria's attendance at the following meetings of the Company held during the last three (3) financial years are given below:

| Financial year | Board meeting | AGM | EGM        |
|----------------|---------------|-----|------------|
| 2022-23        | 2 out of 4    | No  | 1 out of 2 |
| 2021-22        | 4 out of 4    | No  | No         |
| 2020-21        | 2 out of 4    | No  | No         |

Considering his rich experience, expertise and immense contribution in the growth of the Company, his specific skills in helping the Board and the Company in attaining its objectives; his participation in the Board deliberations; summary of his performance evaluation; time devoted by him, and based on the recommendation of Nomination and Remuneration Committee, the Board unanimously commends passing of the special resolution as proposed at item no. 4 of this Notice for continuation of directorship of Mr. Sekhsaria as a non-executive director, notwithstanding he attaining the age of seventy-five (75) years on September 21, 2024.

Except Mr. Narotam Sekhsaria and Mr. Pulkit Sekhsaria (Son of Mr. Narotam Sekhsaria), none of the other directors, key managerial personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the special resolution set out at item no. 4 of this Notice.

### Item no. 5

Pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (the "Act"), if any, read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and pursuant to the applicable provisions of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI Listing Regulations, a Company shall not make private placement or public issue of its securities unless the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the members of the Company by a special resolution.

As at March 31, 2024, the Company had outstanding Non-Convertible Debentures ("NCDs") aggregating ₹ 1,605 Crore issued by way of private placement. Keeping in mind the further requirement of funds, it is proposed to seek enabling approval from the members to offer, issue and allot secured/unsecured, listed/unlisted, rated/unrated, redeemable NCDs, in one or more series/tranches, aggregating up to ₹ 7,000 Crore (Rupees Seven Thousand Crore Only), on private placement basis and/or through public offer, on such terms and conditions as the Board may, from time to time, determine.

The amount proposed to be raised through the issue of NCDs, may be used, inter alia, for acquisition of new financial assets,



refinancing existing borrowings, augmenting the working capital requirements and for general corporate purposes.

The Board commends passing of the special resolution set out at item no. 5 of this Notice.

None of the directors, key managerial personnel of the Company or their relatives are, in any way concerned or interested, financially or otherwise (except to the extent of the NCDs that may be offered to, and/or taken up by them), in the special resolution proposed at item no. 5 of this Notice.

#### Item nos. 6 - 14

The applicable provisions of Regulation 23 of SEBI Listing Regulations, requires the listed entities to take prior approval of shareholders by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the Company and at an arm's length basis.

Further, a transaction with a related party shall be considered material if the transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 Crore or 10% of the annual consolidated

turnover as per the last audited financial statements of a listed entity, whichever is lower.

The annual consolidated turnover of the Company for the financial year 2023-24 is ₹ 342.85 Crore. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 34.285 Crore (being 10% of the Company's annual consolidated turnover) or ₹ 1,000 Crore, whichever is lower shall be considered as material transaction and hence, prior approval of the members will be required for the same.

The Company may be required to enter into transactions with the related parties, as stated in the resolutions, at an arm's length basis and in the ordinary course of business of the Company.

Members may note that the Company had sought their approval at the Sixteenth (16<sup>th</sup>) AGM to enter into various transactions/ contracts/arrangements with each of the below related parties. The aggregate outstanding value of all the proposed transactions/contracts/arrangements during the financial year 2024-25 including and up to the annual general meeting of the Company to be held in the financial year 2025-26, shall not, at any point of time, exceed the limits as mentioned in the below table:

| Sr. No. | Name of the Related Party                    | Nature of Relationship    | Amount *      |
|---------|--|---------------------------|---------------|
| 1.      | JM Financial Limited                         | Holding Company           | ₹ 750 Crore   |
| 2.      | JM Financial Products Limited                | Fellow Subsidiary Company | ₹ 750 Crore   |
| 3.      | JM Financial Credit Solutions Limited        | Fellow Subsidiary Company | ₹ 1,000 Crore |
| 4.      | JM Financial Services Limited                | Fellow Subsidiary Company | ₹ 550 Crore   |
| 6.      | JM Financial Home Loans Limited              | Fellow Subsidiary Company | ₹ 100 Crore   |
| 7.      | JM Financial Properties and Holdings Limited | Fellow Subsidiary Company | ₹ 200 Crore   |
| 8.      | JM Financial Asset Management Limited        | Fellow Subsidiary Company | ₹ 200 Crore   |
| 9.      | CR Retail Malls (India) Limited              | Fellow Subsidiary Company | ₹ 100 Crore   |
| 10.     | Astute Investments                           | Related Party             | ₹ 550 Crore   |

\* The above limits are interchangeable within the nature transactions mentioned in ordinary resolutions.

The aggregate value of transactions, to be entered into by the Company with each of the aforesaid related parties from the conclusion of the Seventeenth AGM until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26 is expected to exceed the applicable materiality threshold mentioned in the SEBI Listing Regulations. Considering this, approval of the members is being sought to enter into any or all such transactions/contracts/ arrangements (whether by way of an individual transaction or series of transactions taken together) as stated in the ordinary resolutions at item nos. 6 to 14 of the accompanying Notice.

The transactions to be entered into will be in the ordinary course of business of the Company and on an arm's length basis and as such shall be exempt from the provisions of Section 188(1) of the Act and the rules made thereunder. However, as a matter of abundant caution, approval under the said Section 188 and rules thereunder is also being sought from the members.

**Justification for the transactions/contracts/arrangements, proposed to be entered by the Company with its related parties are stated below:**

**a. Availing of loans including Inter Corporate Borrowings (the "ICBs") and/or giving of guarantees and/or issuing of any securities:**

The Company borrows moneys through ICBs from the holding company and/or fellow subsidiaries, on a need basis, subject to the same being in the best interest of the Company.

The tenure of availing loans, including the ICBs (which are repayable within 365 days) and/or giving guarantee and/or issuing of any securities, shall be as per the terms.

**b. Issuance of securities:**

The Company may look to raise funds by issuance of securities to holding company and/or fellow subsidiaries, either at its book value or at such other fair value, which is in the best interest of the Company.

**c. Fees for advisory services:**

The Company may pay fees to holding company in relation to raising funds which shall be similar to the fees charged by unrelated parties.

**d. Support Service Fees** is paid by the Company from time to time to holding company and/or fellow subsidiaries for employees working in corporate functions group viz., financial controllers, compliance, human resources, corporate communication, information technology, administration and firm management.

Apart from the financial controllers and secretarial divisions, the Company does not have any personnel on its payroll for all the above departments as all the work is handled by these departments of the Group. The Company reimburses part of the cost of the above officials for the value-added services and support that they provide to the Company on their respective areas of expertise.

**e. Charges in relation to common services** provided/paid by the holding company and/or fellow subsidiaries such as rent, broking, telephone line(s), courier charges, etc., as per actuals.

**f. Rating Support Fees:**

The credit rating agencies take into consideration the credentials of the holding company, JM Financial Limited for the ratings of the Company. In consideration of this, the rating support fees is being charged by the holding company on an ongoing basis, subject to the same being in the best interest of the Company.

**g. Acquisition/transfer of fixed assets/liabilities pertaining to the employees, if any, are transferred to/from the Company or holding company or fellow subsidiaries:**

In case any of the employee(s) is/are transferred from the holding company or fellow subsidiaries to the Company/ vice versa, all the fixed assets used by these employees and all the liabilities pertaining to such employees shall be transferred at the book value appearing in the books of the Company or holding company or fellow subsidiaries. These are charged at actuals.

These transactions are event based as the expenses are paid/recovered whenever any transfer, as stated above, takes place.

**h. Reimbursement of stock options granted by the holding company to the employees of the Company:**

The holding company may grant stock options to the employees of the Company. Any expenses incurred by the holding company in respect of these grants including the difference between the exercise price and fair value of the options shall be paid by the Company to the holding company. These transactions are event based as the expenses are paid whenever any stock option(s) is/are granted by the holding company.

**i. Providing/availing of any services by the Company to/from holding company and/or fellow subsidiaries.**

**j. Receipt of Management Fees:**

As per the terms of the offer documents for assignment of Non-Performing Assets (NPAs), the Company receives management fees from fellow subsidiaries. This is at arms' length basis and in ordinary course of business.

The above transactions along with their estimated value are unanimously approved by the Audit Committee of the Board while granting its omnibus approval. The additional information, required to be disclosed under Regulation 23(4) of the SEBI Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are provided in **Annexure A**, forming part of this Notice.

Following directors of the Company are also directors of the related parties and hence they may be deemed to be concerned or interested in the ordinary resolutions set out at item nos. 6 to 14.

| <b>Name of the related party</b>      | <b>Name of the Director</b>                                    |
|---------------------------------------|--|
| JM Financial Limited                  | Mr. Vishal Kampani<br>Mr. Adi Patel                            |
| JM Financial Products Limited         | Mr. Vishal Kampani<br>Mr. V P Shetty<br>Mr. Munesh Khanna      |
| JM Financial Credit Solutions Limited | Mr. Vishal Kampani<br>Mr. Adi Patel<br>Mr. Satish Chand Mathur |
| JM Financial Services Limited         | Mr. Vishal Kampani   |
| JM Financial Home Loans Limited       | Mr. Vishal Kampani<br>Mr. V P Shetty                           |
| JM Financial Asset Management Limited | Mr. Vishal Kampani<br>Mr. V P Shetty                           |

The Board commends passing of the ordinary resolutions set out at item nos. 6 to 14 of this Notice pertaining to the related party transactions with its related parties.

None of the directors, key managerial personnel of the Company other than as disclosed above or their relatives is, in any way concerned or interested, financially or otherwise, in the ordinary resolutions proposed at item nos. 6 to 14 of this Notice.



**Item no. 15**

Pursuant to the provisions of Section 197 read with Schedule V of the Act, in respect of the payment of remuneration to directors other than managerial personnel, in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration within the ceiling limit as specified in Schedule V of the Act, provided the members' approval by way of a special resolution has been obtained, compliance of disclosure requirements and other conditions stated therein.

In view of inadequate profits for financial year 2023-24, the Company proposed to pay remuneration by way of commission to the non-executive directors (including independent directors) of the Company upto an amount not exceeding ₹ 32,00,000/- for financial year 2023-24. The said amount is recommended, inter alia, considering the role assumed, number of meetings of the Board and the committees thereof attended by each of the non-executive/independent directors; the position held by them as the Chairperson and member of the Committees of the Board and overall contribution to the business; external competitive environment; track record; individual performance and performance of the Company.

The said amount will be distributed amongst eligible non-executive directors (including independent directors) of the Company, subject to the provisions of the Act read with Schedule V and is recommended/approved by the Nomination and Remuneration Committee/Board of Directors of the Company.

The above remuneration shall be over and above the sitting fees paid to the director(s) for attending meetings of the Board and/or committees thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

The additional information, required to be disclosed under Schedule V of the Act, is provided in **Annexure B**, forming part of this Notice.

The Board commends passing of the special resolution set out at item no. 15 of this Notice for approval by the members.

Except Mr. Vishal Kampani, Mr. Adi Patel and key managerial personnel of the Company, and their relatives, the other non-executive directors of the Company are interested in the special resolution set out at item no. 15 of this Notice.

By Order of the Board

**Vineet Singh**  
Company Secretary

Place: Mumbai  
Date: May 16, 2024

**Registered Office:**  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai - 400 025  
(CIN: U67190MH2007PLC174287)

**ADDITIONAL INFORMATION OF DIRECTOR SEEKING RE-APPOINTMENT/CONTINUATION OF TERM AT THE SEVENTEENTH (17<sup>TH</sup>) ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 1.2.5 OF SECRETARIAL STANDARD - 2 ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (INFORMATION AS ON THE DATE OF THIS NOTICE).**

| Name of the Director   | Mr. V P Shetty<br>(DIN: 00021773)  | Mr. Narotam Sekhsaria<br>(DIN: 00276351)  |
|--|--|---|
| Date of birth  | June 12, 1947 (Age: 75 years)  | September 21, 1949 (Age: 74 years)  |
| Date of first appointment on the Board   | November 28, 2007  | April 10, 2008  |
| Designation  | Non-Executive Director   | Non-Executive Director  |
| Qualification(s)   | Commerce Graduate and holds a Certified Associate of Indian Institute of Bankers (CAIIB).  | Bachelor's Degree with honor's and distinction in Chemical Engineering from UDCT Bombay.  |
| Experience/brief profile/nature of expertise in specific functional areas        | <ul style="list-style-type: none"> <li>Mr. V P Shetty has had an illustrious Banking career spanning almost four decades. He has worked in various positions in 4 major nationalized banks. He has worked as Chairman and Managing Director in UCO Bank, Canara Bank and IDBI Bank. He was also Chairman of Indian Banks' Association.</li> <li>He is an authority in Commercial Banking, Mergers &amp; Acquisitions in Banking, Corporate Governance and Turnaround Management especially in Public Sector.</li> <li>He was also the Recipient of "Banker of the Year – 2003" Award from the Business Standard Group in recognition of successful turnaround of UCO Bank.</li> <li>He has also served on the Boards of Life Insurance Corporation of India, Export-Import Bank of India, Infrastructure Development Finance Company Ltd., National Insurance Company Ltd., and General Insurance Corporation of India. He was a Member of the Governing Council of Banking Codes &amp; Standards Board of India (BCSBI) and was on Board of LIC Golden Jubilee Foundation.</li> </ul> | <ul style="list-style-type: none"> <li>Mr. Narotam Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India.</li> <li>As the Principal-Founder Promoter of Ambuja Cements, he built Ambuja Cements into the most efficient and profitable cement Company in India. In a career spanning over 40 years, Mr. Sekhsaria has re-defined cement industry practices from a commodity into a brand. He brought cement plants closer to cement markets and linking plants to lucrative coastal markets by setting up ports and a fleet of bulk cement ships for the first time in India. Presently, he is the Chairman Emeritus of Ambuja Cements.</li> <li>Another initiative from him was setting up of a not-for-profit institution - Ambuja Cement Foundation - to realize his vision of community development in rural communities. The Foundation today is operating in 11 States with an annual budget exceeding ₹ 125 Crore and employing about 1000 people engaged in Water Harvesting Projects, Women Empowerment, Animal Husbandry and adoption of Zilla Parishad Schools and other social initiatives. He has been the Chairman of the Foundation since its inception.</li> <li>Mr. Sekhsaria is also the Chairman of Narotam Sekhsaria Foundation, a not-for-profit organization set up by an endowment from him in September 2002.</li> </ul> |
| Terms and conditions of appointment/re-appointment                               | Re-appointment as a Non-Executive Director of the Company liable to retire by rotation in accordance with the provisions of Section 152 of the Act   | Continuation of his directorship as a Non-Executive Director of the Company in compliance with Regulation 17(1A) of the SEBI Listing Regulations.   |
| Shares held in the Company along with the % of shareholding as on March 31, 2024 | Nil  | As on March 31, 2024, Mr. Sekhsaria holds 5,68,66,072 equity shares of the Company constituting to 14.28% of the total paid up share capital of the Company.  |
| Relationship with other directors, manager and key managerial personnel (KMP)    | None   | Mr. Pulkit Sekhsaria, Non-Executive Director of the Company is relative (son) of Mr. Narotam Sekhsaria.   |
| No. of Board Meetings attended during the financial year 2023-24                 | 4 out of 4   | 1 out of 4  |
| Directorships held in other bodies corporate                                     | <ul style="list-style-type: none"> <li>JM Financial Products Limited</li> <li>JM Financial Asset Management Limited</li> <li>JM Financial Home Loans Limited</li> <li>Sunteck Realty Limited</li> </ul>  | <ul style="list-style-type: none"> <li>Radha Madhav Investments Private Limited</li> <li>Ambuja Cement Foundation</li> <li>Narotam Sekhsaria Foundation</li> </ul>  |



| Name of the Director   | Mr. V P Shetty<br>(DIN: 00021773)  | Mr. Narotam Sekhsaria<br>(DIN: 00276351) |
|--|--|--|
| Membership/<br>Chairmanships of<br>Committees held<br>in other companies<br>excluding foreign<br>companies (only audit<br>and stakeholders'<br>relationship<br>committee has been<br>considered) | <b>Memberships</b><br><br><b>Audit Committee</b> <ul style="list-style-type: none"> <li>JM Financial Asset Management Limited</li> <li>JM Financial Home Loans Limited</li> </ul> <b>Chairmanships</b><br><b>Stakeholders' Relationship Committee</b><br>JM Financial Products Limited | None                                     |
| Details of<br>remuneration paid<br>during the financial<br>year 2023-24  | Sitting Fees: ₹ 7,15,000   | Sitting Fees: ₹ 50,000                   |
| Remuneration sought<br>to be paid  | Sitting Fees and Commission  | Sitting Fees and Commission              |

## Annexure A to Notice

### DISCLOSURE OF THE DETAILS OF THE PROPOSED TRANSACTIONS/CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES AS REQUIRED UNDER SEBI CIRCULAR DATED NOVEMBER 22, 2021

#### 1. JM Financial Limited

| Sr. No. | Description   | Particulars   |
|---------|---|---|
| 1.      | Name of the related party   | JM Financial Limited (the “JMFL”)   |
| 2.      | Nature of relationship  | Holding Company   |
| 3.      | Concern or interest of the related party (financial/otherwise)  | Financial   |
| 4.      | Type of the proposed transactions/ contracts/arrangements   | a) Availing of loans including Inter Corporate Borrowings and/or giving of guarantees and/or selling of any securities<br>b) Issuance of securities<br>c) Fees for advisory services<br>d) Support Services Fees<br>e) Charges in relation to common services<br>f) Rating Support Fees<br>g) Reimbursement of expenses<br>h) Reimbursement of stock options<br>i) Recovery of cost in relation to use of office premises<br>j) Acquisition/transfer of fixed assets/liabilities pertaining to the employees, if any, at the value appearing in the books of account of Company/related party |
| 5.      | Nature, material terms and particulars of transactions/contracts/arrangements   | As mentioned in the justification paragraph in the statement annexed to this Notice under item nos. 6 to 14.  |
| 6.      | Tenure of the proposed transactions/ contracts/arrangements   | Will be decided at the time of entering into the transaction(s).  |
| 7.      | Value of the proposed transactions/ contracts/arrangements  | The aggregate outstanding value of all such transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 750 crore (Rupees Seven Hundred and Fifty Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “AGM”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.   |
| 8.      | Percentage of Company’s annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2023-24)                 | 219%  |
| 9.      | Percentage calculated on the basis of the JMFL’s annual turnover on a standalone basis (Based on turnover of financial year 2023-24)  | 104%  |
| 10.     | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders | Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.   |
| 11.     | Source of funds in connection with Loans/ ICDs/Advances/Investments   | Not Applicable  |
| 12.     | Any other information that may be relevant  | All important information forms part of the justification paragraph in the statement annexed to this Notice.  |





## 2. JM Financial Products Limited

| Sr. No. | Description   | Particulars  |
|---------|---|--|
| 1.      | Name of the related party   | JM Financial Products Limited (the “JMFPPL”)   |
| 2.      | Nature of relationship  | Fellow Subsidiary  |
| 3.      | Concern or interest of the related party (financial/otherwise)  | Financial  |
| 4.      | Type of the proposed transactions/ contracts/arrangements   | a) Availing of loans including Inter Corporate Borrowings and/or giving of guarantees and/or selling of any securities<br>b) Issuance of securities<br>c) Receipt of Management fees<br>d) Support Service Fees<br>e) Acquisition/transfer of fixed assets/liabilities pertaining to the employees, if any, at the value appearing in the books of account of Company/related party<br>f) Reimbursement of expenses<br>g) Charges in relation to common services |
| 5.      | Nature, material terms and particulars of transactions/contracts/arrangements   | As mentioned in the justification paragraph in the statement annexed to this Notice under item nos. 6 to 14.   |
| 6.      | Tenure of the proposed transactions/ contracts/arrangements   | Will be decided at the time of entering into the transaction(s).   |
| 7.      | Value of the proposed transactions/ contracts/arrangements  | The aggregate outstanding value of all such transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 750 crore (Rupees Seven Hundred and Fifty Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “AGM”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.  |
| 8.      | Percentage of Company’s annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2023-24)                 | 219%   |
| 9.      | Percentage calculated on the basis of the JMFPPL’s annual turnover on a standalone basis (Based on turnover of financial year 2023-24)  | 64%  |
| 10.     | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders | Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.  |
| 11.     | Source of funds in connection with Loans/ ICDs/Advances/Investments   | Not Applicable   |
| 12.     | Any other information that may be relevant  | All important information forms part of the justification paragraph in the statement annexed to this Notice.   |

### 3. JM Financial Credit Solutions Limited

| Sr. No. | Description   | Particulars  |
|---------|---|--|
| 1.      | Name of the related party   | JM Financial Credit Solutions Limited (the “JMFCSL”)   |
| 2.      | Nature of relationship  | Fellow Subsidiary  |
| 3.      | Concern or interest of the related party (financial/otherwise)  | Financial  |
| 4.      | Type of the proposed transactions/ contracts/arrangements   | a) Availing of loans including Inter Corporate Borrowings and/or giving of guarantees and/or selling of any securities<br>b) Issuance of securities<br>c) Receipt of Management fees<br>d) Acquisition/transfer of fixed assets/liabilities pertaining to the employees, if any, at the value appearing in the books of account of Company/related party |
| 5.      | Nature, material terms and particulars of transactions/contracts/arrangements   | As mentioned in the justification paragraph in the statement annexed to this Notice under item nos. 6 to 14.   |
| 6.      | Tenure of the proposed transactions/ contracts/arrangements   | Will be decided at the time of entering into the transaction(s).   |
| 7.      | Value of the proposed transactions/ contracts/arrangements  | The aggregate outstanding value of all such transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 1,000 crore (Rupees One Thousand Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “AGM”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.     |
| 8.      | Percentage of Company's annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2023-24)                 | 292%   |
| 9.      | Percentage calculated on the basis of the JMFCSL's annual turnover on a standalone basis (Based on turnover of financial year 2023-24)  | 77%  |
| 10.     | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders | Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.  |
| 11.     | Source of funds in connection with Loans/ ICDs/Advances/Investments   | Not Applicable   |
| 12.     | Any other information that may be relevant  | All important information forms part of the justification paragraph in the statement annexed to this Notice.   |



#### 4. JM Financial Services Limited

| Sr. No. | Description   | Particulars  |
|---------|---|--|
| 1.      | Name of the related party   | JM Financial Services Limited (the “JMFSL”)  |
| 2.      | Nature of relationship  | Fellow Subsidiary  |
| 3.      | Concern or interest of the related party (financial/otherwise)  | Financial  |
| 4.      | Type of the proposed transactions/ contracts/arrangements   | a) Issue of Non-Convertible Debentures<br>b) Availing of loans including Inter Corporate Borrowings and/or giving of guarantees and/or selling of any securities<br>c) Issuance of securities<br>d) Providing/availing of any services<br>e) Placement/Arranger fees<br>f) Acquisition/transfer of fixed assets/liabilities pertaining to the employees, if any, at the value appearing in the books of account of Company/related party |
| 5.      | Nature, material terms and particulars of transactions/contracts/arrangements   | As mentioned in the justification paragraph in the statement annexed to this Notice under item nos. 6 to 14.   |
| 6.      | Tenure of the proposed transactions/ contracts/arrangements   | Will be decided at the time of entering into the transaction(s).   |
| 7.      | Value of the proposed transactions/ contracts/arrangements  | The aggregate outstanding value of all such transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 550 crore (Rupees Five Hundred and Fifty Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “AGM”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26.   |
| 8.      | Percentage of Company’s annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2023-24)                 | 160%   |
| 9.      | Percentage calculated on the basis of the JMFSL’s annual turnover on a standalone basis (Based on turnover of financial year 2023-24)   | 61%  |
| 10.     | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders | Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.  |
| 11.     | Source of funds in connection with Loans/ ICDs/Advances/Investments   | Not Applicable   |
| 12.     | Any other information that may be relevant  | All important information forms part of the justification paragraph in the statement annexed to this Notice.   |

## 5. JM Financial Home Loans Limited

| Sr. No. | Description   | Particulars   |
|---------|---|---|
| 1.      | Name of the related party   | JM Financial Home Loans Limited (the “JM FHL”)  |
| 2.      | Nature of relationship  | Fellow Subsidiary   |
| 3.      | Concern or interest of the related party (financial/otherwise)  | Financial   |
| 4.      | Type of the proposed transactions/ contracts/arrangements   | a) Availing of loans including Inter Corporate Borrowings and/or giving of guarantees and/or selling of any securities<br>b) Issuance of securities<br>c) Recovery of expenses  |
| 5.      | Nature, material terms and particulars of transactions/contracts/arrangements   | As mentioned in the justification paragraph in the statement annexed to this Notice under item nos. 6 to 14.  |
| 6.      | Tenure of the proposed transactions/ contracts/arrangements   | Will be decided at the time of entering into the transaction(s).  |
| 7.      | Value of the proposed transactions/ contracts/arrangements  | The aggregate outstanding value of all such transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 100 crore (Rupees One Hundred Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “AGM”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26. |
| 8.      | Percentage of Company's annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2023-24)                 | 29%   |
| 9.      | Percentage calculated on the basis of the JM FHL's annual turnover on a standalone basis (Based on turnover of financial year 2023-24)  | 41%   |
| 10.     | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders | Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.   |
| 11.     | Source of funds in connection with Loans/ ICDs/Advances/Investments   | Not Applicable  |
| 12.     | Any other information that may be relevant  | All important information forms part of the justification paragraph in the statement annexed to this Notice.  |





## 6. JM Financial Properties and Holdings Limited

| Sr. No. | Description   | Particulars   |
|---------|---|---|
| 1.      | Name of the related party   | JM Financial Properties and Holdings Limited (the “JMFPHL”)   |
| 2.      | Nature of relationship  | Fellow Subsidiary   |
| 3.      | Concern or interest of the related party (financial/otherwise)  | Financial   |
| 4.      | Type of the proposed transactions/ contracts/arrangements   | a) Availing of loans including Inter Corporate Borrowings and/or giving of guarantees and/or selling of any securities<br>b) Issuance of securities<br>c) Recovery of cost in relation to use of office premises<br>d) Reimbursement of expenses  |
| 5.      | Nature, material terms and particulars of transactions/contracts/arrangements   | As mentioned in the justification paragraph in the statement annexed to this Notice under item nos. 6 to 14.  |
| 6.      | Tenure of the proposed transactions/ contracts/arrangements   | Will be decided at the time of entering into the transaction(s).  |
| 7.      | Value of the proposed transactions/ contracts/arrangements  | The aggregate outstanding value of all such transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 200 crore (Rupees Two Hundred Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “AGM”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26. |
| 8.      | Percentage of Company's annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2023-24)                 | 58%   |
| 9.      | Percentage calculated on the basis of the JMFPHL's annual turnover on a standalone basis (Based on turnover of financial year 2023-24)  | 310%  |
| 10.     | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders | Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.   |
| 11.     | Source of funds in connection with Loans/ ICDs/Advances/Investments   | Not Applicable  |
| 12.     | Any other information that may be relevant  | All important information forms part of the justification paragraph in the statement annexed to this Notice.  |

## 7. JM Financial Asset Management Limited

| Sr. No. | Description   | Particulars  |
|---------|---|--|
| 1.      | Name of the related party   | JM Financial Asset Management Limited (the “ <b>JMFAML</b> ”)  |
| 2.      | Nature of relationship  | Fellow Subsidiary  |
| 3.      | Concern or interest of the related party (financial/otherwise)  | Financial  |
| 4.      | Type of the proposed transactions/ contracts/arrangements   | a) Availing of loans including Inter Corporate Borrowings and/or giving of guarantees and/or selling of any securities<br>b) Issuance of securities  |
| 5.      | Nature, material terms and particulars of transactions/contracts/arrangements   | As mentioned in the justification paragraph in the statement annexed to this Notice under item nos. 6 to 14.   |
| 6.      | Tenure of the proposed transactions/ contracts/arrangements   | Will be decided at the time of entering into the transaction(s).   |
| 7.      | Value of the proposed transactions/ contracts/arrangements  | The aggregate outstanding value of all such transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 200 crore (Rupees Two Hundred Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “ <b>AGM</b> ”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26. |
| 8.      | Percentage of Company’s annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2023-24)                 | 58%  |
| 9.      | Percentage calculated on the basis of the JMFAML’s annual turnover on a standalone basis (Based on turnover of financial year 2023-24)  | 1,352%   |
| 10.     | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders | Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.  |
| 11.     | Source of funds in connection with Loans/ ICDs/Advances/Investments   | Not Applicable   |
| 12.     | Any other information that may be relevant  | All important information forms part of the justification paragraph in the statement annexed to this Notice.   |

**8. CR Retail Malls (India) Limited**

| Sr. No. | Description   | Particulars   |
|---------|---|---|
| 1.      | Name of the related party   | CR Retail Malls (India) Limited (the “CR Retail Malls”)   |
| 2.      | Nature of relationship  | Fellow Subsidiary   |
| 3.      | Concern or interest of the related party (financial/otherwise)  | Financial   |
| 4.      | Type of the proposed transactions/ contracts/arrangements   | a) Availing of loans including Inter Corporate Borrowings and/or giving of guarantees and/or selling of any securities<br>b) Issuance of securities   |
| 5.      | Nature, material terms and particulars of transactions/contracts/arrangements   | As mentioned in the justification paragraph in the statement annexed to this Notice under item nos. 6 to 14.  |
| 6.      | Tenure of the proposed transactions/ contracts/arrangements   | Will be decided at the time of entering into the transaction(s).  |
| 7.      | Value of the proposed transactions/ contracts/arrangements  | The aggregate outstanding value of all such transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 100 crore (Rupees One Hundred Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “AGM”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26. |
| 8.      | Percentage of Company’s annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2023-24)                 | 29%   |
| 9.      | Percentage calculated on the basis of the CR Retail Malls annual turnover on a standalone basis (Based on turnover of financial year 2023-24)   | 411%  |
| 10.     | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders | Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.   |
| 11.     | Source of funds in connection with Loans/ ICDs/Advances/Investments   | Not Applicable  |
| 12.     | Any other information that may be relevant  | All important information forms part of the justification paragraph in the statement annexed to this Notice.  |

## 9. Astute Investments

| Sr. No. | Description   | Particulars  |
|---------|---|--|
| 1.      | Name of the related party   | Astute Investments (the “Astute”)  |
| 2.      | Nature of relationship  | Related Party  |
| 3.      | Concern or interest of the related party (financial/otherwise)  | Financial  |
| 4.      | Type of the proposed transactions/ contracts/arrangements   | a) Issue of Non-Convertible Debentures<br>b) Availing of loans including Inter Corporate Borrowings and/or giving of guarantees and/or selling of any securities<br>c) Issuance of securities  |
| 5.      | Nature, material terms and particulars of transactions/contracts/arrangements   | As mentioned in the justification paragraph in the statement annexed to this Notice under item nos. 6 to 14.   |
| 6.      | Tenure of the proposed transactions/ contracts/arrangements   | Will be decided at the time of entering into the transaction(s).   |
| 7.      | Value of the proposed transactions/ contracts/arrangements  | The aggregate outstanding value of all such transactions/contracts/arrangements shall not, at any point of time, exceed ₹ 550 crore (Rupees Five Hundred Fifty Crore only) from the conclusion of the Seventeenth Annual General Meeting (the “AGM”) until the conclusion of the Eighteenth AGM of the Company to be held in the financial year 2025-26. |
| 8.      | Percentage of Company's annual consolidated turnover for immediately preceding financial year represented by the value of proposed transaction (Based on consolidated turnover of financial year 2023-24)                 | 160%   |
| 9.      | Percentage calculated on the basis of the Astute's annual turnover on a standalone basis (Based on turnover of financial year 2023-24)  | Not Applicable   |
| 10.     | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders | Confirmatory Report is/will be obtained from the internal auditors on a periodical basis.  |
| 11.     | Source of funds in connection with Loans/ ICDs/Advances/Investments   | Not Applicable   |
| 12.     | Any other information that may be relevant  | All important information forms part of the justification paragraph in the statement annexed to this Notice.   |

**Annexure B to Notice****DISCLOSURE OF THE DETAILS AS REQUIRED UNDER SCHEDULE V TO THE COMPANIES ACT, 2013****I. General Information**

| Sr. No.  | Description   | Particulars   |            |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
|--|---|---|------------|------------|------------|------------|--------------|--------|--------|--------|--|--------|----------|---------|--------------------------|--------|----------|----------|-----------------------------|--------|----------|----------|--|------------|------------|------------|--------------|--------|--------|--------|--|--------|----------|---------|--------------------------|--------|----------|----------|-----------------------------|--------|----------|----------|
| 1.   | Nature of Industry  | The Company is an Asset Reconstruction Company, registered with the Reserve Bank of India, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002. We are engaged in the business of acquisition of stressed assets from the banks/financial institutions and implementing resolution strategies for such acquired assets.   |            |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| 2.   | Date or expected date of commencement of commercial production  | The Company is in the business since September 23, 2008.  |            |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| 3.   | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable  |            |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| 4.   | Financial Performance based on key indicators   | <div><b>Standalone Financial Performance</b></div> <div>(₹ in crore)</div> <table><tr><th></th><th>FY 2021-22</th><th>FY 2022-23</th><th>FY 2023-24</th></tr><tr><td>Total Income</td><td>511.01</td><td>234.70</td><td>358.95</td></tr><tr><td>Profit/(Loss) before exceptional items and tax</td><td>230.20</td><td>(204.67)</td><td>(84.33)</td></tr><tr><td>Profit/(Loss) before tax</td><td>230.20</td><td>(204.67)</td><td>(931.19)</td></tr><tr><td>Net Profit/(Loss) after tax</td><td>171.90</td><td>(154.93)</td><td>(942.44)</td></tr></table> <div><b>Consolidated Financial Performance</b></div> <div>(₹ in crore)</div> <table><tr><th></th><th>FY 2021-22</th><th>FY 2022-23</th><th>FY 2023-24</th></tr><tr><td>Total Income</td><td>519.43</td><td>218.89</td><td>343.91</td></tr><tr><td>Profit/(Loss) before exceptional items and tax</td><td>230.31</td><td>(193.62)</td><td>(87.74)</td></tr><tr><td>Profit/(Loss) before tax</td><td>230.31</td><td>(193.62)</td><td>(934.60)</td></tr><tr><td>Net Profit/(Loss) after tax</td><td>171.99</td><td>(146.66)</td><td>(945.01)</td></tr></table> |            | FY 2021-22 | FY 2022-23 | FY 2023-24 | Total Income | 511.01 | 234.70 | 358.95 | Profit/(Loss) before exceptional items and tax | 230.20 | (204.67) | (84.33) | Profit/(Loss) before tax | 230.20 | (204.67) | (931.19) | Net Profit/(Loss) after tax | 171.90 | (154.93) | (942.44) |  | FY 2021-22 | FY 2022-23 | FY 2023-24 | Total Income | 519.43 | 218.89 | 343.91 | Profit/(Loss) before exceptional items and tax | 230.31 | (193.62) | (87.74) | Profit/(Loss) before tax | 230.31 | (193.62) | (934.60) | Net Profit/(Loss) after tax | 171.99 | (146.66) | (945.01) |
|  | FY 2021-22  | FY 2022-23  | FY 2023-24 |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| Total Income                                   | 511.01  | 234.70  | 358.95     |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| Profit/(Loss) before exceptional items and tax | 230.20  | (204.67)  | (84.33)    |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| Profit/(Loss) before tax                       | 230.20  | (204.67)  | (931.19)   |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| Net Profit/(Loss) after tax                    | 171.90  | (154.93)  | (942.44)   |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
|  | FY 2021-22  | FY 2022-23  | FY 2023-24 |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| Total Income                                   | 519.43  | 218.89  | 343.91     |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| Profit/(Loss) before exceptional items and tax | 230.31  | (193.62)  | (87.74)    |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| Profit/(Loss) before tax                       | 230.31  | (193.62)  | (934.60)   |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| Net Profit/(Loss) after tax                    | 171.99  | (146.66)  | (945.01)   |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |
| 5.   | Foreign Investment or Collaborators, if any   | As on March, 31, 2024, Valiant Mauritius Partners FDI Limited is holding 3,35,50,551 equity shares representing 8.42% of the paid up capital of the Company.  |            |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |  |            |            |            |              |        |        |        |  |        |          |         |                          |        |          |          |                             |        |          |          |



## II. Information about the Directors

### 1. Background details of the directors to whom Commission is being proposed to be paid:

| Sr. No. | Name of the Director    | Background  |
|---------|-------------------------|---|
| 1.      | Mr. V P Shetty          | Mr. V P Shetty is an authority in Commercial Banking, Mergers and Acquisitions in Banking, Corporate Governance and Turnaround Management especially in Public Sector. He has had an illustrious Banking career spanning almost four decades.   |
| 2.      | Mr. Narotam Sekhsaria   | Mr. Narotam Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. In a career spanning over 40 years, Mr. Sekhsaria has re-defined cement industry practices from a commodity into a brand.   |
| 3.      | Mr. Pulkit Sekhsaria    | Mr. Pulkit Sekhsaria has undertaken management courses at Wharton, Indian School of Business, London Business School and INSEAD. In the year 1996, he became a Whole Time Director on the Board of Ambuja Cements Limited. He was instrumental in execution and management of three terminals Mumbai, Surat and Muldwarka (import and export terminal) and the Shipping Division.   |
| 4.      | Ms. Rupa Vora           | Mrs. Rupa Vora was the Group Director & CFO - IDFC Alternatives for more than a decade and earlier, CFO of the Indian operations of Antwerp Diamond Bank N.V. and KBC Bank N.V. She was also associated with Calyon Bank and Oman International Bank S.A.O.G. Before joining the corporate world, she ran an independent practice as a Chartered Accountant for almost a decade.  |
| 5.      | Dr. Vijay Kelkar        | Dr. Vijay Kelkar has held many senior level positions in the Government of India including the most recent position as the Chairman of the Finance Commission; Advisor to Minister of Finance; Finance Secretary, Government of India; Secretary of Ministry of Petroleum & Natural Gas and Chairman of the Tariff Commission   |
| 6.      | Mr. Ameet Desai         | Mr. Ameet Desai was the Advisor to Chairman at the Adani Group and has industry expertise in sectors such as ports, thermal energy, transmission, renewables and pharma. During his fifteen years at Adani, he successfully led 2 public issues and a QIP raising over US\$ 2 bn, and mobilized over US\$ 350 mn in private equity. He also raised over US\$ 10 bn domestic and international loans and bonds.  |
| 7.      | Mr. Satish Chand Mathur | In his long public service of nearly 37 years, Mr. Satish Chand Mathur has held various sensitive and challenging assignments such as Superintendent of Police of highly communally fragile district of Aurangabad, Joint Commissioner of Police, Traffic, Mumbai City, Commissioner of Police, Pune, Director General of Anti-Corruption Bureau, Maharashtra culminating at the helm of an over 2.25 lakh force of Maharashtra Police. Moreover, he served the Central Government, i.e. the Central Bureau of Investigation from 1996 to 2003 and held the post of Director, Security, Air India, Director Vigilance and Executive Director, Ground Handling, Air India from 2007 to 2012. |
| 8.      | Mr. Munesh Khanna       | Mr. Munesh Khanna is well founded in accounting, extensive understanding of tax and corporate affairs, an expert in corporate finance as well as strategy and business restructuring. He has been involved in complex transactions in India, such as restructuring of Enron Dabhol Power company, restructuring and subsequent privatization of DOT etc.  |

**2. Past remuneration:**

Except for sitting fees for attending the meeting of the Board and Committee thereof and Commission, if any, no other remuneration is paid to the directors.

| Sr. No. | Name of the Director    | FY 2021-22  | FY 2022-23  | FY 2023-24 |
|---------|-------------------------|-------------|-------------|------------|
| 1.      | Mr. V P Shetty          | ₹ 14,50,000 | ₹ 15,30,000 | ₹ 7,15,000 |
| 2.      | Mr. Narotam Sekhsaria   | ₹ 8,00,000  | ₹ 7,00,000  | ₹ 50,000   |
| 3.      | Mr. Pulkit Sekhsaria    | ₹ 8,00,000  | ₹ 7,50,000  | ₹ 1,00,000 |
| 4.      | Ms. Rupa Vora           | ₹ 13,10,000 | ₹ 13,30,000 | ₹ 4,05,000 |
| 5.      | Dr. Vijay Kelkar        | ₹ 2,70,000  | ₹ 9,20,000  | ₹ 2,90,000 |
| 6.      | Mr. Ameet Desai         | ₹ 11,00,000 | ₹ 11,45,000 | ₹ 6,15,000 |
| 7.      | Mr. Satish Chand Mathur | ₹ 9,30,000  | ₹ 10,20,000 | ₹ 6,00,000 |
| 8.      | Mr. Munesh Khanna       | -           | ₹ 1,70,000  | ₹ 7,20,000 |

**3. Recognition or awards:** Industry stature and representation across several business/ industry forums of repute.

**4. Job profile and his suitability:** Considering the qualifications and excellent background of the Directors, they are well suited for the position in the Company.

**5. Remuneration proposed:** Not exceeding ₹ 32,00,000 for the financial year 2023-24 (excluding sitting fees).

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin):** The remuneration proposed is commensurate with the experience of the directors and comparable to the standards in the industry.

**7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**

None of the directors have any pecuniary relationship with the Company, other than their remuneration and are not related to any managerial personnel or other director.

**III. Other Information****1. Reason of loss or inadequate profits:**

The Company has recognised impairment loss/expected credit loss aggregating to ₹ 846.86 Crore (excluding tax) on fair valuation or investments in multiple trusts and loans related to one large account/exposure due to a change in resolution strategy/plan and events subsequent to the balance sheet date.

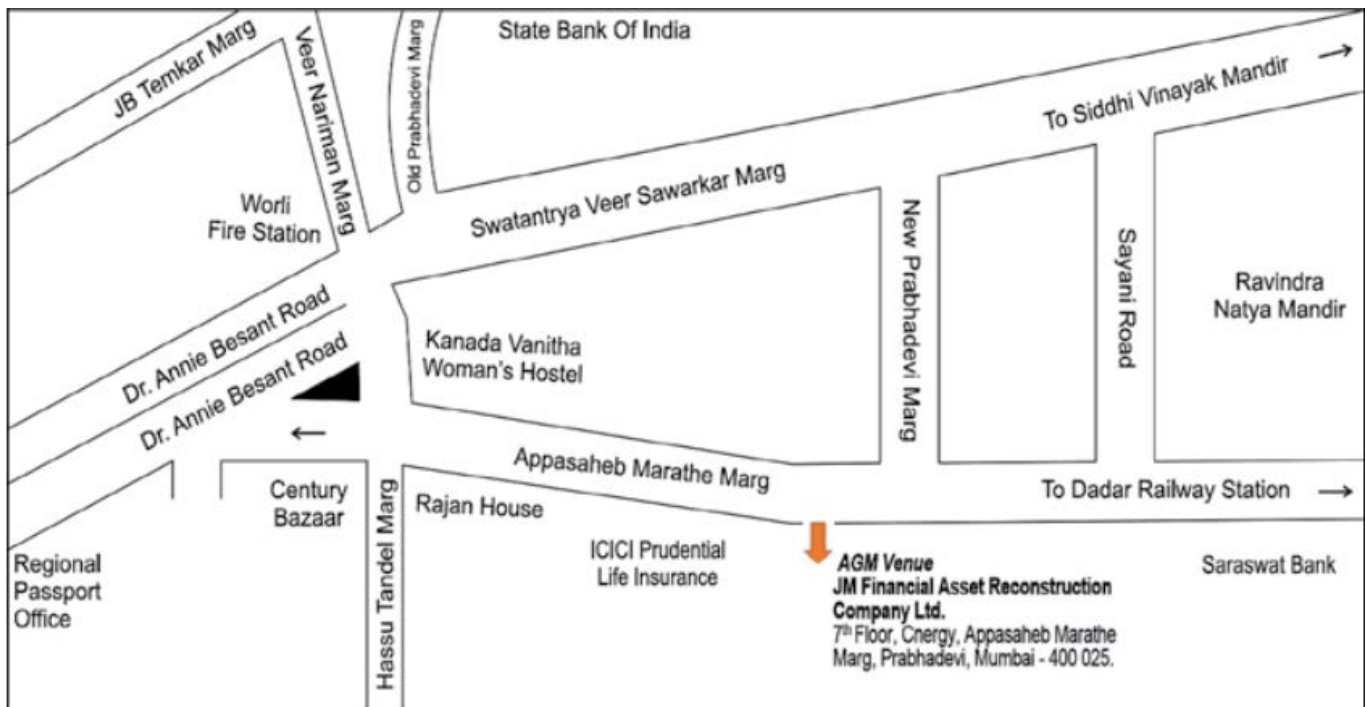
**2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

- Acquire retail portfolios as well as corporate accounts, both on SR basis and on cash basis; acquisitions on cash basis shall be based largely on a co-investment model, along with financial investors and strategic partners; and
- Complete the process of resolution of key single credit accounts as well as portfolios.

**IV. Other Disclosures**

The necessary disclosures required under Part IV of Section II of Part II of Schedule V to the Companies Act, 2013 are disclosed in the Corporate Governance Report to the extent applicable.

## ROUTE MAP FOR ANNUAL GENERAL MEETING VENUE





# Directors' Report

Dear Members,

The Board of Directors (the “**Board**”) is pleased to present the 17<sup>th</sup> Annual Report of the Company together with the audited financial statements for the financial year ended March 31, 2024.

## Financial Performance

The standalone and consolidated financial statements of the Company are prepared in accordance with the applicable provisions of the Companies Act, 2013 (the “**Act**”) including Indian Accounting Standards (Ind AS) as specified in Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and amendments thereof. The standalone and consolidated financial highlights of the Company for the financial year ended March 31, 2024, are summarised as follows:

(₹ in Crore)

| Particulars   | Consolidated    |                 | Standalone      |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | FY 2023-24      | FY 2022-23      | FY 2023-24      | FY 2022-23      |
| Gross Income  | 343.91          | 218.89          | 358.95          | 234.70          |
| Expenses  | 431.65          | 412.51          | 443.28          | 439.37          |
| <b>Profit/(Loss) before exceptional items and tax</b>                 | <b>(87.74)</b>  | <b>(193.62)</b> | <b>(84.33)</b>  | <b>(204.67)</b> |
| Exceptional items*  | (846.86)        | -               | (846.86)        | -               |
| <b>Profit/(Loss) after exceptional items</b>                          | <b>(934.60)</b> | <b>(193.62)</b> | <b>(931.19)</b> | <b>(204.67)</b> |
| Tax Expenses  |                 |                 |                 |                 |
| • Current Tax   | 40.95           | -               | 40.95           | -               |
| • Deferred tax  | (30.54)         | (46.96)         | (29.70)         | (49.74)         |
| <b>Profit/(Loss) after tax</b>  | <b>(945.01)</b> | <b>(146.66)</b> | <b>(942.44)</b> | <b>(154.93)</b> |
| Other Comprehensive Income  | (0.22)          | (0.15)          | (0.22)          | (0.15)          |
| <b>Total Comprehensive Income/(Loss)</b>                              | <b>(945.23)</b> | <b>(146.81)</b> | <b>(942.66)</b> | <b>(155.08)</b> |
| <b>Net Profit/(Loss) for the year attributable to</b>                 |                 |                 |                 |                 |
| Owners of the Parent  | (941.98)        | (154.47)        | -               | -               |
| Non-Controlling Interest  | (3.03)          | 7.81            | -               | -               |
| Other Comprehensive Income Attributable to owners of the parent       | (0.22)          | (0.15)          | -               | -               |
| <b>Total Comprehensive Income/(Loss) for the year attributable to</b> |                 |                 |                 |                 |
| Owners of the Parent  | (942.20)        | (154.62)        | -               | -               |
| Non-Controlling Interest  | (3.03)          | 7.81            | -               | -               |

\* During the year ended March 31, 2024, the Company has recognised impairment loss/expected credit loss aggregating ₹ 846.86 crore (excluding tax) on account of fair valuation of investments in multiple trusts and loans related to one large account/exposure due to a change in resolution strategy/plan and events subsequent to the balance sheet date. Considering the materiality and impact of the fair value loss and impairment provision on the financial performance of the Company, the same has been treated as an exceptional item in the statement of profit and loss.

## Key highlights of Consolidated Financial Performance

- Gross income of the Company for the financial year ended March 31, 2024 stood at ₹ 343.91 Crore as compared to ₹ 218.89 Crore in the previous year; and
- The total comprehensive income/(loss) attributable to owners of the parent for the said year stood at ₹ 942.20 Crore as compared to ₹ 154.62 Crore in the previous year.

The consolidated financials reflect the cumulative performance of the Company together with its Trusts where the Company has a controlling interest.

## Key highlights of Standalone Financial Performance

- Gross income of the Company for the financial year ended March 31, 2024 stood at ₹ 358.95 Crore as compared to ₹ 234.70 Crore in the previous year; and

- The total comprehensive income/(loss) for the said year is ₹ 942.66 Crore as compared to ₹ 155.08 Crore in the previous year.

The standalone and consolidated financial statements, together with the relevant documents and audited financial statements, pursuant to Section 136 of the Act, are available on the website of the Company at [www.jmfinancialarc.com/Home/FinancialInformation](http://www.jmfinancialarc.com/Home/FinancialInformation).

## General Reserve

The Company has not proposed to transfer any amount to the general reserve for the year ended March 31, 2024 on a standalone basis.

## Director's Report (Contd.)

### Dividend

Considering the Company's financial performance, the Board has not recommended any dividend for the financial year ended March 31, 2024.

### Material Changes and Commitments affecting the financial position of the Company

No material changes and commitments have occurred between the end of the financial year to which the financial statements relate and the date of this Report, which would affect the financial position of the Company.

### Share Capital

#### Rights Issue of Equity Shares

The Company, vide its letter of offer dated May 18, 2024 has issued and allotted 39,69,85,393 equity shares of face value of ₹ 10/- (Rupees Ten only) each at an issue price of ₹ 15/- (Rupees Fifteen only) per share for an amount aggregating upto ₹ 595.48 Crore on rights basis, in the ratio of 502 equity shares for every 300 equity shares. The issue opened on May 22, 2024 and closed on May 28, 2024. Consequently, on May 28, 2024, the Company allotted 35,73,66,435 equity shares to JM Financial Limited and 3,96,18,958 equity shares to JM Financial Credit Solutions Limited.

As a result, the issued, subscribed and paid-up equity share capital of the Company increased from ₹ 398,32,55,370 (comprising 39,83,25,537 equity shares of face value of ₹ 10/- each) to ₹ 795,31,09,300 (comprising 79,53,10,930 equity shares of face value of ₹ 10/- each).

The authorised, issued, subscribed and paid-up share capital of the Company, stood as below:

| Share Capital                                | Amount   |
|--|--|
| Authorised Share Capital                     | ₹ 2,000 Crore (Rupees Two Thousand Crore Only) comprising of:<br>1,85,00,00,000 equity shares of ₹ 10/- each<br>15,00,00,000 preference shares of ₹ 10/- each                |
| Issued, Subscribed and Paid-up share capital | ₹ 795.31 Crore divided into 79,53,10,930 (Seventy Nine Crore Fifty Three Lakh Ten Thousand Nine Hundred Thirty) equity shares of ₹ 10/- (Rupees Ten only) each fully paid up |

The entire shareholding of the Company is in dematerialized form.

### Issuance of Optionally Convertible Debentures

The Company, vide its letter of offer dated March 1, 2024, offered and allotted up to 20,00,000 (Twenty Lakh) unsecured, unrated and unlisted Optionally Convertible Debentures ("OCDs") of the face value of ₹ 1,000/- (Rupees One Thousand only) each at an issue price of ₹ 1,000/- (Rupees One Thousand only) each for cash aggregating to ₹ 200,00,00,000/- (Rupees Two Hundred Crore only) to JM Financial Credit Solutions Limited on a preferential basis.

### Employees Stock Option Scheme

The Company's Employees' Stock Option Scheme (the "ESOP Scheme") is in compliance with Section 62(1)(b) of the Act read with the Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014.

The disclosure of information as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the financial year ended March 31, 2024 is set out in **Annexure I**. Additionally, the relevant disclosures in terms of Ind AS 102 relating to share based payment, forms part of note 45 of the notes to the standalone financial statements and note 39 of the notes to the consolidated financial statements of the Company.

### Deposits

The Company being a Non-Banking Financial Company has neither invited nor accepted any deposits from the public and as such, no amount of principal or interest on deposits from public, falling within the ambit of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, was outstanding during the financial year 2023-24.

The Company shall not accept any public deposits during the financial year 2024-25 without the prior written approval of Reserve Bank of India (the "RBI").

### Subsidiary Company

As on March 31, 2024, the Company did not have any subsidiary company.





## Credit Rating

The Company enjoys the following credit rating facilities for its borrowing instruments:

| Means of Borrowings                                      | Rating Agency | Rating assigned   | Outlook |
|--|---------------|-------------------|---------|
| Commercial Papers  | ICRA          | ICRA A1+          | -       |
|  | CRISIL        | CRISIL A1+        | -       |
| Non-Convertible Debentures                               | ICRA          | ICRA AA-/         | Stable  |
|  | CRISIL        | CRISIL AA-        | Stable  |
| Long term Market Linked Debentures (principal protected) | ICRA          | PP-MLD [ICRA] AA- | Stable  |
| Bank Lines   | ICRA          | ICRA AA-          | Stable  |
|  | CRISIL        | CRISIL AA-        | Stable  |

The above credit ratings indicate a very strong degree of safety with regards to timely payment of financial obligations.

## Overview of the Indian Economy

Fiscal year 2024 had its own set of challenges, ranging from geo-political issues to supply side disruptions in the Red Sea, but economic growth continued to be robust, most notably in the US. However, India's growth scenario continued to be robust while the disinflationary phase was shallower when compared to developed economies in FY24. This guided domestic monetary policy to be actively disinflationary; RBI held the policy rates at restrictive levels of 6.5% since February 2023 while effectively modulating the liquidity situation.

As per the RBI's Financial Stability Report of December 2023, asset quality for the banking sector continued its improving trend with Gross Non-Performing Assets (GNPA). The report also highlights that banks/NBFCs have experienced robust credit growth.

It is estimated that credit growth will lead to an expected rise in GNPA's for certain asset classes, potentially increasing the supply of stressed loans to ARCs. NBFCs may also engage in early-stage actions by selling SMA-2 loans, further contributing to the supply base for ARCs.

## Overview of Business Performance of the Company

During the year, we continued to diversify our portfolio to acquire retail assets, reducing concentration risk and enhancing resilience against sector-specific challenges. We acquired dues of ₹ 4,255 Crore and recorded our highest ever Assets Under Management (AUM) of ₹ 15,114 Crore in September 2023.

The recoveries stood strong at ₹ 2,855 Crore (₹ 1,067 crore as of March 31, 2023), an increase of 168%. Security Receipts worth ₹ 1,303 Crore were redeemed during the year. The AUM stood at ₹ 14,500 Crore as on March 31, 2024. This AUM is well

diversified into multiple sectors. The outstanding contribution of JMFARC stood at ₹ 3,789 Crore as on March 31, 2024.

Till March 31, 2024, we have acquired total outstanding dues of ₹ 77,763 Crore at a gross consideration of ₹ 23,925 Crore. We have had 81 exits (trusts) spread across sectors which is a testimony to our strong expertise in resolving distressed assets.

We have built a strong expertise driven track record of over 15 years in this business. We have a team of professionals from diverse backgrounds who are experienced in stressed asset resolution, corporate debt restructuring, banking and bankruptcy. The team is also involved in financial and legal due diligence for acquisitions and resolutions. We also closely work with diverse sector-specific professionals and firms for revival of the acquired units.

We facilitate turnaround of our investee companies through initiatives like restructuring of debt, infusion of additional capital, streamlining of operations and liquidation of non-core assets. Recoveries are aligned with the expected cash flows of turnaround Companies so as to ensure that our Internal Rate of Return (IRR) expectations are met.

Our business priorities looking ahead:

- Acquire retail portfolios as well as corporate accounts, both on SR basis and on a cash basis; acquisitions on a cash basis shall be based on a co-investment model, along with financial investors and strategic partners; and
- Complete the process of resolution of key single credit accounts as well as portfolios.

## Director's Report (Contd.)

### Acquisition activities

A summary of the debts acquired during the year as compared to the previous financial year is given below:

|  | (₹ in Crore)  |               |
|--|---------------|---------------|
| Details of Financial Assets acquired by the Company                | FY 2023-24    | FY 2022-23    |
| <b>Dues acquired</b>   | <b>4,255</b>  | <b>9,751</b>  |
| Investment by the Company  | 582           | 882           |
| Issue of Security Receipts to other investors                      | 1,663         | 2,660         |
| <b>Total acquisition cost</b>                                      | <b>2,245</b>  | <b>3,542</b>  |
| Security Receipts buyout by the Company                            | 21            | -             |
| <b>Total outstanding dues acquired (Cumulative as on March 31)</b> | <b>77,763</b> | <b>73,508</b> |
| <b>Total gross acquisition cost (Cumulative as on March 31)</b>    | <b>23,925</b> | <b>21,680</b> |

### Resolution and Recovery activities

The summary of resolution of assets as compared to the previous financial year is given below:

|   | (₹ in Crore) |              |
|---|--------------|--------------|
| Details of Financial Assets resolved by the Company | FY 2023-24   | FY 2022-23   |
| Redemption of face value of Security Receipts       | 1,303        | 807          |
| <b>Total Recovery</b>                               | <b>2,855</b> | <b>1,067</b> |

### Assets under management

The synopsis of the category of the assets under management as on March 31, 2024 compared to the previous financial year is given below:

| Comparison of assets under management | As on March 31, 2024 | As on March 31, 2023 |
|---------------------------------------|----------------------|----------------------|
| Corporate Accounts                    | 8,204                | 8,586                |
| Portfolio Accounts                    | 3,881                | 2,119                |
| Retail Accounts                       | 2,415                | 2,853                |
| <b>Total</b>                          | <b>14,500</b>        | <b>13,558</b>        |

### Security Receipts issued and outstanding

The summary of Security Receipts (SRs) issued and outstanding as on March 31, 2024 as compared to the previous financial year is given below:

|   | (₹ in Crore)         |                      |
|---|----------------------|----------------------|
| SRs issued, redeemed and outstanding                    | As on March 31, 2024 | As on March 31, 2023 |
| Security Receipts issued during the year                | 2,245                | 3,542                |
| Security Receipts redeemed during the year              | 1,303                | 807                  |
| Security Receipts outstanding as at the end of the year | 14,500               | 13,558               |

Note: SRs were written off due to the trust closure amounting to ₹ 113 Crore during the FY 2022-23.

### Additional Priority Loan book

The Company provides additional priority financing/loans to borrowers for their business growth and working capital requirements. The loans disbursed by the Company and outstanding as on March 31, 2024 is ₹ 494 Crore as against ₹ 469 Crore in the previous year.

### Borrowings

The principal borrowings as per the consolidated financial statements of the Company for the financial year ended March 31, 2024 is ₹ 2,789 Crore as against ₹ 3,076 Crore in the previous year.

### Non-Convertible Debentures

During the financial year 2023-24, the Company raised an amount of ₹ 130 Crore through issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (the "NCDs") on private placement basis. The NCDs issued by the Company are listed on the Wholesale Debt Market Segment of BSE Limited.

During the year under review, the payment of interest and/or redemption amount on the NCDs, had been done by the Company on their respective due dates.

The net proceeds received from the above issuance were utilised in accordance with the terms of the respective transaction documents.

### Debenture Redemption Reserve

Pursuant to Section 71 of the Act and rules made thereunder, Debenture Redemption Reserve was not required to be created for debentures issued by a Non-Banking Financial Company.

### Commercial Papers (CPs)

During the year under review, the Company had not issued any Commercial Papers.

### Recovery Expense Fund

The Company has also created and maintained Recovery Expense Fund in terms of Regulation 11 of the Securities and Exchange Board of India (the "SEBI") (Issue and Listing of Non-Convertible Securities) Regulations, 2021, with respect to the NCDs issued by it.

### Lines from Banks and Financial Institutions

During the financial year 2023-24, the Company had availed fresh term loan from banks for an amount aggregating ₹ 70 Crore. An amount aggregating ₹ 425 Crore (including term loan availed in subsidiary trusts) remained outstanding by way of borrowing through various banks and financial institutions.



## Inter-Corporate Borrowings

During the year under review, the Company availed Inter-Corporate Borrowings of ₹ 798 Crore from its group companies. As on March 31, 2024, Inter-Corporate Borrowings of ₹ 257 Crore remained outstanding.

## Debt Equity Ratio, Capital Adequacy Ratio and Net worth

As of March 31, 2024, pursuant to the recognition of impairment loss/expected credit loss, the Company's debt-to-equity ratio has increased, while its capital adequacy ratio and net worth have decreased. However, after the rights issue amounting to ₹ 595.48 Crore, the Company's debt-to-equity ratio, capital adequacy ratio and net worth stands as follows:

| Particulars       | Pre rights issue | Post rights issue |
|-------------------|------------------|-------------------|
| Capital Adequacy  | 2.91%            | 20.80%            |
| Net Worth         | ₹ 592 Crore      | ₹ 1,188 Crore     |
| Debt Equity Ratio | 4.76             | 2.37              |

## Directors and Key Managerial Personnel

As on March 31, 2024, the Board of the Company comprises ten (10) directors viz., 5 (five) independent directors and 5 (five) non-executive directors including one (1) woman independent director.

### Retirement by rotation

In accordance with the applicable provisions of Section 152 of the Act, Mr. V P Shetty (DIN: 00021773), a non-executive director of the Company, being longest in office since his last appointment, retires by rotation at the forthcoming Annual General Meeting (the "AGM") of the Company. Being eligible, Mr. Shetty has offered himself for re-appointment as a director.

A resolution seeking his re-appointment along with the brief particulars as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India forms part of the Notice convening the 17<sup>th</sup> AGM of the Company.

None of the directors are disqualified from being appointed as 'Director', pursuant to Section 164 of the Act or under any other applicable laws. The Company has obtained a certificate from Shroff Negandhi and Associates LLP, Company Secretaries, that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs (the "MCA") or any such statutory authorities as on March 31, 2024. A copy of the said certificate is forming part of Corporate Governance Report, which forms part of this Report.

## Re-appointment of an Independent Director

### Dr. Vijay Kelkar

Based on the recommendation made by the Nomination and Remuneration Committee (the "NRC"), the Board at its meeting held on July 27, 2023 approved the re-appointment of Dr. Vijay Kelkar (DIN: 00011991) as an independent director of the Company for a second term of three (3) years, subject to approval from the RBI and the members at the general meeting of the Company. The RBI vide its letter dated October 26, 2023, has conveyed its no-objection to the re-appointment of Dr. Kelkar as an independent director on the Board of the Company.

At the Extraordinary General Meeting held on January 25, 2024, the members of the Company approved Dr. Kelkar's re-appointment as an independent director for a second term of three (3) years with effect from October 26, 2023.

### Mr. Ameet Desai

Based on the recommendation made by the NRC, the Board vide its resolution passed through circulation on January 8, 2024, approved the re-appointment of Mr. Ameet Desai (DIN: 00007116) as an independent director of the Company for a second term of two (2) years, subject to the approval from the RBI and the members at the general meeting of the Company. Application has been made to the RBI seeking its approval for re-appointment of Mr. Ameet Desai as an independent director of the Company. The approval of RBI is awaited.

### Mr. Satish Chand Mathur

Based on the recommendation made by the NRC, the Board vide its resolution passed through circulation on April 7, 2024, approved the re-appointment of Mr. Satish Chand Mathur (DIN: 03641285) as an independent director of the Company for a second term of five (5) consecutive years, subject to the approval from the RBI and the members at the general meeting of the Company. Application has been made to the RBI seeking its approval for re-appointment of Mr. Satish Chand Mathur as an independent director of the Company. The approval of RBI is awaited.

## Key Managerial Personnel

Mr. Anil Bhatia ceased to be the Chief Executive Officer (the "CEO") and a Key Managerial Personnel (the "KMP") of the Company with effect from close of business hours of May 15, 2023.

Mr. Srinivasan Viswanathan was appointed as the CEO of the Company with effect from June 22, 2023.

## Director's Report (Contd.)

As on March 31, 2024, Mr. Srinivasan Viswanathan, CEO, Mr. Sabyasachi Ray, Chief Financial Officer and Mr. Vineet Singh, Company Secretary are the KMPs of the Company within the meaning of Section 2(51) read with Section 203(1) of the Act.

### Declaration by the Independent Directors

Pursuant to the provisions of Section 149 of the Act and SEBI Listing Regulations, the independent directors of the Company, have submitted the requisite declaration confirming that each of them meets the criteria of independence as prescribed under the Act read with rules made thereunder and the SEBI Listing Regulations and that they continue to comply with the Code of Conduct laid down under Schedule IV of the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties independently.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the independent directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs.

Accordingly, based on the said declarations and after reviewing and verifying its veracity, the Board is of the opinion that the independent directors are persons of integrity, possess relevant expertise, experience, proficiency, fulfil the conditions of independence specified in the Act and SEBI Listing Regulations and are independent of the management of the Company.

There has been no change in the circumstances affecting their status as independent directors of the Company. During the financial year 2023-24, the independent directors had no pecuniary relationships or transactions with the Company, except as disclosed in the Corporate Governance Report, which forms part of this Report.

### Declarations given by the Directors and Senior Management Personnel

The Company has adopted the Code of Conduct for its directors and senior management personnel (the “**Code of Conduct**”) in accordance with applicable provisions of the Act and the SEBI Listing Regulations. On an annual basis, all the Board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct.

### Fit and Proper declarations given by the Sponsors, Directors and the CEO

In accordance with the RBI Master Direction for Asset Reconstruction Companies, the Company has received the requisite annual declarations and undertaking from the sponsors, directors and the CEO of the Company.

### Board Meetings

Four (4) Board meetings were held during the year under review. The maximum interval between any two meetings did not exceed one hundred and twenty (120) days, as prescribed by the Act and the SEBI Listing Regulations. For further details, including the update on the Board, its composition, governance of committees, number of meetings held during the year and attendance of the Directors thereat, please refer to Corporate Governance Report, which forms part of this Report.

### Board Committees

In compliance with the statutory requirements, the Board has following committees:

1. Audit Committee;
2. Corporate Social Responsibility Committee;
3. Nomination and Remuneration Committee;
4. Issue and Allotment Committee;
5. Committee Constituted for Conversion of Debt into Shares;
6. Board Committee for Settlement Proposals;
7. Independent Advisory Committee;
8. Asset Acquisition Committee;
9. Asset Resolution Committee;
10. Executive Committee for Acquisitions and Resolutions;
11. Stakeholders' Relationship Committee;
12. Risk Management Committee;
13. Asset Liability Management Committee;
14. Committee for submission of resolution plan;
15. Independent Advisory Committee;
16. Wilful Defaulter - Identification Committee;
17. Wilful Defaulter - Review Committee.

Detailed note on the composition of the Board and its committees, including its terms of reference, meetings held and attendance of members, are provided in the Corporate



Governance Report. The composition and terms of reference of all the committees of the Board of the Company is in line with the provisions of the Act and SEBI Listing Regulations.

### Policy on Appointment of Directors and their Remuneration

The Company recognizes and values the importance of a diverse culture on its Board. It believes that diverse Board will enhance the quality of the decisions by leveraging different skills, qualifications, professional experience and gender. The Company has an eminent, high-performing and diverse board. In terms of the applicable provisions of Section 178(3) of the Act and Regulation 19(4) of the SEBI Listing Regulations, the Company has adopted the policies on 'Selection and Appointment of Directors' and 'Performance Evaluation and 'Remuneration of the Directors'. Both these policies are available on the website of the Company at [www.jmfinancialarc.com/Home/Policies](http://www.jmfinancialarc.com/Home/Policies).

The salient features of the policy on Performance Evaluation and Remuneration of the Directors along with the details of the remuneration and other matters have been disclosed at length in the Corporate Governance Report, which forms part of this Report.

### Evaluation of Board of Directors

The annual evaluation process of the Board, individual directors and Board committees was conducted in accordance with the provisions of the Act, SEBI Listing Regulations and RBI guidelines. The structured questionnaires on evaluation of performance of Board and its committees, were framed in accordance with the Policy on performance evaluation and remuneration of the Directors.

The evaluation process focused on various aspects of the Board and committees' functioning such as composition of the Board and its committees, experience and competencies, performance of specific duties, obligations, governance issues, attendance and contribution of individual directors and exercise of independent judgement.

Additionally, in accordance with the RBI Master Direction for ARCs, the performance evaluation of the Chief Executive Officer was also conducted by the NRC and the Board.

The questionnaires were circulated online through the secured application. Thereafter, the summary findings/recommendation received from the directors was discussed and reviewed by the NRC and the Board at their respective meetings.

The independent directors of the Company met separately at their meeting held on March 26, 2024, without the attendance of

non-independent directors and members of the management, reviewed the performance of non-independent directors, chairman and various committee of the Board and assessed the quality, quantity and timeliness of the flow of information between the Company's management and the Board.

The independent directors expressed their satisfaction on the performance of the non-independent directors of the Company and the Board as a whole and regarding the overall functioning of the Board committees for the financial year 2023-24.

### Directors' Responsibility Statement

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, the directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure has been made in following the same;
- (b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) internal financial controls to be followed by the Company had been laid down and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Certificate from the Chief Executive Officer and Chief Financial Officer

The certificate received from Mr. Srinivasan Viswanathan, the Chief Executive Officer and Mr. Sabyasachi Ray, the Chief Financial Officer with respect to the financial statements and other matters as required under Part B of Schedule II to the SEBI Listing Regulations, is forming part of Corporate Governance Report, which forms part of this Report.



## Director's Report (Contd.)

### Report on Corporate Governance

JM Financial Group's philosophy of Corporate Governance is built on a foundation of ethical business practices, transparency and trust in dealing with all stakeholders.

A report on Corporate Governance for the financial year 2023-24 along with certificate from the Secretarial Auditors of the Company certifying compliance with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, forms part of this Annual Report.

### Policies and Procedures

The Company conducts its business in a fair, transparent and ethical manner within the existing rules and regulations prescribed for ARCs. The Board of the Company has adopted/reviewed the following policies in accordance with the Act, the SEBI Listing Regulations, the SARFAESI Act, 2002 and the RBI guidelines.

### Financial Asset Acquisition Policy

The Financial Asset Acquisition Policy of the Company lays down the framework to acquire financial assets from banks/financial institutions in compliance with the RBI guidelines and is administered by the Asset Acquisition Committee.

### Financial Asset Resolution Policy

The Financial Asset Resolution Policy of the Company lays down the broad parameters for resolution of financial assets acquired by the Company and is administered by the Asset Resolution Committee.

### Investment Policy

The Investment Policy lays down a framework for deployment of funds of the Company with a view to optimise return on investments.

### Resource Planning/Borrowing Policy

The Resource Planning/Borrowing Policy lays down a broad framework for resource raising activities through various sources in a manner that ensures a strategic and smooth management of interest rate risk and liquidity risk.

### Policy for Issue of Security Receipts

The objective of the Policy for Issue of Security Receipts is to enable trusts established by the Company to issue security receipts for financing the purchase of financial assets and to lay down the broad guidelines for the issuance of security receipts.

### Credit Information Policy

The Company, being a member of credit information companies has in place a Credit Information Policy in accordance with the Credit Information Companies (Regulation) Act, 2005 and the rules/regulations made thereunder.

### Corporate Social Responsibility (CSR) Policy

The Company has adopted a CSR Policy in accordance with Section 135 of the Act. The CSR policy of the Company lists out the activities that can be undertaken or supported by the Company within the applicable provisions of the Act. Apart from the composition requirements of the CSR Committee, the CSR Policy, inter alia, lays down the criteria for selection of projects and areas, annual allocation, modalities of execution/implementation of activities, monitoring mechanism of CSR activities/projects as well as the formulation of annual action plan.

### Whistle Blower Policy

Pursuant to the provisions of Regulation 22 of the SEBI Listing Regulations and Section 177 of the Act, the Company has adopted a whistle blower policy/vigil mechanism for the directors, employees of the Company or any other person who avails the mechanism, to approach the Audit Committee of the Company and to report their genuine concerns related to the Company. The policy provides for adequate safeguards against victimisation of director(s) or employee(s) or any other person who report genuine concerns under the mechanism.

### Grievance Redressal Policy

The Company has adopted a Policy on Grievance Redressal for handling customer complaints/grievances.

### Policy on Insurance of Collateral

The Company has adopted a Policy on Insurance of Collateral laying down parameters and guidelines for insuring physical assets comprising the underlying security of stressed financial assets acquired by the Company.

### Policy on Conversion of Debt into Shares

The Company has adopted a Policy on Conversion of Debt into Shares laying down the broad parameters for conversion of debt into shares of the borrower company.

### Outsourcing Policy

The Company has adopted an Outsourcing Policy, inter-alia containing the selection of outsourcing activities as well



as service providers, delegation of authority depending on risks and materiality and systems to monitor and review the operations of these activities.

### **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Fair Disclosure Code”)**

The Company has adopted the Fair Disclosure Code to formulate a policy for fair disclosure of events and occurrences as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **Code for Prevention of Insider Trading**

The Company has adopted the Code for prevention of Insider Trading (the “Code”) to outline the policies and procedures to be followed by the Designated Persons as defined in this Code for handling unpublished price sensitive information and for trading in the securities of the Company.

### **Policy on Expected Credit Loss**

Pursuant to RBI guidelines on implementation of Ind AS, the Company has adopted a policy for computation of expected credit loss to cover the procedures and controls for assessing and measuring credit risk on additional loans, management fees, receivables and advances to trusts.

### **Fair Practices Code**

Pursuant to RBI guidelines on Fair Practices Code for ARCs, the Company has formulated the Fair Practices Code to ensure transparency and fairness in its operations.

### **Management Fees Policy**

Fair Practices Code guidelines issued by the RBI requires ARCs to establish a policy on the management fee, expenses and incentives, if any, claimed from trusts under management.

In terms of the said guidelines, the Company has formulated Management Fees Policy laying down process/model for charging management fee, expenses and recovery incentives claimed from the trusts under management.

### **Familiarisation Programme**

In compliance with the requirements of the SEBI Listing Regulations, the Company has a familiarisation programme for its independent directors to familiarise them with roles, duties, rights, responsibilities etc., in relation to the financial services sector and the business model of the Company. Details of such familiarisation programme imparted to independent directors

during the financial year 2023-24, are uploaded on the website of the Company.

As a part of the initial familiarisation programme, a formal letter of appointment is being issued by the Company to the independent directors outlining their role, functions, duties and responsibilities. The information deck given to the directors, as a part of induction programme, consists of the Company’s profile, key milestones, key business segments, nature of business activities, depth of management, its code and policies, business presentations, latest annual report, extract of the applicable provisions of the Act and the SEBI Listing Regulations pertaining to the code, duties and responsibilities of the independent directors.

### **Policy on Related Party Transactions**

In compliance with the requirements of the SEBI Listing Regulations, the Company has established a Policy on Related Party Transactions which sets out the process and manner of approval of transactions with related parties. The policy is also available on the website of the Company.

### **Policy on Succession Planning**

Succession planning is an essential component for the survival and growth of any business as it ensures continuity of business process. It provides a way to identify key roles, people with the right skills/talent and filling up the vacancy, as and when required.

The Company’s succession planning framework deliberates on various factors including current tenure of directors, anticipated vacancies in key Board and Senior Management positions, assessment of skills including skill-gaps, diversity, etc., to ensure orderly succession planning.

### **Policy for Preservation of Documents**

The Policy for Preservation of Documents provides necessary guidance for preservation, custody and disposal of documents maintained/filed by the Company and to have records for use in events of disputes, litigation, investigation, etc.

### **Policy on Selection and Appointment of Directors**

Pursuant to the provisions of Section 178 of the Act, the NRC of the Company is required to formulate the criteria for determining the qualifications, positive attributes and independence of a director proposed to be appointed as a director on the Board of the Company. This Policy records the criteria for selection and appointment of directors on the Board of the Company.

## Director's Report (Contd.)

### Policy on Performance Evaluation and Remuneration of Directors

The Policy on Performance Evaluation and Remuneration of the Directors has been framed for evaluating the performance of the Board as a whole, the Chairman, the Board committees, the CEO and the individual directors. Based on the same and pursuant to the provisions of Regulation 17(10) of the SEBI Listing Regulations and those of the Act, annual performance evaluation was carried out by the NRC of the Board during the financial year 2023-24. The same was then recommended to the Board. This policy aims to monitor and evaluate the attainment of the Board/committees/individual directors/CEO's objectives.

### Policy on Performance Evaluation and Remuneration Framework for the Key Managerial Personnel and other employees

The Company has adopted a policy to define the process for evaluation and determination of remuneration of key managerial personnel and other employees of the Company.

### Code of Conduct for Directors and Senior Management

In compliance with the requirements of the SEBI Listing Regulations, the Code of Conduct for Directors and Senior Management serves as a guide to the directors and senior management on the principles of integrity, transparency and business ethics and to set up standards for compliance of Corporate Governance. The Code of Conduct for Directors and Senior Management is uploaded on the website of the Company.

### Policy on Settlement of Dues

In compliance with the RBI guidelines for ARCs, the Company has adopted a Policy on Settlement of Dues.

### Policy on Submission of Resolution Plan

In compliance with the RBI guidelines for ARCs, the Company has adopted a Policy on Submission of Resolution Plan.

### Policy for filing of claim

The Company has adopted the policy for filing of claim specifying the process to be followed by investors for claiming their unclaimed amounts. The said policy is uploaded on the website of the Company.

### Internal policy for verification of claims

The Company has adopted an internal policy indicating the process to be followed for verification of claims including the documents to be taken into account, facility to check status of claim by investor, etc.

### Policy on DAKSH

The RBI has mandated the Company to put in place required policies and procedures for assuring usage of DAKSH in a secure and authorised manner. Accordingly, the Company has adopted the Policy on DAKSH to protect the contents shared/provided in DAKSH by RBI and the Company against unauthorised distribution or access.

### Know Your Customer/Anti-Money Laundering policy

The Know Your Customer/Anti-Money Laundering policy is adopted to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities including committing financial frauds, transferring or deposits of funds derived from criminal activity or from financing terrorism and to have an adequate procedure to identify and report such transactions to the Regulatory Authority.

### Statutory Auditors

The members of the Company had approved the appointment of M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No: 109983W) ("**Sharp & Tannan**"), as the Statutory Auditors of the Company, for a period of five (5) consecutive years from the conclusion of the 15<sup>th</sup> AGM until the conclusion of the 20<sup>th</sup> AGM of the Company be held in the financial year 2027-28.

Sharp & Tannan, the Statutory Auditors of the Company, have conducted the statutory audit for the financial year 2023-24.

### Auditor's Report

The Auditor's Report both on standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024 forms part of the Annual Report. The said report was issued by the Statutory Auditors with an unmodified opinion and does not contain any qualifications, reservations, adverse remarks or disclaimers. During the year under review, the Auditors have not reported any incidents of fraud to the Audit Committee under Section 143(12) of the Act. The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanation and comments.



## Secretarial Audit

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board based on the recommendation of the Audit Committee had appointed Shroff Negandhi and Associates LLP, Company Secretaries, (the “**Shroff Negandhi**”) as the Secretarial Auditor of the Company to conduct audit of the secretarial records for the financial year ended March 31, 2024.

The secretarial audit report is annexed as **Annexure II** and forms part of this Report. There are no qualifications, reservations, adverse remarks or disclaimers in the above secretarial audit report. Further, the Secretarial Auditors have not reported any fraud under Section 143(12) of the Act.

Pursuant to Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report of the Company issued by Shroff Negandhi, was submitted to BSE Limited within the statutory timelines.

## Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the MCA.

## Internal Auditors

The Board based on the recommendation of Audit Committee, had appointed M/s. Aneja Associates, Chartered Accountants, as the Internal Auditor of the Company for the financial year 2023-24 in accordance with the provisions of the Act.

## Debenture Trustee

SBICAP Trustee Company Limited is the Debenture Trustee for the NCDs issued by the Company.

## Registrar and Share Transfer Agents

KFin Technologies Limited acts as the Registrar and Share Transfer Agent of the Company.

## Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Act, the Board has constituted the Corporate Social Responsibility Committee (the “**CSR Committee**”). The brief terms of reference, details of its composition, particulars of meetings held and attendance thereat, are mentioned in the Corporate Governance Report, forming part of this Report.

The CSR Projects of the Company were in accordance with the activities specified under Schedule VII to the Act and a brief

overview on the same is available on the website of the Company at <https://www.jmfinancialarc.com/Home/CsrProjects>.

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “**CSR Rules**”) is annexed as **Annexure III** and forms an integral part of this Report.

The CSR policy outlines the activities that can be undertaken or supported by the Company within the applicable provisions of the Act and alignment of such activities as per the sustainable development goals principles. Apart from the composition requirements of the CSR committee, the CSR policy, inter alia, lays down the criteria for selection of projects and areas, annual allocation, modalities of execution/implementation of activities, monitoring mechanism of CSR activities/projects including the formulation of annual action plan. The CSR policy of the Company is available on the Company's website at [www.jmfinancialarc.com/Home/Policies](http://www.jmfinancialarc.com/Home/Policies).

The Chief Financial Officer of the Company has certified that the funds disbursed basis the annual action plan for the financial year 2023-24 have been utilised for the purpose and in the manner as approved by the Board.

## Risk Management

Risk management is an integral part of the Company's strategy for achieving the long-term goals. The Company is exposed to various internal and external risks including liquidity risk, interest rate risk, operational risk, market risk, credit risk, technology risk, regulatory and compliance risk, reputational risk, risk emanating from cyber security, legal risk, business continuity risk and competition risk, among others. Apart from the processes followed, the Company has a risk management policy in place to identify, assess, evaluate, manage and mitigate the risks that are encountered during the conduct of business activities, which may pose significant loss or threat to the Company.

The Risk Management Committee of the Board has been entrusted with the responsibility of reviewing the risk management process in the Company. The Committee also reviews the cyber security function, assess various risks and ensures that the risks are brought within acceptable limits. The Audit Committee has an additional oversight in the area of financial risks and controls.

## Internal Financial Control Systems and its Adequacy

The Company has in place adequate and effective internal financial controls with reference to the financial statements that are commensurate with the size, scale and complexity of its operations.

## Director's Report (Contd.)

The Board has adopted accounting policies which are in accordance with Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. It provides reasonable assurance in respect of financial and operational information, compliance with applicable statutes safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and also ensuring compliance with the Company's policies.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and are also apprised of the internal audit findings and corrective actions.

The Statutory Auditors and the Internal Auditors of the Company also provide their confirmation that the internal financial controls framework is operating effectively.

The Company has also adopted Standard Operating Procedures (SOP) manual, which is in conformity with the internal financial controls of the Company. The Company on a regular basis tracks all amendments to Accounting Standards and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. During the year, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls.

### Outlook and Strategy

Acquire retail portfolios as well as corporate accounts, both on SR basis and on a cash basis; acquisitions on a cash basis shall be based on a co-investment model, along with financial investors and strategic partners.

Complete the process of resolution of key single credit accounts as well as portfolios.

### Opportunities and Threats

The Company believes that there are sizeable opportunities in the acquisition of non-performing assets based on co-investment model for increasing its corpus/assets under management.

The key threats to the business include:

- Business specific threats such as limited pool of NPAs available for sale, increased intensity of competition from players across the industry creating downward pressure on yields, fees, amongst others; and
- Regulatory changes, delays and adverse sector changes affecting the acquisition and resolution of assets.

### Human Capital

We attribute our growth and success to our human capital. We believe in investing in our employees, nurturing their personal and professional growth, empowering them to make work better and most importantly, trusting their abilities and valuing their contributions.

The Company has 51 personnel as on March 31, 2024. The team comprises professionals having wide and varied experience from the banking, asset reconstruction, consultancy and legal backgrounds. In terms of team mix, the team comprises a fair mix of experienced and fresh recruits from law schools and professional institutions.

In terms of experience, the team comprises personnel having experience varying from minimum experience of (7) months to maximum experience of 33.5 years. The average age of the employees of the Company is 36.3 years. Of the total number of employees, 35 employees, constituting approximately 69% of the total number have been with the Company for more than 4 years. In terms of gender diversity, there are 17 female employees and 34 male employees.

### Particulars of Loans, Guarantees and Investments

Details of the loans and investments, as required under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are forming part of the notes to the financial statements of the Company. During the year under review, the Company has not given any guarantee.

### Particulars of Contracts or Arrangements with Related Parties

The Company in accordance with SEBI Listing Regulations, has adopted a 'Policy on Dealing with Related Party Transactions' and the said policy is uploaded on the website of the Company at [www.jmfinancialarc.com/Home/Policies](http://www.jmfinancialarc.com/Home/Policies). The Audit Committee reviews this policy periodically.

All the related party transactions were placed before the Audit Committee for its review on a quarterly basis. An omnibus approval of the Audit Committee had been obtained for the related party transactions which were repetitive in nature. Further, as per the applicable provisions of the SEBI Listing Regulations, necessary approvals of the members of the Company were also sought for the material related party transactions proposed to be entered with the related parties. However, there were no material transactions of the Company falling under the scope of Section 188(1) of the Act with any of its related parties and hence, the disclosure of related party transactions as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC-2 is not applicable to the Company for





the financial year 2023-24 and accordingly, does not form part of this Report.

The related party transactions as required under Ind AS - 24 are reported in note 40 of notes to the standalone financial statements and note 41 of notes to the consolidated financial statements of the Company.

The Company in terms of Regulation 23 of SEBI Listing Regulations, submits the disclosure of related party transactions to the stock exchanges within the stipulated time. The said disclosures are available on the website of the Company at <https://www.jmfinancialarc.com/Home/NCD>.

### Change in nature of business

During the year under review, there has been no change in the nature of business of the Company.

### Significant and material orders

There were no significant/material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations.

### Annual Return

Pursuant to Sections 134(3)(a) and 92(3) of the Act, the Annual Return of the Company for the financial year 2023-24 has been placed on the Company's website at [www.jmfinancialarc.com/Home/FinancialInformation](http://www.jmfinancialarc.com/Home/FinancialInformation).

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The operations of the Company are not energy intensive nor does they require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. The Company has, however, implemented various energy conservation measures across all its functions.

During the financial year 2023-24, the Company has not earned foreign exchange from any of the transactions nor spent any amount in foreign exchange.

### Vigil Mechanism/Whistle Blower Policy

The Company had adopted 'Whistle Blower Policy' for directors, employees or any other person who avails the mechanism framed under this policy to report concerns about unethical behaviour. The policy provides a mechanism, which ensures adequate safeguards to such employees and directors from any victimisation on raising concerns of any

violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, and so on. It also provides direct access to the Chairperson of the Audit committee.

Details of vigil mechanism/whistle blower are included in the Corporate Governance Report, forming part of this Report. The policy is available on the website of the Company at [www.jmfinancialarc.com/Home/Policies](http://www.jmfinancialarc.com/Home/Policies).

During the financial year 2023-24, no complaints under this mechanism have been reported.

### Maintenance of cost records

The maintenance of cost records as specified under Section 148 of the Act is not applicable to the Company.

### Safe Harbour

This report describing our activities, projections and expectations for the future, may contain certain 'forward looking statements' within the meaning of applicable laws and regulations. The actual results of business may differ materially from those expressed or implied due to various risk factors and uncertainties. These risk factors and uncertainties include the effect of domestic as well as global economic and political events, volatility in interest rates, new regulations and government policies that may impact our business as well as our ability to implement the strategies. We are under no obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events and assume no liability for any action taken by anyone on the basis of any information contained herein.

### Policy for prevention, prohibition and redressal of sexual harassment of women at workplace

The Company has zero tolerance for sexual harassment at the workplace and has a policy in place and constituted Internal Complaints Committee (the "ICC") to deal with complaints relating to sexual harassment at workplace in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The provisions related to prevention of sexual harassment are also imbibed in the Company's Code of Conduct as applicable to the employees.

## Director's Report (Contd.)

To ensure that all the employees are sensitized regarding issues of sexual harassment, the Company conducts an online POSH Training through the internal e-learning platform and knowledge community sessions.

During the financial year 2023-24, no complaints were received from any of the employees of the Company, under this policy.

### Other Disclosures

- a) During the year under review, the Company has not:
- Issued equity shares with differential rights as to dividend, voting or otherwise.
  - Issued any sweat equity shares to its directors or employees of the Company.
- b) There are no proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- c) There was no instance of one-time settlement by the Company with any bank or financial institution.

### Acknowledgements

The Board of Directors takes this opportunity to place on record its sincere thanks to the RBI, Ministry of Finance, Government of India, SEBI, MCA, Registrar of Companies, Maharashtra, BSE Limited, National Securities Depository Limited and Central Depository Services (India) Limited and all other governmental and regulatory authorities for their continued co-operation and support.

Your directors place on record their gratitude for the continued support extended by Credit Rating Agencies, Stock Exchanges, Association of ARCs in India, from time to time and by the bankers, financial institutions, lenders and stakeholders and the trust reposed by them in the Company.

The Board wish to place on record their appreciation and deep gratitude to employees at all levels for their exemplary dedication and commitment.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 16, 2024

**Adi Patel**  
Director  
DIN: 02307863

**Rupa Vora**  
Director  
DIN: 01831916



## Annexure I

**Details of the Employees' Stock Option Scheme pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the financial year ended March 31, 2024**

|     |   |                  |
|-----|---|------------------|
| 1.  | Options granted during the financial year 2023-24   | : Not Applicable |
| 2.  | Options vested during the financial year 2023-24  | : 5,77,986       |
| 3.  | Options exercised   | : Nil            |
| 4.  | Total number of shares arising as a result of exercise of options   | : Not applicable |
| 5.  | Options lapsed/forfeited  | : 57,606         |
| 6.  | The exercise price  | : Not applicable |
| 7.  | Variation of terms of options   | : None           |
| 8.  | Money realised from the Employees by exercise of Options during the financial year 2023-24  | : Nil            |
| 9.  | Total number of options in force  | : 34,42,191      |
| 10. | Employee wise details of options granted to   |                  |
|     | (i) Key managerial personnel  | : Not applicable |
|     | (ii) any other employee who receives a grant in any one year of option amounting to 5% or more options granted during that year   | : Not applicable |
|     | (iii) identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | : Not applicable |

## Director's Report (Contd.)

Annexure II

### FORM MR 3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**JM FINANCIAL ASSET RECONSTRUCTION  
COMPANY LIMITED**  
7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai - 400025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, registers, forms and returns filed, and made available to us and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024**, complied with the statutory provisions listed hereunder, to the extent applicable to the Company, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined, on test check basis, the Secretarial compliance based on the books, papers, minute books, registers forms and returns filed, and other records maintained by the Company, and made available to us for audit purpose, for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the "**Act**") and the rules made thereunder, as amended and to the extent applicable to the Company;
- (ii) The Securities Contracts (Regulation) Act, 1956 (the '**SCRA**') and the rules made thereunder, as amended and to the extent applicable to the Company;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended and to the extent applicable to the Company;
- (iv) The Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder in relation to Foreign Direct Investment, as amended and to the extent applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and to the extent applicable to the Company;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and to the extent applicable to the Company;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended and to the extent applicable;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)], as amended and to the extent applicable to the Company.

The Company, being a High Value Debt Listed Entity [HVDLE], the provisions of regulations 16 to 27 of the chapter IV of this regulation became applicable with effect from September 7, 2021 and the Company had to comply with such corporate governance provisions on 'comply or explain' basis until March 31, 2024. However, the Board of the SEBI, vide its press release dated March 15, 2024 extended the timeline of 'comply or explain' period for HVDLEs in respect of corporate governance norms till March 31, 2025 and in accordance with that the Company has reported and explained the reasons of



non-convening Stakeholder Relationship Committee meeting during the year under report, in corporate governance report filed with Stock Exchange.

During the year under review the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that,** the Company has complied with the mandatorily applicable Secretarial Standards issued by The Institute of Company Secretaries of India;

**We further report that,** having regard to the compliance system prevailing in the Company and on examination of relevant documents and record, produced for our verification, in pursuance thereof, the Company has complied with the following Acts, Laws, Guidelines and Rules applicable specifically to the Company, in respect of submission / filing of various documents, returns and forms, with the prescribed authority;

- (i) The Reserve Bank of India Act, 1934, and the Rules framed, Circulars, Notifications, Directions and Guidelines issued thereunder, to the extent applicable to the Company.
- (ii) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended, and the Rules framed, Circulars, Notifications and Guidelines issued thereunder, to the extent applicable to the Company.
- (iii) The Master Circular - Asset Reconstruction Companies dated April 3, 2023 issued by the Reserve Bank of India as updated.

**We further report that** the following Regulations and Guidelines prescribed under SEBI Act were, in our opinion, not attracted, during the financial year under report;

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- (b) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations 2021, as amended;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client, as amended;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended.

**We further report that** the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder in relation to Overseas Direct Investment and External Commercial Borrowings were not attracted during the financial year under report.

**We further report that;**

- The Board of Directors of the Company was duly constituted with proper balance of Non-Executive Directors/Independent Directors including woman Director. There was no change in the composition of the Board of Directors during the financial year under report.
- Adequate notice was given to all directors to schedule the Board Meetings including option to participate through video conferencing, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no instances where dissenting views of any member of the Board of Directors were required to be captured and recorded in the minutes, during the year under review.

We have relied on the representation made by the Company and its officers for the compliance of various applicable provisions of the Acts, Laws, Rules, Regulations, Directions, Guidelines and Standards and after examining the system and mechanism followed by the Company for compliances, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure the compliance of applicable laws, rules, regulations and guidelines.

**We further report that during the audit period;**

- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on April 28, 2023, approved the appointment of Mr. Srinivasan Viswanathan as the Chief Executive Officer (CEO) of the company for a period of three (3) years subject to approval of Reserve Bank of India. The Reserve Bank of India approved the said appointment vide its letter dated June 22, 2023 and his appointment was effective from the said date.
- Mr. Anil Bhatia, upon completion of 15 year term, ceased to be the CEO of the Company w.e.f. the close of business hours on May 15, 2023 in accordance with the

## Director's Report (Contd.)

Reserve Bank of India's regulatory framework for Asset Reconstruction Companies dated October 11, 2022.

- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 27, 2023, approved the re-appointment of Dr. Vijay Kelkar [DIN: 00011991] as an Independent Director for a second term of three (3) years, subject to necessary regulatory and other approvals. The Reserve Bank of India approved the said appointment vide its letter dated October 26, 2023 and the same was further approved by the members of the Company at the Extra Ordinary General Meeting held on January 25, 2024.
- The Board of Directors at its meeting held on July 27, 2023 approved, subject to approval of members, issuance of 20,00,000 (Twenty Lakh) Unsecured Optionally Convertible Debentures (OCDs) of face value of ₹ 1,00,000/- each aggregating up to ₹ 200 Crore to its fellow subsidiary JM Financial Credit Solutions Limited. The said issue was approved by the members of the Company at the Extra Ordinary General Meeting held on January 25, 2024. The OCDs were allotted on March 4, 2024 vide resolution passed, by the Issue and Allotment Committee of the Board, through circulation.
- The Company issued and allotted 13,000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (the "NCDs") of face value of ₹ 1,00,000 each, aggregating up to ₹ 130 Crore, on private placement basis, under various tranches on various dates.
- The Company redeemed 1,550 NCDs of face value of ₹ 1,00,000 each and bought back 250 NCDs of ₹ 1,00,000 each, aggregating to ₹ 180 Crore, under various tranches on various dates.
- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide resolution passed through circulation on January 8, 2024, approved the re-appointment of Mr. Ameet Desai [DIN: 00007116] as an Independent Director of the Company for a second term of two (2) years, subject to the approval from the Reserve Bank of India and the members of the Company.
- The Company made investment/acquisition of ₹ 603.58 Crore in security receipts.
- **At the 16<sup>th</sup> Annual General Meeting of the Company held on July 28, 2023:-**
  - The Board of Directors, including any committee thereof, were authorized to offer, issue and allot secured / unsecured, listed / unlisted, rated / unrated, redeemable, Non-Convertible Debentures (the "NCDs"), in one or more series / tranches, aggregating up to ₹ 7,000 Crore (Rupees Seven Thousand Crore only), on private placement basis and / or through public offer.
  - Mr. Narotam Sekhsaria [DIN: 00276351], who retired by rotation, was re-appointed as a director of the Company.
  - The Company altered its Articles of Association in compliance with the amendment made in SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

For **Shroff Negandhi and Associates LLP**  
Company Secretaries

**Amit Negandhi**

Partner  
FCS-10729, CP-13852  
UDIN: F010729F000383409  
Unique Code: L2022MH012100  
Peer Review Certificate No.: 2828/2022

Place: Mumbai  
Date: May, 2024





## Annexure A

To the Secretarial Audit Report of  
**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**  
for the financial year ended March 31, 2024

To,  
The Members,

**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**

7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025

Our report for the financial year ended March 31, 2024 of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records and devise proper systems to ensure the compliance with the provisions of all the applicable laws, rules, regulations, notifications, standards, directions and guidelines and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of records and procedure on test basis.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed, provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Wherever required, we obtained management representation about the compliance of applicable laws, rules, regulations, standards, directions and guidelines and happening of events.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have conducted our audit remotely based on the records and information made available to us through electronic platform provided by the Company.

For **Shroff Negandhi and Associates LLP**  
Company Secretaries

**Amit Negandhi**

Partner

FCS-10729, CP-13852

UDIN: F010729F000383409

Unique Code: L2022MH012100

Peer Review Certificate No.: 2828/2022

Place: Mumbai

Date: May, 2024

## Director's Report (Contd.)

Annexure III

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

#### 1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy:

JM Financial group of Companies believes in inclusive development for the community at large, by the way of –

- Creating long-term impact through collective action, collaborations and creating equitable opportunities for underserved; and
- Actively working towards community development with a focus on integrated rural transformation primarily in predominantly rural and difficult terrains of our country.

The Company shall undertake CSR projects broadly falling within the thematic areas as per Schedule VII of Companies Act, 2013 (the "Act"). In accordance with Section 135 of the Act and Schedule VII thereto read with the Company's CSR policy, the CSR obligation of the Company for the financial year 2023-24 was ₹ 2.83 Crore. During the year, the CSR Committee and the Board of the Company have approved the two CSR projects namely, (i) Pune International Center (PIC) - with an aim of supporting development of state-of-art infrastructure for the organization to enable furtherance of its objectives for national development and policy making; and (ii) JM Financial Sports Project – to develop sports infrastructure and provide professional sports coaching in football and athletics to the rural tribal children and youth in Jamui district, Bihar. The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

#### 2. Composition of the CSR committee as on March 31, 2024:

| Sr. No. | Name of the Members | Designation/Nature of directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------|------------------------------------|--|--|
| 1.      | Mr. V P Shetty      | Chairman - Non-Executive Director  | 2  | 2  |
| 2.      | Dr. Vijay Kelkar    | Member - Independent Director      | 2  | 2  |
| 3.      | Mr. Vishal Kampani  | Member - Nominee Director          | 2  | 0  |

#### 3. Provide the web-link(s) where composition of CSR committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company:

|   |   |
|---|---|
| Details of composition of CSR Committee | <a href="https://www.jmfinancialarc.com/Home/Management">https://www.jmfinancialarc.com/Home/Management</a>   |
| CSR policy                              | <a href="https://www.jmfinancialarc.com/Home/Policies">https://www.jmfinancialarc.com/Home/Policies</a>       |
| CSR projects                            | <a href="https://www.jmfinancialarc.com/Home/CsrProjects">https://www.jmfinancialarc.com/Home/CsrProjects</a> |

#### 4. Provide the executive summary along with the web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable

5. (a) Average net profit of the Company as per Section 135(5): ₹ 141.33 Crore
- (b) Two percent of average net profit of the Company as per Section 135(5): ₹ 2.83 Crore
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: None
- (d) Amount required to be set off for the financial year, if any: None
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 2.83 Crore
6. (a) Amount spent on CSR projects (Ongoing Project): ₹ 0.63 Crore
- (b) Amount spent in Administrative Overheads: None
- (c) Amount spent on Impact Assessment, if applicable: Not applicable
- (d) Total amount spent for the financial year [(a)+(b)+(c)]: ₹ 0.63 Crore



**(e) CSR amount spent or unspent for the financial year:**

| Total amount spent for the financial year (in ₹) | Amount unspent (in ₹)   |                  |   |                |                  |
|--|---|------------------|---|----------------|------------------|
|  | Total amount transferred to unspent CSR account as per Section 135(6) |                  | Amount transferred to any fund specified under schedule VII as per second proviso to Section 135(5) |                |                  |
|  | Amount  | Date of Transfer | Name of the Fund  | Amount         | Date of Transfer |
| 0.63 Crore                                       | ₹ 2.20 Crore  | April 25, 2024   |   | Not applicable |                  |

**(f) Excess amount for set off, if any: Nil**

| Sr. No. | Particular  | Amount (in ₹) |
|---------|---|---------------|
| i.      | Two percent of average net profit of the Company as per Section 135(5)                                      | 2.83 Crore    |
| ii.     | Total amount spent for the financial year   | 0.63 Crore    |
| iii.    | Excess amount spent for the financial year [(ii)-(i)]   | Nil           |
| iv.     | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil           |
| v.      | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | Nil           |

**7. Details of Unspent CSR amount for the preceding three financial years:**

| (1)     | (2)                         | (3)   | (4)   | (5)                                       | (6)  |                  | (7)   | (8)                |
|---------|-----------------------------|---|---|---|--|------------------|---|--------------------|
| Sr. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹) | Amount spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any |                  | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|         |                             |   |   |   | Amount (in ₹)  | Date of transfer |   |                    |
| 1.      | 2022-23                     | 3.74 Crore  | 3.74 Crore  | 3.00 Crore                                | Nil  | Nil              | 0.74 Crore  | None               |
| 2.      | 2021-22                     | 3.24 Crore  | 1.59 Crore  | 1.59 Crore                                | Nil  | Nil              | Nil   | None               |
| 3.      | 2020-21                     | 4.10 Crore  | 0.87 Crore  | 0.87 Crore                                | Nil  | Nil              | Nil   | None               |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: None**

**9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not applicable**

for and on behalf of

JM Financial Asset Reconstruction Company Limited and the CSR Committee

**Srinivasan Viswanathan**

Chief Executive Officer

**V P Shetty**

Chairman of the CSR Committee

DIN: 00021773

Place: Mumbai

Date: May 16, 2024

# Report on Corporate Governance



## I. Philosophy of JM Financial on Corporate Governance

JM Financial's philosophy of Corporate Governance is built on a foundation of ethical business practices, transparency and trust in dealing with all stakeholders. The core values of JM Financial are:



### Client Focus

We always put the interest of our clients before our own. We understand our client needs, seek new opportunities for them, address them and deliver unique solutions as per their expectations. The success of our clients is the biggest reward for us.



### Integrity

Integrity is fundamental to our business. We adhere to moral and ethical principles in everything we do as professionals, colleagues and corporate citizens. Our reputation based on our high standards of integrity is invaluable.



### Innovation

We understand our clients' needs and develop solutions for the most complex or the simplest, the biggest or the smallest financial transactions, whether for individuals or institutions. Creativity and innovation are key factors to everything we do. We encourage new ideas which help us address unique opportunities.



### Partnership

Our relationships with all our stakeholders reflect our spirit of partnership. Clients see us as trusted advisors, shareholders see us as partners and employees see us as family. We respect, trust and support all our stakeholders.



### Teamwork

We believe extensive teamwork is what makes it possible for us to work together towards a common goal. We value and respect each individual's commitment to group effort.



### Implementation

Our expertise, experience and our continuous focus on the quality of execution ensures effective implementation of our strategies.



### Performance

We believe in development of our people and continuously hone our skills, setting higher targets of performance for ourselves. We strive to attract, develop and retain the best talent. We recognize and reward talent based on merit.

The Corporate Governance Philosophy of the Company is drawn from its core vision and values of being the most trusted partner for every stakeholder in the financial world, thereby creating and enhancing long term stakeholders' value on a continuous and sustainable basis.

The Company complies with the requirements of Corporate Governance as stipulated in Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI Listing Regulations"), and the applicable provisions of the Companies Act, 2013 (the "Act").

Accordingly, the Corporate Governance Report as prescribed under SEBI Listing Regulations is being presented as below.



## II. Board of Directors

The Board of Directors of the Company (the “**Board**”) plays a pivotal role in ensuring good governance and functioning of the Company. The Board is an apex body, which inter alia, oversees the Company’s overall functioning, provides a strategic direction and oversight, guidance, leadership and have a fiduciary responsibility to ensure that the Company’s actions and objectives are aligned in creating long term value for its stakeholders. An active, well-informed, diversified and independent Board is necessary to ensure the highest standards of corporate governance.

The Board comprises of highly skilled professionals with wide range of expertise, having diverse background and possesses requisite qualifications and experience which enables it to adhere to high corporate governance practices and protect the interest of the stakeholders.

### A. Composition of the Board

The Company recognises and embraces the importance of diverse culture of the Board. The Company believes that the Board enhances the quality of the decisions made by it, which is necessary for achieving desired objectives and sustainable results.

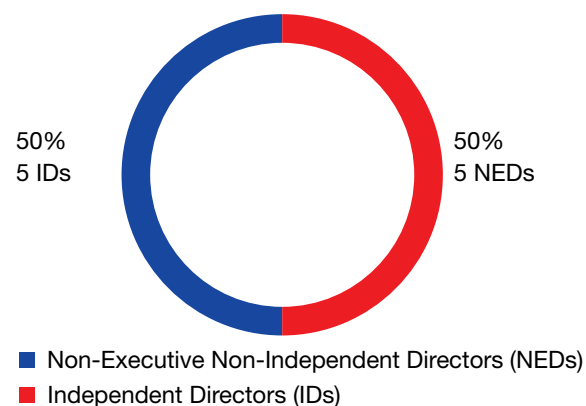
The Board is a blend of professionals having diverse skills, experience, knowledge, capabilities, expertise, attributes and educational qualifications, amongst others. All our Board members are highly experienced professional with good repute and eminence. It has a diverse mix of non-executive and independent directors representing an optimal mix of professionalism, knowledge and experience required for the financial services industry.

As on March 31, 2024, the Board consists of ten (10) directors, of which five (5) independent directors including one (1) women independent director and five (5) are non-executive and non-independent directors. The Board fulfils the requirement of having at least 50% of independent directors on the Board of the Company. The composition of the Board is in conformity with the requirements of the Act and SEBI Listing Regulations.

Additionally, in accordance with the provisions of Regulation 17(1A) of SEBI Listing Regulations, the Board on the recommendation of the Nomination and Remuneration Committee (the “**NRC**”), has unanimously decided to recommend to the members of the Company, passing of special resolution approving the continuation of directorship of Mr. Narotam Sekhsaria (DIN: 00276351) as a non-executive director of the Company, notwithstanding him attaining the age of

seventy-five (75) years. Brief details of Mr. Sekhsaria along with justification for the above recommendation is provided in the Notice convening the Annual General Meeting (the “**AGM**”) of the Company.

The composition of the Board is depicted in the chart below. The brief profile of all the directors on the Board is available on the Company’s website at [www.jmfinancialarc.com/Home/Management](http://www.jmfinancialarc.com/Home/Management).



### Confirmation on Independence of Directors

The Company has received declarations from all its independent directors confirming that they meet the criteria of independence as prescribed under SEBI Listing Regulations and the Act.

Based on the declarations received from all independent directors and in the opinion of the Board, the Board has confirmed that they meet the criteria of independence as prescribed under the Act and of SEBI Listing Regulations and are independent of the management.

### Re-appointment of an Independent Director

#### Dr. Vijay Kelkar

Based on the recommendation made by the NRC, the Board at its meeting held on July 27, 2023, approved the re-appointment of Dr. Vijay Kelkar (DIN: 00011991) as an independent director of the Company, subject to the approval from the Reserve Bank of India (the “**RBI**”) and the members at the general meeting of the Company. The RBI vide its letter dated October 26, 2023, has conveyed its no-objection for re-appointment of Dr. Kelkar as an independent director of the Company.

At the Extraordinary General Meeting held on January 25, 2024, the members of the Company approved

## Report on Corporate Governance (Contd.)

Dr. Vijay Kelkar's re-appointment as an independent director for a second term of three (3) years with effect from October 26, 2023.

### Mr. Ameet Desai

Based on the recommendation made by the NRC, the Board vide its resolution passed through circulation on January 8, 2024, approved the re-appointment of Mr. Ameet Desai (DIN: 00007116) as an independent director of the Company for a second term of two (2) years, subject to the approval from the RBI and the members at the general meeting of the Company. Application has been made to the RBI seeking its approval for re-appointment of Mr. Ameet Desai as an independent director of the Company. The approval of RBI is awaited.

### Mr. Satish Chand Mathur

Based on the recommendation made by the NRC, the Board vide its resolution passed through circulation on April 7, 2024, approved the re-appointment of Mr. Satish Chand Mathur (DIN: 03641285) as an independent director of the Company for a second term of five (5) consecutive years, subject to the approval from the RBI and the members at the general meeting of the Company. Application has been made to the RBI seeking its approval for re-appointment of Mr. Satish Chand Mathur

as an independent director of the Company. The approval of RBI is awaited.

None of the directors of the Company are related to each other except Mr. Narotam Sekhsaria and Mr. Pulkit Sekhsaria are related to each other.

### B. Directorships/memberships in other companies

None of the directors of the Company are director in more than twenty (20) companies and within which not more than ten (10) public companies. In accordance with SEBI Listing Regulations, none of the directors of the Company acts as an independent director in more than seven (7) listed companies, including that in the Company during the financial year 2023-24. Further, none of the directors are serving as a member of more than ten (10) committees or acting as the chairman of more than five (5) committees (audit committee and stakeholders' relationship committee) in accordance with the requirements of SEBI Listing Regulations. Necessary disclosures regarding the committee positions, if any, held by the directors in other listed companies have been made.

The information relating to the number and category of other directorships and committee chairmanships/ memberships by the Company's directors in other public companies including the names of the listed entities as on March 31, 2024 is given below for information of the members.

| Sr. No. | Name of the Directors   | Category in the Company | Number of directorships in other public companies (excluding the Company)* | Number of committee positions held in other public companies(excluding the Company)** |             | Number of equity shares held in the Company as on March 31, 2024 |
|---------|-------------------------|-------------------------|--|---|-------------|--|
|         |                         |                         |  | Chairmanships   | Memberships |  |
| 1.      | Mr. V P Shetty          | Non-Executive Director  | 4  | 1   | 4           | Nil  |
| 2.      | Mr. Narotam Sekhsaria   | Non-Executive Director  | -  | -   | -           | 5,68,66,072  |
| 3.      | Mr. Pulkit Sekhsaria    | Nominee Director        | -  | -   | -           | Nil  |
| 4.      | Ms. Rupa Vora           | Independent Director    | 5  | 4   | 4           | Nil  |
| 5.      | Mr. Adi Patel           | Non-Executive Director  | 3  | -   | 1           | Nil  |
| 6.      | Dr. Vijay Kelkar        | Independent Director    | 1  | -   | 1           | Nil  |
| 7.      | Mr. Ameet Desai         | Independent Director    | 5  | -   | 2           | Nil  |
| 8.      | Mr. Satish Chand Mathur | Independent Director    | 7  | 1   | 4           | Nil  |
| 9.      | Mr. Vishal Kampani      | Nominee Director        | 7  | -   | 3           | Nil  |
| 10.     | Mr. Munesh Khanna       | Independent Director    | 7  | -   | 7           | Nil  |

\* other directorships do not include private limited companies, foreign companies and Section 8 companies registered under the Act.

\*\* the information pertaining to the chairmanships/memberships of committees of the Board held by the directors includes only Audit committee and Stakeholders' Relationship committee of public limited companies. Committee membership(s) include chairmanship(s).





Details of directorships held by directors in other listed companies (only equity listed entities) along with their category, as on March 31, 2024, are as follows.

| Name of the Directors   | Name of other Listed Company                                     | Category of Directorship    |
|-------------------------|--|-----------------------------|
| Mr. V P Shetty          | Sunteck Realty Limited   | Independent Director        |
| Mr. Narotam Sekhsaria   | -  | -                           |
| Mr. Pulkit Sekhsaria    | -  | -                           |
| Ms. Rupa Vora           | -  | -                           |
| Mr. Adi Patel           | JM Financial Limited   | Joint Managing Director*    |
| Dr. Vijay Kelkar        | -  | -                           |
| Mr. Ameet Desai         | Hester Biosciences Limited                                       | Independent Director        |
|                         | Ambuja Cements Limited   |                             |
| Mr. Satish Chand Mathur | Tilaknagar Industries Limited                                    | Independent Director        |
|                         | Indiabulls Housing Finance Limited (Now Sammaan Capital Limited) |                             |
|                         | Kesar Petroproducts Limited                                      |                             |
| Mr. Vishal Kampani      | JM Financial Limited   | Non-Executive Vice Chairman |
| Mr. Munesh Khanna       | Gulf Oil Lubricants India Limited                                | Independent Director        |
|                         | NDL Ventures Limited   |                             |
|                         | JSW Energy Limited   |                             |
|                         | Hinduja Global Solutions Limited                                 |                             |

\* Re-designated (change in title from Joint Managing Director to Managing Director) with effect from April 1, 2024.

### C. Core skills/Expertise/Competencies of the Board

The Board members have rich and varied experience in critical areas like governance, finance, entrepreneurship, law enforcement, economics, commercial, general management, technology, sustainability, marketing etc., that allows them to make effective contribution to the Board and its Committees.

The NRC of the Board also assesses and recommends the core skill sets required by the directors to enable

the Board to perform its functions effectively. The Board has identified the core skills/expertise/competencies of the directors required for effective functioning of the Company's business.

Pursuant to Schedule V(C) of SEBI Listing Regulations, the core skills/expertise/competencies possessed by the directors are stated below.

| Sr. No. | Name of the Directors   | Core skills/expertise/competencies |                                   |                     |                      |  |                 |   |
|---------|-------------------------|------------------------------------|-----------------------------------|---------------------|----------------------|--|-----------------|---|
|         |                         | Leadership qualities               | Industry Knowledge and experience | Financial expertise | Corporate Governance | Understanding of relevant laws / rules and regulation and policy | Risk Management | Global experience/ International Exposure |
| 1.      | Mr. V P Shetty          | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | ✓               | ✓   |
| 2.      | Mr. Narotam Sekhsaria   | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | ✓               | ✓   |
| 3.      | Mr. Pulkit Sekhsaria    | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | ✓               | ✓   |
| 4.      | Ms. Rupa Vora           | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | ✓               | ✓   |
| 5.      | Mr. Adi Patel           | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | ✓               | ✓   |
| 6.      | Dr. Vijay Kelkar        | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | -               | ✓   |
| 7.      | Mr. Ameet Desai         | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | ✓               | ✓   |
| 8.      | Mr. Satish Chand Mathur | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | ✓               | -   |
| 9.      | Mr. Vishal Kampani      | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | ✓               | ✓   |
| 10.     | Mr. Munesh Khanna       | ✓                                  | ✓                                 | ✓                   | ✓                    | ✓  | ✓               | ✓   |







































## Report on Corporate Governance (Contd.)

### D. Board meetings and Board procedure

During the financial year 2023-24, the Board met four (4) times. The interval between the two (2) consecutive meetings was well within the maximum gap of one hundred and twenty (120) days. The Board meetings are usually held at the registered office of the Company in Mumbai. As permitted under Section 173(2) of the Act read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, the facility to participate in

the meetings through video conferencing is also made available to the Board members as and when requested by them due to their inability to attend the meeting in person.

The details of meetings held along with the attendance of the directors thereat during the financial year 2023-24 and at the last AGM held on July 28, 2023, is given below. The required quorum was present at all the meetings, as shown below.

| Name of the Directors                    | Number of Board meetings held   |   |   |   | % of Attendance of the directors | Attendance at last AGM held on July 28, 2023 (Yes/No/Not Applicable)                  |
|--|---|---|---|---|----------------------------------|---|
|  | 1<br>April 28, 2023   | 2<br>July 27, 2023  | 3<br>October 26, 2023   | 4<br>February 7, 2024   |                                  |   |
| Mr. V P Shetty                           |    |    |    |    | 100                              |    |
| Mr. Narotam Sekhsaria                    |    | L   | L   | L   | 25                               | L   |
| Mr. Pulkit Sekhsaria                     |    | L   |    | L   | 50                               | L   |
| Ms. Rupa Vora                            |    |    |    |    | 100                              |    |
| Mr. Adi Patel                            |    |    |    |    | 100                              |    |
| Dr. Vijay Kelkar                         |    |    |    |    | 100                              | L   |
| Mr. Ameet Desai                          |   |   |   |   | 100                              | L   |
| Mr. Satish Chand Mathur                  |  |  |  |  | 100                              |  |
| Mr. Vishal Kampani                       |  |  |  | L   | 75                               | L   |
| Mr. Munesh Khanna                        |  | L   |  |  | 75                               |  |
| Overall attendance at the meeting (in %) | 100   | 70  | 90  | 70  |                                  |   |

 - Present in Person      L - Leave of absence       - Attended through Video Conferencing

The Board and committee meetings are pre-scheduled and tentative dates of the said meetings are informed well in advance to facilitate the directors to plan their calendar. The Board meets at least once in a quarter to review financial results and business operations of the Company.

The agenda, setting out the business to be transacted at the meeting, action taken report comprising of actions emanating from the earlier Board/committee meetings and status updates thereof, with well-structured and comprehensive notes on agenda, is circulated to the Board members well in advance, to enable them to go through the same and take informed decisions. Agenda papers are circulated at least seven (7) days prior to the date of meeting. The directors opting for physical copy of the agenda are provided hard copies. Additional agenda items are taken up with the permission of the Chair and with the requisite consent of the majority of directors present at the meeting. However, in case of special and urgent business, the approval of the Board and the committee members are obtained by passing the circular

resolutions as permitted under the applicable Act, which are noted and confirmed in the subsequent Board and committee meetings.

With a view to ensure high standards of confidentiality of the Board papers and to leverage technology and reducing paper consumption, the Board and committee meetings agenda and pre-read materials are circulated in electronic mode through a secured software which complies with high standards of security and integrity. The Directors can securely view the agenda and pre-read papers through their hand-held devices, laptops, i-pads and browser.

The Board has unrestricted access to all related information including to the members of the management of the Company. The Company Secretary ensures that the Board and the committees of the Board are provided with the relevant information, details and documents required for decision making well in advance. All material information including the relevant information as stipulated in Part A of Schedule II of SEBI Listing Regulations is circulated to the Board as part of the agenda. The information, in



the nature of Unpublished Price Sensitive Information, is circulated to the Board/committee members at a shorter notice on secured platform, with the unanimous consent of the Board obtained at its first meeting held during each financial year.

In order to facilitate effective discussions, the agenda is bifurcated into items requiring consideration and approval and items which are to be noted by the Board. Clarification/queries, if any, on the items which are to be noted/taken on record by the Board are sought and resolved before the meeting itself. This ensures focused and effective discussions at the meetings.

Detailed presentations and notes are laid before each meeting, by the management and senior executives of the Company to apprise the Board on the overall performance on quarterly basis. The senior executives/management of the Company are also invited to attend the meetings, to make presentations on business plans, business performance, operations, financial performance, risk management, update on regulatory changes applicable to the Company and to provide update on other significant issues and matters to the Board on a periodical basis. These processes provide opportunity to the Board/committee members to interact with the members of the management.

The Board, inter alia, reviews strategy and business plans, succession planning, annual operating and capital expenditure budgets, investment and exposure limits, risk management, cyber security, the compliance confirmations in respect of laws and regulations applicable to the Company. This also includes review of legal issues, if any, minutes of the previous meetings of the Board and committees, significant transactions, approval of quarterly/half-yearly/annual financial results, risk management, major accounting provisions and write-offs, material default in financial obligations, if any, etc.

The Board is provided with all the information in a timely manner in order to discharge its duties and to take well informed decisions. The Company Secretary attends all the meetings of the Board and its committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the meetings of the Board and its committees are circulated to the Board/committee members for their review/comments, if any, within fifteen (15) days from conclusion of the meeting in accordance with the Secretarial Standard on meetings of the Board of Directors (the “SS-1”), issued by the Institute of Company Secretaries of India. Suggestions/comments/changes, if any, received from the Board/committee members are

suitably incorporated in the draft minutes, in consultation with the Chairman of the Board/committee. Thereafter, the minutes are entered in the minutes book within the prescribed time limit.

### Succession Planning

Succession planning is an essential component for the survival and growth of any business as it ensures continuity of business process. It provides a way to identify key roles, people with the right skills/talent and filling up the vacancy, as and when required.

The Company’s succession planning framework deliberates on various factors including current tenure of directors, anticipated vacancies in key Board and Senior Management positions, assessment of skills including skill-gaps, diversity etc., to ensure orderly succession planning.

The NRC annually reviews and discusses the succession planning policy of the Company and succession planning of independent directors and recommend changes, if any, to the Board for its approval. Pursuant to Regulation 17(4) of SEBI Listing Regulations, the Board satisfies itself that plans are in place for orderly succession for appointment to the Board and senior management.

### E. Separate meeting of Independent Directors

In accordance with provisions of the Act and SEBI Listing Regulations, a separate meeting of the independent directors of the Company was held on March 26, 2024, without the presence of the management and non-independent directors of the Company.

The independent directors, inter alia, discussed and reviewed the matters prescribed under Schedule IV to the Act and Regulation 25 of SEBI Listing Regulations, among others and expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company’s management and the Board. The independent directors at its meeting held on March 26, 2024, inter alia, discussed about the performance of the Company, succession planning of independent directors, strategic meeting, involvement in the initiative taken at group level regarding Environmental, Social and Governance (ESG) reporting and Digital Personal Data Protection Act, 2023 etc. The actionables arising from the said meeting were noted. The meeting was attended by all the independent directors.

As required under SEBI Listing Regulations, JM Financial Group has Directors and Officers Liability Insurance (D&O Policy) which is renewed every year. It covers directors including independent directors of the Company.

## Report on Corporate Governance (Contd.)

### F. Familiarisation Programme for Independent Directors

Independent Directors play a pivotal role in upholding the corporate governance norms and ensuring fairness in decision-making. Based on their expertise in various fields, they also bring independent judgment on matters relating to strategy, risk management, controls and business performance and operations of the Company.

In compliance with the requirements of SEBI Listing Regulations, the Company has a familiarisation programme for its independent directors to familiarise them with their roles, rights, duties, responsibilities etc., in relation to the nature of the financial services sector and the business model of the Company. Details of such familiarisation programme imparted to independent directors during the financial year 2023-24, is uploaded on the website of the Company at [www.jmfinancialarc.com](http://www.jmfinancialarc.com).

As a part of the initial familiarisation programme, a formal letter of appointment is being issued by the Company to the independent directors outlining the role, functions, duties and responsibilities of the independent directors being appointed. The letter of appointment as issued to the independent directors is available on the website of the Company at [www.jmfinancialarc.com](http://www.jmfinancialarc.com). The information deck given to the directors, as part of induction programme, consists of the Company's profile, key milestones, nature of business activities, depth of management, its code and policies, business presentations, latest annual report, extracts of the applicable provisions of the Act and SEBI Listing Regulations pertaining to the code, duties and responsibilities of the independent directors.

As a part of the continuous familiarisation programme, a detailed presentation is made to the independent directors about the Company, its business, financial performance, operations and functions of the Company, nature of the industry in which the Company operates, business model of the Company and other relevant information pertaining to the business of the Company. This programme helps the independent directors to understand the structure of the Company, its business and management and the regulatory framework in which the Company operates. Through this, it is ensured that independent directors are updated about the prevailing scenario, which enables

them to discharge their role as director of the Company and take informed decisions in the best interests of the Company and its stakeholders

### G. Code of Conduct

The Company has adopted the Code of Conduct for its directors and senior management personnel (the "**Code of Conduct/Code**") in accordance with applicable provisions of SEBI Listing Regulations and the Act and the same is available on the website of the Company at [www.jmfinancialarc.com](http://www.jmfinancialarc.com).

It is the responsibility of all the Board members and senior management personnel to familiarise themselves with the Code and comply with its provisions. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct.

Based on the affirmations received for the financial year 2023-24, there were no transactions of material, financial and commercial nature, which had potential conflict with the interest of the Company.

A declaration signed by the Chief Executive Officer to this effect for the financial year 2023-24 is reproduced below.

### Declaration

I confirm that the Company has obtained the confirmation from all its directors and senior management personnel that they have complied with the provisions of the Code of Conduct for the financial year 2023-24.

**Srinivasan Viswanathan**  
Chief Executive Officer

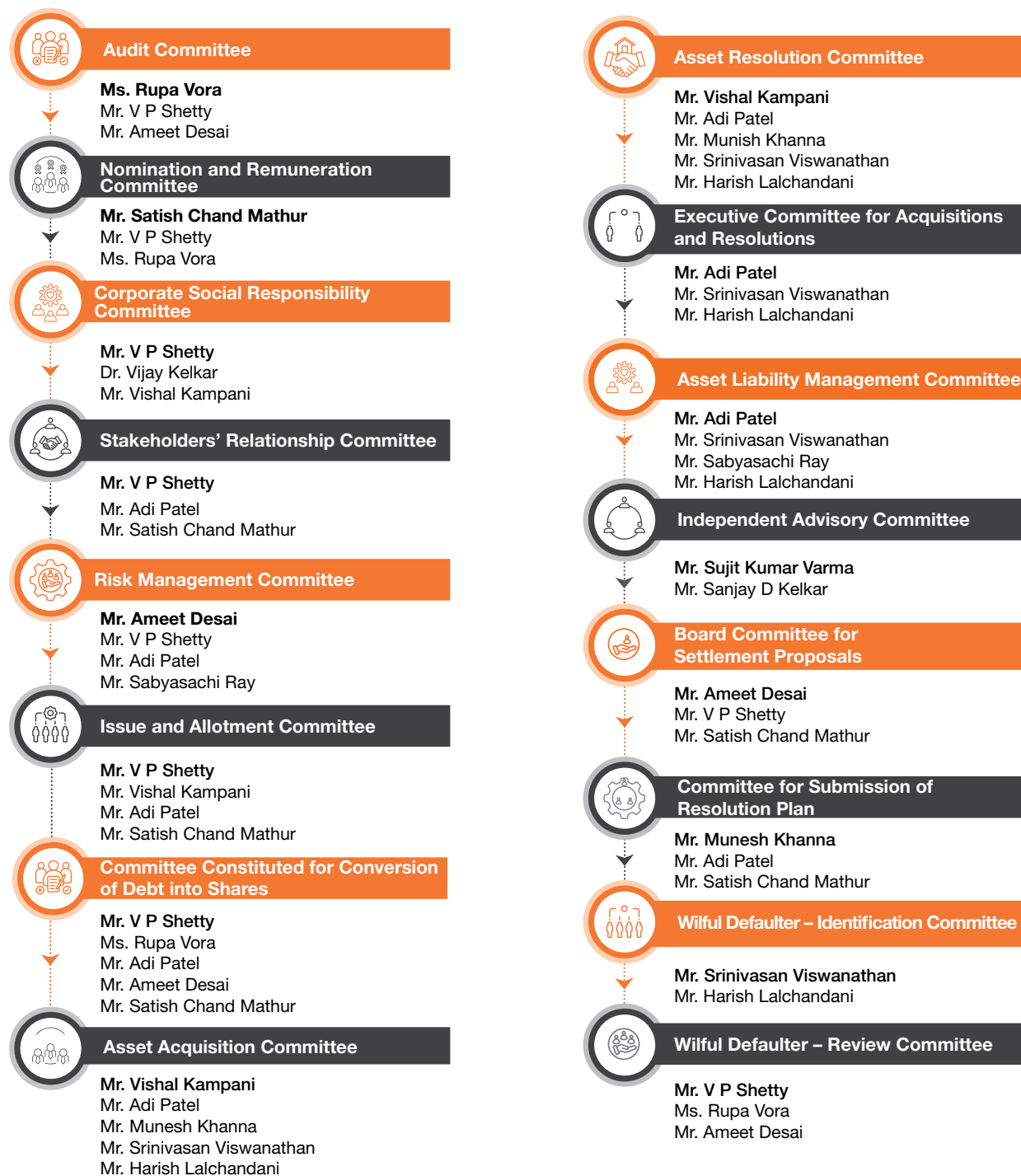
Place: Mumbai  
Date: May 16, 2024



### III. Committees of the Board

The Board has established various committees, details of which are given below. These committees monitor the activities as per the scope defined in their respective terms of reference, which are reviewed annually by the Board.

The particulars of the committee constituted by the Board as on March 31, 2024 are provided below.



## Report on Corporate Governance (Contd.)

### ● Audit Committee

The Audit Committee consists of three (3) members, two (2) of whom are non-executive independent directors thereby meeting the requirements of Section 177 of the Act read with rules thereto, Regulation 18 of SEBI Listing Regulations and the RBI Guidelines for ARCs. All the members of the Audit committee are financially literate and possess relevant knowledge of the financial services industry.

Ms. Rupa Vora, an independent director and a qualified chartered accountant is the Chairperson of the Audit committee. She attended the last AGM held on July 28, 2023 as required under Regulation 18(1)(d) of SEBI Listing Regulations.
















The Company Secretary acts as the Secretary to the Audit committee. The meetings of the Audit committee are also attended by the Chief Executive Officer and Chief Financial Officer. The representatives of the internal

auditors and the statutory auditors are also invited to attend these meetings to take the members through the financial results, audit reports and their observations, if any.

The Audit committee had reviewed the information stipulated under Part C of Schedule II of SEBI Listing Regulations during its meetings.

The matters considered by the Audit committee during the year, inter alia, included internal audit reports, review of financial results/statements, submission of financial results to stock exchanges, risk event update, grant of omnibus approval for related party transactions, review of quarterly statement of related party transactions, functioning of whistle blower mechanism, declaration of Net Asset Value, executive business summary, ageing analysis of sundry debtors, valuation of security receipts, statement of capital adequacy, appointment of auditors (includes statutory, internal and secretarial) and recommendation of their remuneration and review of policies, etc.

During the financial year 2023-24, four (4) meetings of the Audit committee were held and the attendance of the members thereat was as under.

| Name of the Members                      | Position    | Category               | Number of Audit committee meetings held   |   |   |   |   | % of Attendance of the members |
|--|-------------|------------------------|---|---|---|---|---|--------------------------------|
|  |             |                        | 1   | 2   | 3   | 4   | 5   |                                |
|  |             |                        | April 28, 2023  | May 29, 2023  | July 27, 2023   | October 26, 2023  | February 7, 2024  |                                |
| Ms. Rupa Vora                            | Chairperson | Independent Director   |  |  |  |  |  | 100                            |
| Mr. V P Shetty                           | Member      | Non-Executive Director |  |  |  |  |  | 100                            |
| Mr. Ameet Desai                          | Member      | Independent Director   |  |  |  |  |  | 100                            |
| Overall attendance at the meeting (in %) |             |                        | 100   | 100   | 100   | 100   | 100   |                                |

 - Present in Person       - Attended through Video Conferencing

The required quorum was present at all the Audit committee meetings and the gap between two (2) consecutive meetings did not exceed a period of one hundred and twenty (120) days.

The broad terms of reference of the Audit committee, inter-alia, includes the following:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval for all payments to the statutory auditors for any other services rendered by them;
- d) Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for its approval, with particular reference to:
  - i. Matters required to be included in the directors' responsibility statement forming part of the board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;





- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments, if any, made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of all related party transactions;
  - vii. Modified opinion(s), if any, in the draft audit report.
- e) Review with the management, the quarterly financial statements before submission to the Board for its approval;
  - f) Review with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or right issue and making appropriate recommendations to the Board to take steps in this matter;
  - g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - h) Approval or any subsequent modification of transactions of the Company with its related parties;
  - i) Scrutiny of inter-corporate loans and investments, except those in the ordinary course of business;
  - j) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - k) Evaluation of internal financial controls and risk management systems;
  - l) Reviewing with the management, performance of the Statutory and Internal Auditors, and adequacy of the internal control systems;
  - m) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - n) Discussion with internal auditors of any significant findings and follow up thereon;
  - o) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - q) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends, if any) and creditors;
  - r) Review the functioning of the Whistle Blower mechanism;
  - s) Approve appointment of the Chief Financial Officer;
  - t) Review of utilisation of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
  - u) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
  - v) Monitoring the end use of funds raised through offers of securities and related matters;
  - w) Reviewing the internal audit report and to discuss any significant findings and follow up action with the internal auditors;
  - x) Review of compliances with the provisions of the SEBI (Prohibition of Insider Trading), Regulations, 2015, as amended and to verify that the systems for internal control are adequate and are operating effectively, at least once in a financial year;
  - y) Review and assess the effectiveness of internal control systems, especially with respect to the asset acquisition procedures and asset reconstruction measures and matters related thereto;
  - z) Review accounting of management fee/incentives/ expenses is in compliance with the applicable regulations; and
  - aa) Such other functions as may be entrusted to it by the Board of Directors, from time to time.
- The Chairperson of the Audit committee apprises the Board about significant discussions and decisions taken

## Report on Corporate Governance (Contd.)







at the committee meetings including those relating to the financial results, internal audit reports, statutory audit reports and the limited review reports provided by them.

### ● **Nomination and Remuneration Committee**

The Nomination and Remuneration committee (the “**NRC**”) consists of three (3) members, two (2) of whom are non-executive independent directors thereby meeting the requirements of Section 178 of the Act read with rules thereto, Regulation 19 of SEBI Listing Regulations and the RBI Guidelines for ARCs.

Mr. Satish Chand Mathur, an independent director, is the Chairman of the NRC. He attended the last AGM held on

During the financial year 2023-24, two (2) meetings of the NRC were held and the attendance of the members thereat was as under.

| Name of the Members                      | Position | Category               | Number of NRC meetings held  |   | % of Attendance of the members |
|--|----------|------------------------|--|---|--------------------------------|
|  |          |                        | 1<br>April 21, 2023  | 2<br>July 27, 2023  |                                |
| Mr. Satish Chand Mathur                  | Chairman | Independent Director   |   |   | 100                            |
| Mr. V P Shetty                           | Member   | Non-Executive Director |  |  | 100                            |
| Ms. Rupa Vora                            | Member   | Independent Director   |  |  | 100                            |
| Overall attendance at the meeting (in %) |          |                        | 100  | 100   |                                |

 - Present in Person       - Attended through Video Conferencing

The required quorum was present at all the NRC meetings.

The broad terms of reference of the NRC, inter-alia, includes the following:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees of the Company;
- b) For every appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - i. use the services of an external agencies, if required;
  - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii. consider the time commitments of the candidates.
- c) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- d) Formulating the criteria for evaluation of performance of independent directors and the Board of Directors;
- e) Devising a policy on diversity of Board of Directors;
- f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;



- g) Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- h) Review the fit and proper status of the proposed/existing director, sponsor and Chief Executive Officer; and
- i) Such other functions as may be entrusted to it by the Board of Directors, from time to time.

#### Criteria for Performance Evaluation of Directors and their Remuneration

One of the key functions of the Board is to monitor and review the Board's evaluation framework. The NRC lays down the evaluation criteria for the performance of the Board, the committees thereof, individual directors, the Chairman of the Board and the Chief Executive Officer.

Pursuant to the provisions of Regulation 17(10) of SEBI Listing Regulations and the Act, and in order to improve the effectiveness of the Board and its committees, as well as that of each individual director, a formal evaluation process is undertaken by the NRC/Board on an annual basis. During the financial year 2023-24, an annual performance evaluation was carried out by the NRC and the same was thereafter recommended to the Board. All the directors have duly completed and submitted the evaluation questionnaires providing feedback on the functioning of the Board as a whole, the committees, self-assessment, 360-degree evaluation of individual directors, Chairman of the Board and the Chief Executive Officer.

The evaluation process focused on the criteria for performance evaluation such as Board effective leadership and strategic guidance to the management, quality of discussion and contribution at the meetings, business acumen, strategic thinking, time commitment,

relationship with the stakeholders, corporate governance practices, nudging for long term focus areas such as succession planning, business continuity planning, contribution of the committee members in discharging their functions including time devoted and preparedness for the meetings, etc.

The Company has adopted a Policy on Performance Evaluation and Remuneration of the Directors (the "Policy") for evaluating the performance of the Board as a whole, the chairman, the non-executive directors, the independent directors and the Chief Executive Officer. This Policy is also available on the website of the Company at [www.jmfinancialarc.com/Home/Policies](http://www.jmfinancialarc.com/Home/Policies).

#### Corporate Social Responsibility Committee

The Corporate Social Responsibility (the "CSR") committee consists of three (3) members viz., Mr. V P Shetty, Dr. Vijay Kelkar and Mr. Vishal Kampani. The composition is in line with the requirements of Section 135 of the Act and the applicable rules made thereunder.

Mr. V P Shetty, the non-executive director of the Company is the Chairman of the CSR committee.

The CSR committee has been constituted to identify, execute and monitor the CSR projects and assist the Board in fulfilling its corporate social responsibility objectives and achieving the desired results.

The matters considered by the CSR committee during the year, inter alia, included formulation of annual action plan, allocation of CSR spends on projects/activities in compliance with the Act and in line with CSR policy, update on CSR projects/activities, update on allocation and expenditure for CSR projects/activities undertaken as per annual action plan, change in annual action plan, if any and review/amendment in the policy.

During the financial year 2023-24, two (2) meetings of the CSR committee were held and the attendance of the members thereat was as under.

| Name of the Members                      | Position | Category               | Number of CSR committee meetings held |                | % of Attendance of the members |
|--|----------|------------------------|---------------------------------------|----------------|--------------------------------|
|  |          |                        | 1                                     | 2              |                                |
|  |          |                        | July 14, 2023                         | March 20, 2024 |                                |
| Mr. V P Shetty                           | Chairman | Non-Executive Director |                                       |                | 100                            |
| Dr. Vijay Kelkar                         | Member   | Independent Director   |                                       |                | 100                            |
| Mr. Vishal Kampani                       | Member   | Non-Executive Director | L                                     | L              | 0                              |
| Overall attendance at the meeting (in %) |          |                        | 66.67                                 | 66.67          |                                |



- Present in Person

L - Leave of absence



- Attended through Video Conferencing

## Report on Corporate Governance (Contd.)

The broad terms of reference of the CSR Committee, inter alia, includes the following:

- a) Formulate and recommend to the Board, the CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
- b) Make recommendation on the amount of expenditure to be incurred on CSR activities;
- c) Institute a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company; and
- d) Such other functions as may be entrusted to it by the Board of Directors, from time to time.

The update on the CSR activities undertaken by the Company through its philanthropic arm and implementing agency viz., JM Financial Foundation is provided in the CSR section of the Directors' report forming part of this Annual Report.

### ● Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee (the "SRC") consists of three (3) members, one (1) of whom is independent director, thereby meeting the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations.

Mr. V P Shetty, a non-executive director, is the Chairman of the SRC. He attended the last AGM held on July 28, 2023 as required under Regulation 20(3) of SEBI Listing Regulations.

The Company Secretary also acts as the Compliance Officer and the Secretary to the SRC.

During the financial year 2023-24, no meeting of the SRC was held as there was no investor complaints received.

The broad terms of reference of the SRC, inter alia, includes the following:

- a) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, if any, issue of new/duplicate certificates, general meetings etc.;
- b) Review of measures taken for effective exercise of voting rights by shareholders;
- c) Review of adherence to the service standards adopted by the Company in respect of various

services being rendered by the Registrar and Share Transfer Agent;

- d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- e) Such other functions as may be entrusted to it by the Board of Directors, from time to time.

### Nature and number of grievances

During the financial year 2023-24, the Company/its Registrar and Transfer Agents (the "RTA") has received no grievances from the debenture holders.

### Compliance Officer

Mr. Vineet Singh (Membership No. A44828) is the Company Secretary and Compliance Officer of the Company.

### ● Risk Management Committee

The Risk Management Committee (the "RMC") consists of four (4) members, one (1) of whom is an independent director, thereby meeting the requirements of Regulation 21 of SEBI Listing Regulations. The RMC comprises of Mr. Ameet Desai, Mr. V P Shetty, Mr. Adi Patel and Mr. Sabyasachi Ray. Mr. Ameet Desai, an independent director, is the Chairman of the Committee.

During the year following changes took place in the composition of the RMC:

1. Mr. Srinivasan Viswanathan was appointed as the member of the RMC in place of Mr. Anil Bhatia with effect from July 27, 2023;
2. Mr. Vishal Kampani ceased as a member of the RMC with effect from July 27, 2023;
3. Mr. V P Shetty and Mr. Sabyasachi Ray were appointed as members in place of Mr. Srinivasan Viswanathan and Mr. Vivek Grover with effect from February 7, 2023.

The matters considered by the RMC during the year, inter alia, included risk event update including the risk matrix, review of top accounts, details of settlement cases and review of risk management policy etc. The framework comprises an in-house exercise on risk management review carried out periodically by the Company to identify and mitigate various risks faced by the Company from time to time.



During the financial year 2023-24, two (2) meetings of the RMC were held and the attendance of the members thereat was as under.

| Name of the Members        | Position | Category                | Number of RMC meetings held |                  | % of Attendance of the members |
|----------------------------|----------|-------------------------|-----------------------------|------------------|--------------------------------|
|                            |          |                         | 1                           | 2                |                                |
|                            |          |                         | April 27, 2023              | October 23, 2023 |                                |
| Mr. Vishal Kampani         | Member   | Nominee Director        |                             | NA               | 100                            |
| Mr. V P Shetty             | Member   | Non-Executive Director  | NA                          | NA               | NA                             |
| Mr. Adi Patel              | Member   | Non-Executive Director  |                             |                  | 100                            |
| Mr. Ameet Desai            | Chairman | Independent Director    |                             |                  | 100                            |
| Mr. Anil Bhatia            | Member   | Chief Executive Officer |                             | NA               | 100                            |
| Mr. Srinivasan Viswanathan | Member   | Chief Executive Officer | NA                          |                  | 100                            |
| Mr. Vivek Grover           | Member   | Chief Operating Officer |                             |                  | 100                            |
| Mr. Sabyasachi Ray         | Member   | Chief Financial Officer | NA                          | NA               | NA                             |

- Present in Person

- Attended through Video Conferencing

NA - Not Applicable

The gap between two meetings did not exceed a period of two hundred and ten (210) days in accordance with the applicable provisions of SEBI Listing Regulations.

The broad terms of reference of the RMC, inter alia, includes the following:

- a) Formulation of detailed risk management policy which shall include:
  - i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the committee;
  - ii. Measures for risk mitigation including systems and processes for internal control of identified risks;
  - iii. Business continuity plan.
- b) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- c) Monitoring and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) Keeping the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any); and
- g) Such other functions as may be entrusted to it by the Board of Directors, from time to time.

#### ● Issue and Allotment Committee

The Issue and Allotment Committee (the “**Allotment Committee**”) consists of four (4) members viz., Mr. V P Shetty, Mr. Satish Chand Mathur, Mr. Vishal Kampani and Mr. Adi Patel to oversee and decide on the issue and allotment of shares, debentures and other securities, from time to time.























## Report on Corporate Governance (Contd.)

Mr. V P Shetty, the non-executive director of the Company is the Chairman of the Allotment Committee.

The matters considered by the Allotment committee during the year, inter alia, included terms of issue of

non-convertible debentures/optionally convertible debentures, allotment of non-convertible debentures, terms of issue of equity shares and allotment of equity shares etc.

During the financial year 2023-24, seven (7) meetings of the Allotment committee were held and the attendance of the members thereat was as under.

| Name of the Members                      | Position | Category               | Number of Allotment committee meetings held                                       |   |   |   |   |   |   | % of Attendance of the members |
|--|----------|------------------------|---|---|---|---|---|---|---|--------------------------------|
|  |          |                        | 1<br>April 4, 2023  | 2<br>April 12, 2023   | 3<br>May 17, 2023   | 4<br>May 23, 2023   | 5<br>September 14, 2023   | 6<br>October 5, 2023  | 7<br>January 15, 2024   |                                |
| Mr. V P Shetty                           | Chairman | Non-Executive Director |  |  |  |  |  |  |  | 100                            |
| Mr. Satish Chand Mathur                  | Member   | Independent Director   |  |  |  |  |  |  |  | 100                            |
| Mr. Vishal Kampani                       | Member   | Nominee Director       | L   | L   | L   | L   | L   |  |  | 28.57                          |
| Mr. Adi Patel                            | Member   | Non-Executive Director | L   |  |  |  |  |  |  | 85.71                          |
| Overall attendance at the meeting (in %) |          |                        | 50  | 75  | 75  | 75  | 75  | 100   | 100   |                                |

 - Present in Person    L - Leave of absence     - Attended through Video Conferencing

The broad terms of reference of the Allotment Committee, inter alia, includes the following:

- Finalising the terms, conditions, tenor, security, appointment of debenture trustee, drafts of letter of offer (rights issue/preferential issue)/private placement offer letter for the issue of Non-Convertible Debentures by the Company from time to time;
- Determination of the issue price of the Equity Shares to be issued by the Company from time to time;
- Approving the letter of offer for issue of Equity Shares on rights basis to the Members of the Company;
- Finalising the drafts of the private placement offer letter for issue of shares on preferential basis from time to time;
- Oversight of the process of the Company's issue of Equity Shares and/or Non-Convertible Debentures, whether on rights basis or otherwise;
- Appointment of valuer, underwriter or merchant banker for the issue of Equity Shares and/or Non-Convertible Debentures and the fixation of their fees;
- Finalising the basis of allotment and allotting the Equity Shares and/or Non-Convertible Debentures

to the applicants/subscribers of the said securities and any other securities from time to time;

- Issuing the certificates for Equity Shares, Non-Convertible Debentures and other securities that may be allotted by the Company from time to time or otherwise admission of such Equity Shares, Non-Convertible Debentures and other securities in electronic form with the depositories; and
- To note / approve transfer of shares and/or securities, from time to time.

### ● Committee constituted for Conversion of Debt into Shares

The Committee Constituted for Conversion of Debt into Shares (the "**Committee**") consists of five (5) members viz., Mr. V P Shetty, Ms. Rupa Vora, Mr. Adi Patel, Mr. Ameet Desai and Mr. Satish Chand Mathur.

The broad terms of reference of the Committee, inter alia, includes to take decisions on proposals for conversion of debt to equity in cases where the total shareholding of the Company in the borrower company exceeds 26%.

During the financial year 2023-24, no meeting of the above Committee was held.





### ● Asset Acquisition Committee

The Asset Acquisition Committee is responsible for taking decisions on the acquisition of assets including its consideration and other terms of acquisition.

The Asset Acquisition Committee comprises of Mr. Vishal Kampani, the Chairman, Mr. Adi Patel, Director, Mr. Munesh Khanna, Director and other functionaries of the Company.

### ● Asset Resolution Committee

The decisions on resolution strategy and recovery are made and administered by the Asset Resolution Committee.

The Asset Resolution Committee comprises of Mr. Vishal Kampani, the Chairman, Mr. Adi Patel, Director, Mr. Munesh Khanna, Director and other functionaries of the Company.

### ● Executive Committee for Acquisitions and Resolutions

The Board has constituted the Executive Committee for Acquisitions and Resolutions for considering proposals involving investment by the Company (in case of acquisitions) or recovery/cash flow to the Company (in case of resolutions) up to ₹ 10 Crore.

The Executive Committee for Acquisitions and Resolutions comprises of Mr. Adi Patel, Mr. Srinivasan Viswanathan and Mr. Harish Lalchandani.

The summary of decisions taken by the Executive Committee is placed before the meetings of the Asset Acquisition Committee and Asset Resolution Committee, as the case may be, for its noting.

### Asset Liability Management Committee

The Asset Liability Management Committee (the “**ALM Committee**”) comprises of directors and key managerial personnel of the Company who are responsible for deciding the ALM related elements of business strategy, in line with budget and risk management objectives.

The ALM Committee comprises of four (4) members viz., Mr. Adi Patel, the Chairman, Mr. Srinivasan Viswanathan, Mr. Sabyasachi Ray and Mr. Harish Lalchandani.

The broad terms of reference of the ALM Committee, inter alia, includes the following:

- Reviewing the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company;
- Safeguarding the recovery positions at any point of time; and
- Reviewing risk monitoring system, ensure payment of liability on its due dates, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analyzing different scenarios and preparation of contingency plans.

### ● Independent Advisory Committee

The Independent Advisory Committee (the “**IAC**”) consists of two (2) members viz., Mr. Sujit Kumar Varma and Mr. Sanjay D Kelkar. Mr. Sujit Kumar Varma is the Chairman of the IAC.

During the financial year 2023-24, six (6) meetings of the IAC were held and the attendance of the members there at was as under.

| Name of the Members   | Position | Number of IAC meetings held |                  |                   |                   |               |                | % of Attendance of the members |
|-----------------------|----------|-----------------------------|------------------|-------------------|-------------------|---------------|----------------|--------------------------------|
|                       |          | 1                           | 2                | 3                 | 4                 | 5             | 6              |                                |
|                       |          | June 6, 2023                | October 10, 2023 | November 21, 2023 | February 15, 2024 | March 7, 2024 | March 28, 2024 |                                |
| Mr. Sujit Kumar Varma | Chairman |                             |                  |                   |                   |               |                | 100                            |
| Mr. Sanjay D Kelkar   | Member   |                             |                  |                   |                   |               |                | 100                            |

- Present in Person    - Attended through Video Conferencing

The broad terms of reference of the IAC, inter alia, includes the following:

- To review and consider proposals for settlement of dues with the borrower and/or change in or takeover of the management of the business of the borrower(s);
- Assess the financial position of the borrower(s), the time frame available for recovery of the dues from them, projected earnings and cash flows of the borrower(s) and other relevant aspects;
- Give its recommendations regarding settlement of dues with the borrower(s) and/or change in or takeover of the management of the business of the borrower(s);

## Report on Corporate Governance (Contd.)
















- d) Recommend to the board, all the settlement proposals whether payable in lump sum or in instalments including minimum upfront lump sum payment and maximum repayment period and/or change in or takeover of the management of the business of the borrower(s); and
- e) Such other functions as may be entrusted to it by the Board of Directors or as specified under the RBI guidelines, from time to time.

### ● Board Committee for Settlement Proposals

The Board has constituted the Board Committee for Settlement Proposals (the “**Board Committee**”) comprising of two (2) independent directors.

The Board Committee comprises of Mr. Ameet Desai, Mr. Satish Chand Mathur and Mr. V P Shetty. Mr. Ameet Desai, an independent director, is the Chairman of the Board Committee.

During the financial year 2023-24, five (5) meetings of the Board Committee were held and the attendance of the members thereat was as under.

| Name of the Members     | Position | Category               | Number of Board Committee meetings held  |  |  |  |  | % of Attendance of the members |
|-------------------------|----------|------------------------|--|--|--|--|--|--------------------------------|
|                         |          |                        | 1<br>June 9, 2023  | 2<br>October 12, 2023  | 3<br>November 30, 2023   | 4<br>February 15, 2024   | 5<br>March 7, 2024   |                                |
| Mr. Ameet Desai         | Chairman | Independent Director   |   |   |   |   |   | 100                            |
| Mr. Satish Chand Mathur | Member   | Independent Director   |   |   |   |   |   | 100                            |
| Mr. V P Shetty          | Member   | Non-Executive Director |  |  |  |  |  | 60                             |

 - Present in Person     - Attended through Video Conferencing

The role of the Board Committee among other things includes to review, deliberate and take decisions on settlement proposals with the borrowers, considering the recommendations put forth by the Independent Advisory Committee.

### ● Committee for Submission of Resolution Plan

The Committee for Submission of Resolution Plan (the “**Committee**”) consists of 3 (three) members viz., Mr. Munesh Khanna, Mr. Adi Patel and Mr. Satish Chand Mathur. Mr. Munesh Khanna, an independent director, is the Chairman of the Committee.

The role of the Committee shall among other things include taking decisions on submission of resolution plan under IBC.

During the financial year 2023-24, no meeting of the above Committee was held.

### ● Wilful Defaulter – Identification Committee and Wilful Defaulter – Review Committee

The Wilful Defaulter - Identification Committee comprises of Mr. Srinivasan Viswanathan and Mr. Harish Lalchandani.

The broad terms of reference of the Wilful Defaulter - Identification Committee, inter alia, includes the following:

- a) Examination and investigation of wilful default, if any, committed by the borrowing company and/or its promoters and directors;
- b) Issue show cause notices to them, consider their responses, if any, to the notices; and
- c) Provide an opportunity of personal hearing, if any, to the borrower and/or its promoters & directors.

The Wilful Defaulter - Review Committee consist of Mr. V P Shetty, Ms. Rupa Vora and Mr. Ameet Desai.

The broad terms of reference of the Wilful Defaulter - Review Committee, inter alia, includes the following:

- a) Reviewing/confirming the order of the Wilful Defaulter – Identification Committee;
- b) Declaration of wilful defaulter; and
- c) Redressing complaints of the affected persons and to do such other things as may be deemed necessary under the Master Circular on Wilful Defaulters (applicable for banks).

During the financial year 2023-24, no meeting of the above Committees was held.



#### IV. Disclosure in relation to Remuneration of Directors

##### A. Pecuniary relationship/transaction with non-executive directors

During the financial year 2023-24, there were no pecuniary relationship/transactions of any non-executive directors with the Company, apart from receiving remuneration as directors. Additionally, the Company did not advance any loans to any of its directors and to firms/Companies in which directors are interested.

##### B. Criteria for payment of remuneration to non-executive/independent directors

The non-executive/independent directors play crucial role in the independent functioning of the Board and they bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. The non-executive/independent directors are entitled to receive remuneration by way of sitting fees for attending the meetings of the Board and/or committees thereof, as decided by the Board from time to time subject to the limits specified under the Act. The Board, based on the recommendation of NRC, determines the profit related commission within the limits specified under the applicable provisions of the Act.

The Company follows transparent process for determining the remuneration of non-executive/independent directors. The remuneration in the form of commission is determined on the basis of the evaluation process, role assumed, considering criteria such as attendance at the Board/committee meetings, the position held as the Chairman and a member of the committees and their overall contribution as Board/committee members. Besides this, the Board also takes into consideration the external competitive environment, track record, individual contribution of such directors and performance of the Company as well as the industry standards in determining the remuneration of the non-executive/independent directors.

Keeping the above in mind, the Board, at its meeting held on May 16, 2024, has decided to pay an aggregate amount of ₹ 32 Lakh as and by way of commission to the non-executive/independent directors of the Company for the financial year 2023-24, subject to the approval of the members at the general meeting of the Company. The necessary resolution seeking the members' approval for payment of commission is included in the Notice convening the 17<sup>th</sup> AGM of the Company. None of the non-executive directors has received remuneration exceeding 50% of the total remuneration to the non-executive directors.

The details of sitting fees/commission paid/payable to the non-executive/independent directors are given below.

(Amount in ₹)

| Name of Directors       | Sitting fees paid for the financial year 2023-24 |                    | Commission payable for financial year 2023-24 |
|-------------------------|--|--------------------|---|
|                         | Board meetings                                   | Committee meetings |   |
| Mr. V P Shetty          | 2,00,000   | 5,15,000           | 5,50,000                                      |
| Mr. Narotam Sekhsaria   | 50,000   | -                  | 3,50,000                                      |
| Mr. Pulkit Sekhsaria    | 1,00,000   | -                  | 3,50,000                                      |
| Ms. Rupa Vora           | 2,00,000   | 2,05,000           | 5,50,000                                      |
| Mr. Adi Patel*          | -  | -                  | -   |
| Dr. Vijay Kelkar        | 2,00,000   | 90,000             | 3,50,000                                      |
| Mr. Ameet Desai         | 2,00,000   | 4,15,000           | 3,50,000                                      |
| Mr. Satish Chand Mathur | 2,00,000   | 4,00,000           | 3,50,000                                      |
| Mr. Vishal Kampani*     | -  | -                  | -   |
| Mr. Munesh Khanna       | 1,50,000   | 6,10,000           | 3,50,000                                      |

\* Mr. Adi Patel and Mr. Vishal Kampani has voluntarily waived their rights to receive any sitting fees for attending the meetings of the Board/committees of the Company and profit related commission for the financial year 2023-24.

Sitting fees for attending the Board and committee meetings are as follows:

| Sr. No. | Name of the Committee                 | Sitting fees per meeting |
|---------|---------------------------------------|--------------------------|
| i.      | Board Meeting                         | ₹ 50,000                 |
| ii.     | Audit Committee                       | ₹ 25,000                 |
| iii.    | Issue and Allotment Committee         | ₹ 20,000                 |
| iv.     | Nomination and Remuneration Committee | ₹ 20,000                 |

## Report on Corporate Governance (Contd.)

| Sr. No. | Name of the Committee                       | Sitting fees per meeting |
|---------|---|--------------------------|
| v.      | Corporate Social Responsibility Committee   | ₹ 20,000                 |
| vi.     | Committee for Submission of Resolution Plan | ₹ 20,000                 |
| vii.    | Risk Management Committee                   | ₹ 20,000                 |
| viii.   | Independent Advisory Committee              | ₹ 20,000                 |
| ix.     | Board Committee for settlement proposals    | ₹ 40,000                 |
| x.      | Asset Acquisition Committee                 | ₹ 40,000                 |
| xi.     | Asset Resolution Committee                  | ₹ 40,000                 |

### Notes:

1. Additionally, the independent directors who were present have also been paid sitting fees of ₹ 50,000 each for attending the independent directors' meeting held on March 26, 2024.
2. There were no pecuniary relationship/transactions by the Company with any non-executive directors and independent directors apart from receiving the remuneration by way of commission and sitting fees.
3. Other than the above, no payments have been made to any of the independent directors by the Company except towards the reimbursement of expenses, if any, incurred for attending the Board/committee meetings of the Company.

The criteria for making payments to non-executive/independent directors is hosted on the website of the Company at [www.jmfinancialarc.com/Home/Policies](http://www.jmfinancialarc.com/Home/Policies).

As per the practice followed by the Company, the commission for the financial year 2023-24 will be paid to non-executive/independent directors after the audited financial statements are adopted by the members at the 17<sup>th</sup> AGM of the Company.

### Senior management

The Senior management as identified pursuant to Regulation 16(1)(d) of SEBI Listing Regulations, as on March 31, 2024 are as follows.

| Sr. No. | Name of the Senior Management Personnel | Designation               | Changes, if any during the financial year (Yes/No) | Nature of change and effective date                                 |
|---------|---|---------------------------|--|---|
| 1.      | Mr. Anil Bhatia                         | Chief Executive Officer   | Yes  | Ceased with effect from close of business hours of May 15, 2023     |
| 2.      | Mr. Harish Lalchandani                  | Head - Legal              | No   | -   |
| 3.      | Mr. Srinivasan Viswanathan              | Chief Executive Officer   | Yes  | Appointed with effect from June 22, 2023                            |
| 4.      | Mr. Kumar Gaurav                        | Executive Director (ARC)* | No   | -   |
| 5.      | Mr. Kunal Sarin                         | Executive Director (ARC)* | No   | -   |
| 6.      | Mr. Sabyasachi Ray                      | Chief Financial Officer   | No   | -   |
| 7.      | Mr. Vineet Singh                        | Company Secretary         | No   | -   |
| 8.      | Mr. Vivek Grover                        | Chief Operating Officer   | Yes  | Ceased with effect from close of business hours of January 31, 2024 |
| 9.      | Mr. Nirav Parekh                        | Director (ARC)*           | No   | -   |
| 10.     | Mr. Vivekh Mehra                        | Executive Director (ARC)* | No   | -   |

\* Internal title/grade as per the HR policy.

### Secretarial Standards

The Company is in compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**V. General Body Meetings****(i) The details of the AGM held during the last three (3) years and the special resolutions passed thereat are as under:**

| Date of AGM   | Venue   | Time      | Whether Special Resolution passed | Summary of Special Resolutions   |
|---------------|---|-----------|-----------------------------------|--|
| July 17, 2021 | Held through Video conferencing/ other audio visual means in accordance with the Circulars issued by MCA and SEBI | 5.00 p.m. | Yes                               | <ul style="list-style-type: none"> <li>Re-Appointment of Ms. Rupa Vora (DIN: 01831916) as an independent director of the Company for a further term not exceeding five (5) consecutive years with effect from October 1, 2021.</li> <li>Authority for issuance of Non-Convertible Debentures, in one or more series/tranches, aggregating up to ₹ 7,000 Crore on private placement basis and/or through public offer.</li> </ul>   |
| July 22, 2022 | 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025                               | 5.15 p.m. | Yes                               | <ul style="list-style-type: none"> <li>Continuation of directorship of Mr. V P Shetty (DIN: 00021773), notwithstanding he attaining the age of seventy five (75) years on June 12, 2022.</li> <li>Continuation of directorship of Dr. Vijay Kelkar (DIN: 00011991), who has attained the age of seventy five (75) years.</li> <li>Authority for issuance of Non-Convertible Debentures, in one or more series/tranches, aggregating up to ₹ 7,000 Crore on private placement basis and/or through public offer.</li> </ul> |
| July 28, 2023 | 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025                               | 4.00 p.m. | Yes                               | <ul style="list-style-type: none"> <li>Approval for alteration of Articles of Association of the Company.</li> <li>Authority for issuance of Non-Convertible Debentures, in one or more series/tranches, aggregating up to ₹ 7,000 Crore on private placement basis and/or through public offer.</li> </ul>  |

**(ii) The details of Extraordinary General Meeting (the “EGM”) held during the financial year 2023-24:**

| Date of EGM      | Venue   | Time      | Summary of Special Resolutions  |
|------------------|---|-----------|---|
| January 25, 2024 | 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025 | 5.30 p.m. | <ul style="list-style-type: none"> <li>Re-appointment of Dr. Vijay Kelkar (DIN: 00011991) as an independent director of the Company for a second term of three (3) years with effect from October 26, 2023.</li> <li>Approved issuance of Optionally Convertible Debentures aggregating up to ₹ 200 Crore on a preferential basis.</li> </ul> |

## Report on Corporate Governance (Contd.)



### VI. Disclosures

#### A. Policies determining Material Subsidiaries

The Company does not have any Subsidiary Company, hence formulation of policy for determining material subsidiaries as per Regulation 16 of SEBI Listing Regulations is not applicable to the Company.

#### B. Disclosure on Material Related Party Transactions

All material related party transactions entered into with related parties during the financial year 2023-24, as defined under the Act and read with SEBI Listing Regulations, were in the ordinary course of business, at an arm's length pricing basis and within the permissible limits as approved by the members at the 16<sup>th</sup> AGM of the Company. During the year, the Company has not entered into any materially significant related party transactions that may have potential conflict with the interest of the Company.

The policy on dealing with related party transactions, pursuant to Regulation 23 of SEBI Listing Regulations, which was duly approved by the Board is available on the website of the Company at [www.jmfinancialarc.com/Home/Policies](http://www.jmfinancialarc.com/Home/Policies).

#### C. Penalty or Strictures

During the year under review, no penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any other statutory authority.

#### D. Code of Conduct for Prevention of Insider Trading

The Company has adopted the code of conduct for prevention of insider trading (the "Code") to regulate the trading in securities by the designated persons of the Company pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, ("SEBI PIT Regulations"), as amended from time to time. The Code requires pre-clearance of all trades in the securities of the Company. It also prohibits trading in the securities of the Company by the designated persons while in possession of unpublished price sensitive information (UPSI) and during the closure of trading window. The Company has appointed the Company Secretary as the Compliance Officer pursuant to SEBI PIT Regulations, for monitoring the Code applicable to the Company as a listed entity. The Company has an in-house secured software which monitors and tracks the pre-clearance requirement which

has to be obtained by the designated persons before dealing in the securities of the Company in accordance with the provisions of the Code and SEBI PIT Regulations.

The Company has in place a Structured Digital Database (SDD) wherein details of persons with whom UPSI is shared on need-to-know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the database. The SDD is maintained internally by the Company and is not outsourced in accordance with the provisions of SEBI PIT Regulations.

The Code is available on the Company's website at [www.jmfinancialarc.com/Home/Policies](http://www.jmfinancialarc.com/Home/Policies).

#### E. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Regulation 22 of SEBI Listing Regulations and Section 177 of the Act, the Company has established vigil mechanism/whistle blower policy for the directors, employees of the Company or any other person who avails the mechanism, to report their genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud, improper/illegal practices or wrongful conduct without the fear of any victimisation. The Company has provided a dedicated e-mail address for reporting such concerns. Alternatively, employees can also send written communications to the Chairperson of the Audit committee. The Company affirms that no personnel have been denied access to the Chairperson of the Audit committee. The Chairperson of the Audit committee has confirmed that there were no such cases of whistle blower complaint reported to her, during the financial year 2023-24.

The policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical behaviour and improper practices or alleged wrongful conduct. This mechanism protects such directors and employees from any unfair or prejudicial treatment by anyone within the Company.

The whistle blower policy is available on the website of the Company at [www.jmfinancialarc.com/Home/Policies](http://www.jmfinancialarc.com/Home/Policies).

#### F. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk or foreign exchange risk and hedging activities and the disclosure under clause 9(n) of Part C of Schedule V of SEBI Listing Regulations in the prescribed format is not applicable.



**G. Certification about Directors**

Shroff Negandhi and Associates LLP, Company Secretaries, has certified that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authorities. A copy of the said certificate is appended to this Report.

**H. Disclosure in relation to recommendations made by the committees of the Board**

During the financial year under review, there were no such recommendations made by any committee of the Board that were mandatorily required and not accepted by the Board.

**I. Total fees paid to statutory auditors**

Details relating to the fees paid to the Statutory Auditors of the Company, during the financial year 2023-24, is stated in note 31.1 of the notes to consolidated financial statements, which forms part of this Annual Report.

**J. Certificate from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**

As required under the SEBI Listing Regulations, the CEO and the CFO of the Company have certified the accuracy of financial statements for the financial year 2023-24 and adequacy of internal control systems for financial reporting for the said year, which is appended to this Report.

**K. Disclosures related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to provide a work environment that ensures every person is treated with dignity, respect and afforded equal treatment. The Company has a Policy on 'Prevention of Sexual Harassment' in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,

2013 ("POSH"). This is aimed at providing everyone who visits the Company's workplace, experience an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights.

JM Financial Group has constituted the Internal Complaints Committee in compliance with the requirements under POSH. There were no complaints received or pending in this regard, during the financial year under review.

**L. Auditors' Certificate on Corporate Governance**

Pursuant to the SEBI Listing Regulations, the Company has obtained a certificate from Shroff Negandhi and Associates LLP, practicing company secretaries on compliance with the provisions relating to the Corporate Governance, which is appended to this Report.

**M. Annual Secretarial Compliance Report**

Pursuant to Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report for the financial year ended March 31, 2024, issued by Shroff Negandhi and Associates LLP, Company Secretaries, confirming compliance with all the applicable SEBI Regulations and circulars/guidelines issued thereunder, has been submitted to the stock exchanges within the prescribed timelines.

**N. Disclosures related to Loans and Advances in the Nature of Loans to Firms/Companies in which Directors are interested**

During the year under review, there were no such instances.

## Report on Corporate Governance (Contd.)



### VII. Means of Communication

The Company recognises the importance of two-way communication with stakeholders and giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of the Company's corporate governance ethos.

#### A. Quarterly Results

The quarterly/annual financial results are regularly submitted to BSE Limited in accordance with SEBI Listing Regulations and are also published in English newspaper (Business Standard). The quarterly/annual results are also uploaded on the website of the Company at [www.jmfinancialarc.com/Home/FinancialInformation](http://www.jmfinancialarc.com/Home/FinancialInformation). The Company also sends the quarterly/annual financial results via emails to those debentures holders whose email ids have been registered with their Depository Participants or with its RTA.

#### B. Website

The website of the Company viz., [www.jmfinancialarc.com](http://www.jmfinancialarc.com) provides information about the businesses carried on by the Company. The primary source of information to the shareholders, debenture holders and other stakeholders of the Company and to the public at large goes through the website of the Company.

Financial results, annual reports, quarterly corporate governance report, credit ratings, various mandatory policies adopted by the Board and other general information about the Company and such other disclosures as required under the SEBI Listing Regulations, are uploaded, and made available on the Company's website.

#### C. Annual Report

Annual Report containing, inter alia, the standalone and consolidated financial statements, directors' report, auditor's report and other important information is circulated to the shareholders and debenture holders of the Company prior to the AGM. The annual report of the Company is available on its website at [www.jmfinancialarc.com](http://www.jmfinancialarc.com) and also on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com).

#### D. BSE Listing Portal for Electronic Filing

The financial results, quarterly reports on Corporate Governance and all other filings required to be made to the stock exchanges are electronically uploaded on BSE Listing portal at <http://listing.bseindia.com>

#### E. Principal/Interest Intimations

In order to protect the interest of debenture holders, the Company sends intimation to all its debenture holders about the principal/interest amount credited to their bank accounts.

#### F. Designated email-id for grievances

Investors can contact Mr. Vineet Singh, Company Secretary at [vineet.singh@jmf.com](mailto:vineet.singh@jmf.com) for the purpose of registering their complaints, if any, and the same is also displayed on the Company's website.

#### G. Price Sensitive Information

All price sensitive information and such other matters which in the opinion of the Company are of importance to the shareholders/debenture holders are promptly intimated to the Stock Exchanges in terms of SEBI Listing Regulations.



### VIII. Accounting Standards followed by the Company

In the preparation of the financial statements, the Company has followed Ind AS referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.



### IX. Compliance with mandatory/non-mandatory requirements

The Company being a High Value Debt Listed Entity is ensuring compliance with the corporate governance requirements specified in Regulations 17 to 27 of SEBI Listing Regulations. The said regulations have been made applicable to the Company as a High Value Debt Listed Entity effective September 7, 2021 on a 'comply or explain' basis until March 31, 2025.



## X. Loans and Advances

The details, if any, of loans and investments falling under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are forming part of the notes to the financial statements of the Company, which forms part of this Annual Report.



## XI. Disclosure of certain types of agreements binding listed entities

There exist no agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company, associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company. It excludes such agreements which are entered into by the Company in the normal course of business.

## Report on Corporate Governance (Contd.)

### General Shareholders'/Debentureholders' Information

|   |   |
|---|---|
| <b>1. Corporate Identification Number (CIN)</b>   | U67190MH2007PLC174287   |
| <b>2. Registered Office</b>   | 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025                     |
| <b>3. Annual General Meeting ( the "AGM")</b>   |   |
| Day and Date  | Thursday, July 25, 2024   |
| Time  | 5.15 p.m.   |
| Venue   | 7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025                     |
| <b>4. Dividend per share and payment date</b>   | Not applicable*   |
| <b>5. Book Closure Date</b>   | Not applicable*   |
| <b>6. Website</b>   | <a href="http://www.jmfinancialarc.com">www.jmfinancialarc.com</a>                                      |
| <b>7. Financial Calendar</b>  |   |
| Financial Year (FY)   | April 1 <sup>st</sup> to March 31 <sup>st</sup>   |
| Tentative calendar for consideration of unaudited/audited financial results for the financial year 2024-25  |   |
| - First quarter ending June 30, 2024 (Unaudited)  | On or before August 14, 2024  |
| - Second quarter and half year ending September 30, 2024 (Unaudited)  | On or before November 14, 2024  |
| - Third quarter and nine months ending December 31, 2024 (Unaudited)  | On or before February 14, 2025  |
| - Last quarter and financial year ending March 31, 2025 (Audited)   | On or before May 30, 2025   |
| <b>8. Listing Details</b>   |   |
| Name of the stock exchanges & Security Code/Symbol  | Addresses, Contact details and website(s)   |
| BSE Limited ("BSE")   | Phiroze Jeejeebhoy Towers,  |
| Security Code: <b>Not applicable</b>  | Dalal Street, Mumbai - 400 001  |
|   | Tel: 91 22 2272 1233/4  |
|   | Fax: 91 22 22721919   |
|   | <a href="http://www.bseindia.com">www.bseindia.com</a>  |
| <b>The Non-Convertible Debentures of the Company are listed on the debt market segment of BSE. Further, the Company hereby confirms that annual listing fees for financial year 2024-25 has been paid to BSE.</b> |   |
| <b>9. International Securities Identification Number (ISIN) of equity shares</b>  | INE265J01012  |
| <b>10. Plant Location</b>   | Not applicable since the Company is engaged in financial services business and does not have any plant. |

#### 11. Market price data

Not Applicable\*

#### 12. Stock Performance vs. broad-based indices such as S&P BSE Sensex, CRISIL Index etc.

Not Applicable\*

#### 13. Address of Correspondence

##### The Company

Mr. Vineet Singh

Company Secretary and Compliance Officer

JM Financial Asset Reconstruction Company Limited

7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg,

Prabhadevi, Mumbai - 400 025

Tel: +91 22 6630 3030

Email ID: [vineet.singh@jmfl.com](mailto:vineet.singh@jmfl.com)

#### 14. Registrar and Transfer Agents

Pursuant to Regulation 7 of the Listing Regulations, KFin Technologies Limited (the "KFinTech") continues to act as the Company's Registrar and Share Transfer Agent (the "RTA"). KFinTech is a SEBI registered Category I – Registrar to an Issue and Share Transfer Agents. For any queries relating to the equity shares/debentures of the Company, the shareholders/debenture holders may contact the RTA at following address.

##### KFin Technologies Limited

Selenium Building, Tower-B, Plot No 31 & 32,

Financial District, Nanakramguda,

Serilingampally, Hyderabad, Rangareddy,

Telangana India - 500 032

Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)



Toll Free No.: 1800 309 4001

WhatsApp Mobile No.: + (91) 910 009 4099

KPRISM: <https://kprism.kfintech.com>

Corporate Website: <https://www.kfintech.com>;  
<https://ris.kfintech.com>

## 15. Debenture Trustee

### SBICAP Trustee Company Limited

4<sup>th</sup> Floor, Mistry Bhavan,

122 Dinshaw Vachha Road,

Churchgate, Mumbai - 400020

Tel: 022 4302 5555/5566

Email ID: [prashant.joshi@sbicaptrustee.com](mailto:prashant.joshi@sbicaptrustee.com)

Website: [www.sbicaptrustee.com](http://www.sbicaptrustee.com)

## 16. Securities transfer system

In terms of Regulation 61(4) read with Regulation 40 of the SEBI Listing Regulations, as amended from time to time, securities are transferred only in dematerialized form. These securities can be transferred through the Depository Participants in electronic mode with no involvement of the Company.

## 17. Suspension of securities from trading

During the financial year 2023-24, none of the securities of the Company were suspended from trading.

## 18. Dematerialisation of shares and liquidity thereof

As on March 31, 2024, all the equity shares of the Company are in dematerialised form under the depository viz. National Securities Depository Limited.

## 19. Distribution of shareholding

As on March 31, 2024, JM Financial Limited is the holding Company with 53.62% holding. Balance equity is held by group company, Banks, HNIs and FII.

## 20. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion and likely impact on equity capital

The Company did not have any outstanding GDRs/ADRs/warrants/convertible instruments as on March 31, 2024.

## 21. Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk and commodity hedging activities as on March 31, 2024.

## 22. Credit rating

Details pertaining to credit ratings obtained by the Company are included in the Director's Report.

\* The equity shares of the Company are not listed on the stock exchanges and hence certain details are not applicable to the Company.

### Important communication for Investors

- To avail the waiver of deduction of TDS, if eligible, Investors can share the duly filed Form 15H/15G on [vineet.singh@jmfl.com](mailto:vineet.singh@jmfl.com).
- Investors may contact us at 022-6630 3030/ [vineet.singh@jmfl.com](mailto:vineet.singh@jmfl.com) for any queries/clarifications.

## Report on Corporate Governance (Contd.)

### Certificate

The Board of Directors

**JM Financial Asset Reconstruction Company Limited**

Mumbai

Certified that for the financial year 2023-24, to the best of our knowledge and belief:

- A. We have reviewed financial statements and the cash flow statement for the financial year 2023-24 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal controls of which we are aware.
- D. We have indicated to the auditors and the audit committee that there were:
  - i. No significant changes in internal control over financial reporting during the year;
  - ii. No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - iii. No instanced of fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

This Certificate is given by the undersigned with full knowledge that on its faith and strength, full reliance is placed by the Board of Directors of the Company.

**Srinivasan Viswanathan**

Chief Executive Officer

**Sabyasachi Ray**

Chief Financial Officer

Place: Mumbai

Date: May 16, 2024





## Certificate of Non-Disqualification of Directors

(Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**JM Financial Asset Reconstruction Company Limited**  
7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai – 400025

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED** having CIN: U67190MH2007PLC174287 and having registered office at 7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the website of Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the directors on the Board of the Company as stated below for the financial year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

| Sr. No. | Name of Directors       | Director Identification Number | Date of Appointment |
|---------|-------------------------|--------------------------------|---------------------|
| 1.      | Mr. V P Shetty          | 00021773                       | 28/11/2007          |
| 2.      | Mr. Narotam Sekhsaria   | 00276351                       | 10/04/2008          |
| 3.      | Mr. Pulkit Sekhsaria    | 00046409                       | 26/11/2014          |
| 4.      | Ms. Rupa Vora           | 01831916                       | 31/03/2015          |
| 5.      | Mr. Adi Patel           | 02307863                       | 05/12/2017          |
| 6.      | Dr. Vijay Kelkar        | 00011991                       | 21/09/2018          |
| 7.      | Mr. Ameet Desai         | 00007116                       | 09/01/2019          |
| 8.      | Mr. Satish Chand Mathur | 03641285                       | 15/04/2019          |
| 9.      | Mr. Vishal Kampani      | 00009079                       | 08/11/2019          |
| 10.     | Mr. Munesh Khanna       | 00202521                       | 27/09/2022          |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shroff Negandhi and Associates LLP**  
Company Secretaries

**Amit Negandhi**

Partner

FCS-10729, CP-13852

UDIN: F010729F000381924

Unique Code: L2022MH012100

Peer Review Certificate No.: 2828/2022

Place: Mumbai

Date: May 16, 2024

## Report on Corporate Governance (Contd.)

# Corporate Governance Compliance Certificate

To,  
The Members,  
**JM Financial Asset Reconstruction Company Limited**  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai – 400025

We have examined all the relevant records of **JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED** (the “**Company**”) for the purpose of certifying compliance of the conditions of Corporate Governance under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”), to the extent applicable for the period from April 1, 2023 to March 31, 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Shroff Negandhi and Associates LLP**  
Company Secretaries

**Amit Negandhi**  
Partner  
FCS-10729, CP-13852  
UDIN: F010729F000382045  
Unique Code: L2022MH012100  
Peer Review Certificate No.: 2828/2022  
Place: Mumbai  
Date: May 16, 2024



# Independent Auditor's Report

## To The Board of Directors

### The Members of JM Financial Asset Reconstruction Company Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of **JM Financial Asset Reconstruction Company Limited** ("the Parent Company") and its subsidiaries constituted as Trusts, (the Parent Company and its subsidiaries constituted as Trusts together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2024, 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 ended on that date, including a summary of material accounting policies and other explanatory information (The "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, Including the Ind AS, of the consolidated financial position of the Company as at March 31, 2024, and its consolidated loss including consolidated other comprehensive income, the consolidated changes in equity and its consolidated Cash flows for the period ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 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 audit opinion on the consolidated financial statements.

#### Material Uncertainty Related to Going Concern

With reference to Note 50.1 to the consolidated financial statements which indicates that the group has incurred significant losses for the current financial year, an exceptional impairment loss provision was made on March 31, 2024, in multiple trusts & loans related to one large investment in security receipts/financial assets due to the change in the resolution strategy & events subsequent to the balance sheet date, which led to a reduction in the fair values of these assets, resulting in the Group's net worth decreasing from ₹ 1,535.77 crore as on March 31, 2023, to ₹ 595.48 crore as on March 31, 2024. The reduction in net worth has resulted in a decrease in regulatory capital and regulatory ratios that indicate that material uncertainty related to going concern may exist.

However, the Parent Company is raising funds through an equity infusion of ₹ 525 crore or such higher amounts from its Holding Company/Existing shareholders/holding company's group entities/new investors, approved in its Board Meeting on May 16, 2024, subject to regulatory and other approvals. The regulatory capital and regulatory ratios will improve post the equity infusion which is explained in the note and the parent Company is confident it can meet obligations with equity infusion and asset realization. The Consolidated Financial Statements are prepared on a going-concern basis, as detailed in the note.

Our opinion is not modified with respect to this above matter.

#### Emphasis of Matters:

We draw your attention to Note 32 of these consolidated financial statements, which describes the exceptional item considered by management for significant impairment provisions of ₹ 846.86 Crore on fair valuation of investments in multiple trusts and loans related to one large account/exposure in the current financial year due to a change in resolution strategy/plan and events subsequent to the balance sheet date resulting in the reduction of fair values of the specific assets.

Our opinion is not modified with respect to this emphasis of matter.

#### Key Audit Matters

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

## Independent Auditor's Report (Contd.)

### Key Audit Matter

#### Fair Valuation of the Group's financial instruments:

The valuation of the financial instruments is based on a recovery range provided by the External Rating Agency and other unobservable inputs (i.e. projection of future cash flows and expenses etc.). These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded.

Initially, the independent committee finalizes the resolution strategy for each trust, which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners. The fair value of the investment can only be estimated based on the chosen resolution strategy, expected cash flows, recovery ranges provided by the external rating agency, collateral values, discount rates, proposed investor offer and other relevant assumptions. Further, the Group has applied judgements in estimating the cash flows.

The financial instruments carried at fair value of the Group are:

- The group has Investments in security receipts in Trusts formed under distressed credit business aggregating to ₹ 1,241.82 crores as at March 31, 2024;
- Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating ₹ 1,487.74 crores as at March 31, 2024.

(Refer to notes 9 & 10 in the consolidated financial statements)

In view of the complexities and significant judgements involved we have considered the valuation of these financial instruments as a key audit matter.

### Auditor's Response

#### Principal Audit Procedures Performed:

- We have tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments and financial assets including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates etc.

We have selected the sample and performed the following audit procedures:

- Analysed reasonableness of the determination of the appropriate recovery rate and estimated cash flows and the other relevant judgments and estimates, if any; and we assessed the information used to determine the key assumptions;
- Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any;
- Compared the management's assumption of discount rate with the supporting internal/ external evidence;
- We assessed the reasonableness of the judgements in estimating the cash flows in response to corroborating the assumptions based on the information used by the group, adopted/change in resolution strategy; and verified the accounting treatment applied.
- Read and assessed the disclosure made in the consolidated financial statements to assess compliance with respect to the disclosure requirements.

### Information Other than the Consolidated financial statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexures to the Board's report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other

information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's & Board of Director's Responsibility for the Consolidated Financial Statements

The Parent Company's management & Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these consolidated financial statements that give a true and



fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Companies Act, 2013.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements.

In preparing the consolidated financial statements, management is responsible for assessing the respective entities 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 their respective entities or to cease operations or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Parent Company has an 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 Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information on the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative

## Independent Auditor's Report (Contd.)

materiality and qualitative factors in (i) planning the scope of our audit work in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Companies Act, 2013, 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 the preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity 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 Ind As specified under Section 133 of the Companies Act, 2013.
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors of the Parent Company, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- (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 Auditor's Report of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over the financial reporting of those companies
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, according to the information & explanation given to us, the remuneration (Commission) payable by the Parent Company to its directors during the year, is in accordance with the provisions of section 197 of the Act subject to the approval of the shareholders which the parent Company proposes to obtain in its forthcoming annual general meeting.
- (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:
  - i. There are no pending litigation 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;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company.
  - iv. (a) The management of the Parent Company, has represented to us that, to the best of their knowledge and belief as stated in note no 52 (vi) (A), no funds (which are material either individually or in the aggregate) have been





advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The management of the Parent Company, has represented, to us that, to the best of their knowledge and belief note no 52 (vi) (B), no funds (which are material either individually or in the aggregate) have been received by the Parent Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. During the year Parent Company has not declared/ paid any dividend hence reporting under rule 11(f) is not applicable to that extent.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable only to the parent company as the subsidiaries are in the form of trusts. Based on our examination which included test checks, the parent company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature did not operate for the period 1st Apr 2023 to 4th Apr 2023. Further, for the period where the audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.
2. With respect to the matters specified in paragraph 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" / "CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, to be included in Auditor's report, according to information and explanation given to us, and based on the CARO report issued by us for the parent company included in the consolidated financial statements, have unfavourable remarks or qualifications in their CARO report w.r.t. Parent Company.

| Sr. No. | Name of the Entity                                 | CIN                   | Parent/ Subsidiary Company | Clause Number of the CARO Report |
|---------|--|-----------------------|----------------------------|----------------------------------|
| 1       | JM Financials Asset Reconstruction Company Limited | U67190MH2007PLC174287 | Parent Company             | iii (c)<br>iii (d)<br>vii (b)    |

**For Sharp and Tannan Associates**  
Chartered Accountants  
Firm's Registration No.:109983W  
by the hand of

**Parthiv S. Desai**  
Partner

Membership No.: (F) 042624  
UDIN: 24042624BKFRSK8629

Mumbai, May 16, 2024

## Annexure A

to the Independent Auditors' Report

**(Referred to in paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)**

We have audited the internal financial controls over financial reporting of **JM Financial Asset Reconstruction Company Limited** ("the Parent Company") as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **Management's & Board of Director's Responsibility for the Internal Financial Controls**

The Parent Company's Management & the Board of Directors 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 Parent 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 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 were 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Parent 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 consolidated 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 consolidated 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Mumbai, May 16, 2024

For **Sharp and Tannan Associates**  
Chartered Accountants  
Firm's Registration No.:109983W  
by the hand of

**Parthiv S. Desai**

Partner

Membership No.: (F) 042624  
UDIN: 24042624BKFRSK8629

# Consolidated Balance Sheet

as at March 31, 2024

(₹ in Crore)

| Sr. No. | Particulars   | Note No. | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------|---|----------|-------------------------|-------------------------|
|         | <b>ASSETS</b>   |          |                         |                         |
| (I)     | <b>Financial Assets</b>   |          |                         |                         |
| A       | Cash and cash equivalents   | 5        | 93.66                   | 70.95                   |
| B       | Bank balances other than (A) above  | 6        | 0.99                    | 2.73                    |
| C       | Trade Receivables   | 7        | 197.78                  | 272.39                  |
| D       | Loans   | 8        | 499.12                  | 543.28                  |
| E       | Investments   | 9        | 1,250.57                | 1,263.37                |
| F       | Other Financial Assets  | 10       | 1,532.71                | 2,756.28                |
|         | <b>Total Financial Assets (I)</b>   |          | <b>3,574.83</b>         | <b>4,909.00</b>         |
| (II)    | <b>Non Financial Assets</b>   |          |                         |                         |
| A       | Current tax assets (net)  | 11       | 83.75                   | 44.35                   |
| B       | Deferred tax assets (net)   | 12       | 121.14                  | 88.91                   |
| C       | Property, Plant and Equipment   | 13       | 11.33                   | 13.52                   |
| D       | Other Intangible assets   | 13       | 0.15                    | 0.03                    |
| E       | Other non-financial assets  | 14       | 1.33                    | 2.26                    |
|         | <b>Total Non Financial Assets (II)</b>  |          | <b>217.70</b>           | <b>149.07</b>           |
|         | <b>Total Assets (I+II)</b>  |          | <b>3,792.53</b>         | <b>5,058.07</b>         |
|         | <b>LIABILITIES AND EQUITY</b>   |          |                         |                         |
|         | <b>LIABILITIES</b>  |          |                         |                         |
| (I)     | <b>Financial Liabilities</b>  |          |                         |                         |
| A       | Trade Payables  | 15       |                         |                         |
|         | (i) total outstanding dues of micro and small enterprises                       |          | 0.14                    | 0.23                    |
|         | (ii) total outstanding dues of creditors other than micro and small enterprises |          | 4.70                    | 2.55                    |
| B       | Debt Securities   | 16       | 1,897.90                | 1,709.80                |
| C       | Borrowings (Other than Debt Securities)   | 17       | 1,015.27                | 1,493.55                |
| D       | Lease liabilities   | 18       | 14.02                   | 16.08                   |
| E       | Other financial liabilities   | 19       | 69.19                   | 28.01                   |
|         | <b>Total Financial Liabilities (I)</b>  |          | <b>3,001.22</b>         | <b>3,250.22</b>         |
| (II)    | <b>Non-Financial Liabilities</b>  |          |                         |                         |
| A       | Provisions  | 20       | 1.75                    | 2.09                    |
| B       | Other non-financial liabilities   | 21       | 20.74                   | 24.81                   |
|         | <b>Total Non-Financial Liabilities (II)</b>                                     |          | <b>22.49</b>            | <b>26.90</b>            |
| (III)   | <b>EQUITY</b>   |          |                         |                         |
| A       | Equity Share capital  | 22       | 398.33                  | 398.33                  |
| B       | Other Equity  | 23       | 197.15                  | 1,137.44                |
|         | <b>Equity attributable to owners of the Company</b>                             |          | <b>595.48</b>           | <b>1,535.77</b>         |
| C       | Non-Controlling interests   | 23       | 173.34                  | 245.18                  |
|         | <b>Total Equity (III)</b>   |          | <b>768.82</b>           | <b>1,780.95</b>         |
|         | <b>Total Liabilities and Equity (I+II+III)</b>                                  |          | <b>3,792.53</b>         | <b>5,058.07</b>         |

The accompanying notes are an integral part of the consolidated financial statements : 1 to 54

**In terms of our report of even date attached**

**For Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration No.: 109983W

**Parthiv S. Desai**

Partner

Membership No.(F) 042624

**For and on behalf of the Board of Directors**

**Adi Patel**

Director

(DIN - 02307863)

**Rupa Vora**

Chairperson -

Audit Committee

(DIN - 01831916)

**Srinivasan Viswanathan**

Chief Executive Officer

**Vineet Singh**

Company Secretary

**Sabyasachi Ray**

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Place : Mumbai

Date : May 16, 2024



# Consolidated Statement of Profit and Loss

for the year ended Marh 31, 2024

(₹ in Crore)

| Sr. No. | Particulars   | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---------|---|----------|-----------------------------------|-----------------------------------|
| (I)     | <b>Income :</b>   |          |                                   |                                   |
|         | <b>Revenue from operations</b>                                  |          |                                   |                                   |
|         | Interest Income   | 24       | 92.61                             | 66.04                             |
|         | Fees and Incentives   | 25       | 250.24                            | 150.51                            |
|         | <b>Total Revenue from operations</b>                            |          | <b>342.85</b>                     | <b>216.55</b>                     |
| (II)    | Other Income  | 26       | 1.06                              | 2.34                              |
| (III)   | <b>Total Income (I+II)</b>                                      |          | <b>343.91</b>                     | <b>218.89</b>                     |
| (IV)    | <b>Expenses :</b>   |          |                                   |                                   |
|         | Finance Costs   | 27       | 301.87                            | 247.84                            |
|         | Net Loss on fair value changes                                  | 28       | 50.11                             | 103.70                            |
|         | Impairment of financial instruments (net)                       | 29       | 11.48                             | 12.43                             |
|         | Employee Benefits Expenses                                      | 30       | 21.62                             | 20.37                             |
|         | Depreciation and amortization expenses                          | 13       | 2.53                              | 2.71                              |
|         | Others expenses   | 31       | 44.04                             | 25.46                             |
|         | <b>Total Expenses</b>   |          | <b>431.65</b>                     | <b>412.51</b>                     |
| (V)     | <b>Profit/(Loss) before exceptional items and tax (III- IV)</b> |          | <b>(87.74)</b>                    | <b>(193.62)</b>                   |
| (VI)    | <b>Exceptional items</b>  | 32       | <b>(846.86)</b>                   | <b>-</b>                          |
| (VII)   | <b>Profit/(Loss) before tax (V+VI)</b>                          |          | <b>(934.60)</b>                   | <b>(193.62)</b>                   |
| (VIII)  | <b>Less : Tax Expenses:</b>                                     | 33       |                                   |                                   |
|         | Current tax   |          | 40.95                             | -                                 |
|         | Deferred tax  |          | (30.54)                           | (46.96)                           |
|         | <b>Total tax expenses</b>                                       |          | <b>10.41</b>                      | <b>(46.96)</b>                    |
| (IX)    | <b>Profit/(Loss) for the year (VII-VIII)</b>                    |          | <b>(945.01)</b>                   | <b>(146.66)</b>                   |
| (X)     | <b>Other Comprehensive Income</b>                               |          |                                   |                                   |
|         | Items that will not be reclassified to profit or loss           |          |                                   |                                   |
|         | - Actuarial gain/(losses) on post-retirement benefit plans      |          | (0.30)                            | (0.20)                            |
|         | - Income tax on the above                                       |          | (0.08)                            | (0.05)                            |
|         | <b>Total other comprehensive income</b>                         |          | <b>(0.22)</b>                     | <b>(0.15)</b>                     |
| (XI)    | <b>Total Comprehensive Income (IX+X)</b>                        |          | <b>(945.23)</b>                   | <b>(146.81)</b>                   |
| (XII)   | <b>Net Profit/(Loss) for the year attributable to:</b>          |          |                                   |                                   |
|         | Owners of parent company  |          | (941.98)                          | (154.47)                          |
|         | Non-controlling interests                                       |          | (3.03)                            | 7.81                              |
| (XIII)  | <b>Other Comprehensive Income attributable to:</b>              |          |                                   |                                   |
|         | Owners of parent company  |          | (0.22)                            | (0.15)                            |
|         | Non-controlling interests                                       |          | -                                 | -                                 |
| (XIV)   | <b>Total Comprehensive Income attributable to:</b>              |          |                                   |                                   |
|         | Owners of parent company  |          | <b>(942.20)</b>                   | <b>(154.62)</b>                   |
|         | Non-controlling interests                                       |          | <b>(3.03)</b>                     | <b>7.81</b>                       |
| (XV)    | <b>Earnings per equity share (Face value of ₹ 10 each)</b>      | 34       |                                   |                                   |
|         | Basic Earning per share (in ₹)                                  |          | (23.65)                           | (3.88)                            |
|         | Diluted Earning per share (in ₹)                                |          | (23.65)                           | (3.88)                            |

The accompanying notes are an integral part of the consolidated financial statements : 1 to 54

**In terms of our report of even date attached**

**For Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration No.: 109983W

**Parthiv S. Desai**

Partner

Membership No.(F) 042624

Place : Mumbai

Date : May 16, 2024

**For and on behalf of the Board of Directors**

**Adi Patel**

Director

(DIN - 02307863)

**Vineet Singh**

Company Secretary

Place : Mumbai

Date : May 16, 2024

**Rupa Vora**

Chairperson -

Audit Committee

(DIN - 01831916)

**Sabyasachi Ray**

Chief Financial Officer

**Srinivasan Viswanathan**

Chief Executive Officer

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

## A. Equity share capital

| Particulars          | Balance as at April 1, 2022 | Changes in equity share capital during the year | As at March 31, 2023 | Changes in equity share capital during the year | As at March 31, 2024 |
|----------------------|-----------------------------|---|----------------------|---|----------------------|
| Equity Share Capital | 344.64                      | 53.69   | 398.33               | -   | 398.33               |

(₹ in Crore)

## B. Other Equity

| Particulars   | Securities Premium | Retained earnings | Capital reserves on change in interest without loss of control | Equity component of Compulsory convertible debentures | Initial Corpus | Impairment Reserve | Stock Option Outstanding | Attributed to owners of the Company | Non-Controlling Interest | Total           |
|---|--------------------|-------------------|--|---|----------------|--------------------|--------------------------|-------------------------------------|--------------------------|-----------------|
| <b>As at April 1, 2022</b>  | <b>194.34</b>      | <b>868.03</b>     | <b>28.15</b>   | <b>142.52</b>   | <b>0.01</b>    | <b>108.10</b>      | <b>2.47</b>              | <b>1,343.62</b>                     | <b>119.86</b>            | <b>1,463.48</b> |
| Profit for the year   | -                  | (154.47)          | -  | -   | -              | -                  | -                        | (154.47)                            | 7.81                     | (146.66)        |
| Addition during the year  | 88.84              | -                 | -  | -   | -              | -                  | 0.81                     | 89.65                               | -                        | 89.65           |
| Redemption of security receipts   | -                  | -                 | -  | -   | -              | -                  | -                        | -                                   | (7.35)                   | (7.35)          |
| Initial Corpus  | -                  | -                 | -  | -   | #              | -                  | -                        | #                                   | -                        | #               |
| Issue and conversion of Compulsorily Convertible Debentures -Equity component | -                  | -                 | -  | (142.52)  | -              | -                  | -                        | (142.52)                            | -                        | (142.52)        |
| Change in controlling interest  | -                  | -                 | -  | -   | -              | -                  | -                        | -                                   | 124.86                   | 124.86          |
| ESOP Grant During the year  | -                  | -                 | -  | -   | -              | -                  | 4.06                     | 4.06                                | -                        | 4.06            |
| ESOP Deferred employee compensation   | -                  | -                 | -  | -   | -              | -                  | (2.75)                   | (2.75)                              | -                        | (2.75)          |
| Appropriation for Impairment reserve (refer note 23.2)                        | -                  | (19.09)           | -  | -   | -              | 19.09              | -                        | -                                   | -                        | -               |
| Re-measurement of defined benefit plans                                       | -                  | (0.15)            | -  | -   | -              | -                  | -                        | (0.15)                              | -                        | (0.15)          |
| <b>As at March 31, 2023</b>   | <b>283.18</b>      | <b>694.32</b>     | <b>28.15</b>   | <b>-</b>  | <b>0.01</b>    | <b>127.19</b>      | <b>4.59</b>              | <b>1,137.44</b>                     | <b>245.18</b>            | <b>1,382.62</b> |

(₹ in Crore)





| Particulars  | Securities Premium | Retained earnings | Capital reserves on change in interest without loss of control | Equity component of compulsory convertible debentures | Initial Corpus | Impairment Reserve | Stock Option Outstanding | Attributed to owners of the Company | Non-Controlling Interest | Total           |
|--|--------------------|-------------------|--|---|----------------|--------------------|--------------------------|-------------------------------------|--------------------------|-----------------|
| <b>As at April 1, 2023</b>                             | <b>283.18</b>      | <b>694.32</b>     | <b>28.15</b>   | -   | <b>0.01</b>    | <b>127.19</b>      | <b>4.59</b>              | <b>1,137.44</b>                     | <b>245.18</b>            | <b>1,382.62</b> |
| Profit for the year                                    | -                  | (941.98)          | -  | -   | -              | -                  | -                        | (941.98)                            | (3.03)                   | (945.01)        |
| Addition during the year                               | -                  | -                 | -  | -   | -              | -                  | 1.91                     | 1.91                                | 191.25                   | 193.16          |
| Redemption of security receipts                        | -                  | -                 | -  | -   | -              | -                  | -                        | -                                   | (69.91)                  | (69.91)         |
| Initial Corpus   | -                  | -                 | -  | -   | #              | -                  | -                        | #                                   | -                        | #               |
| Transfer on account of options not exercised           | -                  | 0.06              | -  | -   | -              | -                  | (0.06)                   | -                                   | -                        | -               |
| Share of distribution of Income (net of taxes)         | -                  | -                 | -  | -   | -              | -                  | -                        | -                                   | (4.78)                   | (4.78)          |
| Change in controlling interest                         | -                  | -                 | -  | -   | -              | -                  | -                        | -                                   | (185.37)                 | (185.37)        |
| Appropriation for Impairment reserve (refer note 23.2) | -                  | (116.54)          | -  | -   | -              | 116.54             | -                        | -                                   | -                        | -               |
| Re-measurement of defined benefit plans                | -                  | (0.22)            | -  | -   | -              | -                  | -                        | (0.22)                              | -                        | (0.22)          |
| <b>As at March 31, 2024</b>                            | <b>283.18</b>      | <b>(364.36)</b>   | <b>28.15</b>   | <b>-</b>  | <b>0.01</b>    | <b>243.73</b>      | <b>6.44</b>              | <b>197.15</b>                       | <b>173.34</b>            | <b>370.49</b>   |

# Denote amount below ₹50,000

The accompanying notes are an integral part of the consolidated financial statements : 1 to 54

**In terms of our report of even date attached  
For Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration No.: 109983W

**Parthiv S. Desai**

Partner

Membership No.(F) 042624

Place : Mumbai

Date : May 16, 2024

**For and on behalf of the Board of Directors**

**Adi Patel**

Director  
(DIN - 02307863)

**Rupa Vora**

Chairperson -  
Audit Committee  
(DIN - 01831916)

**Vineet Singh**

Company Secretary

Place : Mumbai

Date : May 16, 2024

**Sabyasachi Ray**

Chief Financial Officer

**Srinivasan Viswanathan**

Chief Executive Officer

# Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(₹ in Crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>A Cash flow from operating activities</b>                            |                                      |                                      |
| Profit/(Loss) before exceptional items and tax                          | (87.74)                              | (193.62)                             |
| <b>Adjustment for</b>   |                                      |                                      |
| Interest expenses   | 300.57                               | 246.18                               |
| Interest on lease liability   | 1.30                                 | 1.66                                 |
| Impairment of financial instruments (net)                               | 11.48                                | 12.43                                |
| Depreciation and amortisation of expenses                               | 2.53                                 | 2.71                                 |
| Net (Gain)/Loss on fair value changes                                   | 50.11                                | 104.81                               |
| (Gain)/Loss on mutual fund  | #                                    | (1.11)                               |
| (Gain)/Loss on lease modification                                       | (0.03)                               | (0.43)                               |
| Net (gain) on sale of Property, Plant and Equipment                     | #                                    | -                                    |
| Amortisation of deferred employee compensation (ESOP)                   | 1.91                                 | 2.12                                 |
| Interest income on fixed deposits                                       | (0.90)                               | (1.76)                               |
| <b>Operating profit/(loss) before working capital changes</b>           | <b>279.22</b>                        | <b>172.99</b>                        |
| <b>Change in operating assets and liabilities</b>                       |                                      |                                      |
| (Increase)/Decrease in financial assets of trusts                       | 842.31                               | 103.20                               |
| (Increase)/Decrease in trade receivables                                | 68.95                                | (80.51)                              |
| (Increase)/Decrease in long term loans and advances                     | (26.99)                              | 55.48                                |
| (Increase)/Decrease in other financial assets                           | (8.59)                               | (1.71)                               |
| (Increase)/Decrease in non financial assets                             | 0.93                                 | 0.36                                 |
| (Increase)/Decrease in other bank balances                              | 1.74                                 | 0.73                                 |
| Increase/(Decrease) in trade payables                                   | (5.91)                               | 1.50                                 |
| Increase/(Decrease) in financial liabilities                            | 36.73                                | (11.10)                              |
| Increase/(Decrease) in non financial liabilities                        | (4.40)                               | (5.38)                               |
| Increase/(Decrease) in provisions                                       | (0.64)                               | (0.12)                               |
| <b>Cash generated from/(used in) operations</b>                         | <b>1,183.35</b>                      | <b>235.44</b>                        |
| Income tax paid (net)   | (80.35)                              | (4.01)                               |
| <b>Net cash generated from/ (used in) operating activities</b>          | <b>1,103.00</b>                      | <b>231.43</b>                        |
| <b>B Cash flow from investing activities</b>                            |                                      |                                      |
| Payments for purchase of investment in Security Receipts                | (260.56)                             | (434.03)                             |
| Redemption of Security Receipts   | 184.49                               | 91.98                                |
| Payment for acquisition of subsidiary trusts, net of cash acquired      | (343.02)                             | (447.78)                             |
| Effect of change in controlling interest                                | (13.26)                              | 7.39                                 |
| Payments for purchase of investment in equity instruments (Right Issue) | -                                    | (13.11)                              |
| Proceed from sale of investment in equity instruments                   | 13.13                                | 0.34                                 |
| Payments for purchase of investment in mutual funds                     | (4.00)                               | (161.70)                             |
| Redemption of mutual funds  | 4.00                                 | 162.81                               |
| Payments for purchase of Property, Plant and Equipment and Intangibles  | (0.51)                               | (0.13)                               |
| Sale of Property, Plant and Equipment                                   | 0.01                                 | -                                    |
| Interest Income   | 0.90                                 | 1.76                                 |
| <b>Net cash generated from/(used in) investment activities</b>          | <b>(418.82)</b>                      | <b>(792.47)</b>                      |



(₹ in Crore)

| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| <b>C Cash flow from financing activities</b>                             |                                      |                                      |
| Proceeds from debt securities  | 129.11                               | 1,390.12                             |
| Repayment of debt securities   | (178.50)                             | (474.00)                             |
| Proceeds from borrowing  | 975.00                               | 1,126.40                             |
| Repayment of borrowing   | (1,434.71)                           | (1,244.18)                           |
| Proceed from issue of Optionally Convertible Debentures                  | 200.00                               | -                                    |
| Repayment of debt component of Compulsory Convertible Debenture          | -                                    | (20.17)                              |
| Interest paid on debt securities and other borrowings                    | (294.89)                             | (192.12)                             |
| Repayment of lease liabilities   | (3.28)                               | (3.49)                               |
| Redemption of security receipts (Non controlling interest)               | (76.30)                              | (7.35)                               |
| <b>Net cash generated from/(used in) financing activities</b>            | <b>(683.57)</b>                      | <b>575.21</b>                        |
| <b>Net increase/(decrease) in cash and cash equivalents</b>              | <b>0.61</b>                          | <b>14.17</b>                         |
| Cash and cash equivalents at the beginning of the financial year/period  | 70.95                                | 56.78                                |
| <b>Cash and cash equivalents at the end of the financial year/period</b> | <b>71.56</b>                         | <b>70.95</b>                         |

### Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

(₹ in Crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>Cash and cash equivalents</b>  | 93.66                                | 70.95                                |
| Bank overdrafts repayable on demand and used for cash management purposes | (22.10)                              | -                                    |
| <b>Cash and cash equivalents in the statement of cash flows</b>           | <b>71.56</b>                         | <b>70.95</b>                         |

# Denotes amount less than ₹50,000/-

The accompanying notes are an integral part of the consolidated financial statements : 1 to 54

### In terms of our report of even date attached

**For Sharp & Tannan Associates**

Chartered Accountants

Firm's Registration No.: 109983W

**Parthiv S. Desai**

Partner

Membership No.(F) 042624

**For and on behalf of the Board of Directors**

**Adi Patel**

Director

(DIN - 02307863)

**Rupa Vora**

Chairperson -

Audit Committee

(DIN - 01831916)

**Srinivasan Viswanathan**

Chief Executive Officer

**Vineet Singh**

Company Secretary

**Sabyasachi Ray**

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Place : Mumbai

Date : May 16, 2024

# Notes

forming part of the Consolidated Financial Statements

## 1 Corporate Information

JM Financial Asset Reconstruction Company Limited ('the Parent') is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 (the "Act"). The Parent is a Securitization Company registered with Reserve Bank of India and along with its subsidiaries is engaged in the business of acquisition of non-performing and distressed assets (NPA) from Banks and Financial institutions. The Trust are set up under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") for acquisition of NPAs and are considered as subsidiaries, where it exercises control for the purpose of preparation of the consolidated financial statements.

## 2 Basis of Preparation and presentation

### 2.1 Statement of Compliance

The financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Act (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act to the extent applicable and the guidelines prescribed by the RBI, to the extent applicable.

### 2.2 Basis of measurement

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 the original cost or transaction price of 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, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

### 2.3 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 crore 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.

Previous year figures have been re-grouped or reclassified, to confirm with current year's grouping/ classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

## 3 Material Accounting Policy information

### 3.1 Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there



are changes to one or more of the three elements of control listed above.

When the Group who's less than a majority of the security receipts of an investee trusts, it has power over the investee when it is exposed, or has rights, to variable returns from its involvement with investee's activities. Variable returns are returns in form of expected cash flow from management fees, recovery incentive fees, upside income and share of investment in said trust that are not fixed and have the potential to vary as a result of the performance of investee. The Group assesses whether returns from investee are variable and how variable those returns are on the basis of the substance of the arrangement and regardless of the legal form of the returns. The amount of variability depends on the investee's ability to generate sufficient cash flow to pay the fees & share of investment in said investee.

The Group shall consider whether in its assessment it is acting in the capacity of a principal or an agent based on the level of exposure to the variable returns and consolidate the investee if the Group is acting as a principal. The Group shall reconsider this assessment annually if relevant facts or circumstances change.

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

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the

non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

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

### 3.2 Associates:

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

### 3.3 Property, plant and equipment and Intangible Assets

Property, plant and equipment (PPE) is recognized when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

"Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and recognises depreciation of the right-of-use asset. The cost of the right-of-use asset shall comprise of:

- a) the amount of the initial measurement of the lease liability which is the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease;
- b) any lease payments made at or before the commencement date, less any lease incentives received;

# Notes

forming part of the Consolidated Financial Statements (Contd..)

- c) any initial direct costs incurred by the lessee; and
- d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

(Also refer to policy on leases, borrowing costs and impairment of assets below).

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

| <b>Tangible assets -Property, Plant and Equipment</b> | <b>Useful life</b>                          |
|---|---|
| Motor Vehicles  | 8 years or lease period whichever is lower  |
| Computers   | 3 years                                     |
| Servers and networks                                  | 6 years                                     |
| Office equipment                                      | 5 years                                     |
| Furniture and fixtures                                | 10 years                                    |
| Leasehold improvements                                | 10 years or lease period whichever is lower |
| <b>Intangible assets</b>                              | <b>Useful life</b>                          |
| Computer software                                     | 5 years                                     |

Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase. Assets taken on finance lease are depreciated over a period of lease.

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

An item of property, plant and equipment is derecognized 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 recognized as profit or loss.

## Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at

original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development". Intangible assets are amortized on straight line basis over the estimated useful life of 5 years. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized as profit or loss when the asset is derecognized.

## Impairment losses on non-financial assets

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

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

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





### 3.4 Revenue Recognition

Revenue is recognized when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Group applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

The Group is generally able to make reliable estimates after it has agreed to the following with the other parties to the transaction:

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

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

Recovery incentive is accounted over the period on a cash basis, i.e. as and when received by the Group, based on terms of the relevant trust deeds and offer document issued by the Trust.

The Group recognises followings income/(loss) under the heading Net gain/(loss) on fair value changes on financial instruments at FVTPL

- (i) Additional realisation of assets over Net Asset Value of security receipt is accounted as per the terms

of relevant trust deed / offer document on actual distribution from the trust after full redemption of the Net Asset Value of security receipts in the trust.

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

### 3.5 Leasing

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

#### The Group as a lessee

The Group assesses, whether the 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.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

# Notes

forming part of the Consolidated Financial Statements (Contd..)

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 18 "Lease Liabilities" and ROU asset has been presented in Note 13 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

## The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the ROU asset arising from the head-lease.

## 3.6 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 recognized in the Statement of Profit and Loss in the period in which they are incurred.

## 3.7 Employee benefits

### Retirement benefit costs and termination benefits:

#### Defined Contribution Plan

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

#### Defined Benefit Obligation

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

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

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

#### Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.



### Other long-term employee benefits

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

## 3.8 Income Tax

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

### Current Tax

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

### Deferred tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, 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.

## 3.9 Provisions, contingent liabilities and contingent assets

### Provisions are recognized only when:

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

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

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

### Contingent liability is disclosed in case of:

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

### Contingent Assets:

Contingent assets are not recognized in the financial statements.

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## 3.10 Statement of Cash Flows

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

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

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

## 3.11 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

## 3.12 Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognised when the Group becomes the party to the contractual provisions of the instruments.

Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

### Initial Measurement of Financial Instruments

Financial assets and financial liabilities are initially measured at fair value except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets

or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Subsequent Measurement of Financial Assets

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

### Interest income

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

### Classification of Financial Assets:

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

### Debt instruments at amortised cost or at FVTOCI

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

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

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



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

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

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

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

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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Security receipt investments in scope of Ind AS 109, "Financial Instruments" are measured at fair value. Security Receipts are classified as at FVTPL. Gains and losses on security investments are included in the statement of profit or loss.

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

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

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

#### Reclassifications

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

#### Impairment of financial assets:

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

"The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:"

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 no significant increase in credit risk, improvement in credit risk 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 significant increase in the credit risk, has improved improvement in credit risk and the loan has been reclassified from Stage 3.



# Notes

forming part of the Consolidated Financial Statements (Contd..)

- Stage 3 - Under-performing assets with overdue more than 90 DPD including non-performing assets.

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

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

## De-recognition of financial assets

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

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

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

## Write off

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

The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

## Financial liabilities and equity instruments

### Classification as debt or equity

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

### Equity instruments

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

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

### Financial liabilities

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

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

### Financial liabilities at FVTPL

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





A financial liability is classified as held for trading if:

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

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

#### Financial liabilities subsequently measured at amortised cost

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

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

#### De-recognition of financial liabilities

The Group de-recognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new 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 de-recognised and the consideration paid and payable is recognized in profit or loss.

### 3.13 Share-based payment arrangements

Equity-settled share-based payments to employee of the Group are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments to employees is recognised as deferred employee compensation and is expensed in the Statement of Profit and Loss over the vesting period with a corresponding increase in employee stock option outstanding in other equity.

At the end of each year, the Group revisits its estimate of the number of equity instruments expected to vest and recognised any impact in profit or loss, such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment in other equity.

### 3.14 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.

### 3.15 Commitments

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

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

Other commitments if any related to normal course of business are not disclosed to avoid excessive details.

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## 3.16 Foreign currency translation

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

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

## 3.17 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.

## 4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the consolidated financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements and estimations that have been made by the Management in the process

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

### i) Fair value measurement and valuation processes

"Some of the Group's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. The Group engages third party external rating agencies to perform the valuations. The Management works closely with the qualified external rating agencies to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in note 43."

### ii) Consolidation of trusts under distressed credit business

The Group's shareholding in security receipts of certain trusts formed in respect of distressed credit business is less than 50% and are being consolidated as subsidiaries, based on the management evaluation of right to variable returns determined on the basis of expected cash flow in form of management fees, recovery incentives, upside income and investment and priority on said cash flow determined that the Group has a control over these Trusts in terms of Ind AS 110- Consolidated Financial Statements.

## 4A Issue of new accounting standards or amendments to the existing standards

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



## 5. Cash and Cash Equivalents

(₹ in crore)

| Particulars                | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| <b>Balances with Banks</b> |                         |                         |
| - In Current account       | 91.08                   | 60.03                   |
| - In Deposits account      | 2.58                    | 10.92                   |
| <b>Total</b>               | <b>93.66</b>            | <b>70.95</b>            |

## 6. Other Bank Balances

(₹ in crore)

| Particulars                           | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Earmarked balance with banks:</b>  |                         |                         |
| - In current account (refer note 6.1) | 0.74                    | 2.48                    |
| - In deposit account (refer note 6.2) | 0.25                    | 0.25                    |
| <b>Total</b>                          | <b>0.99</b>             | <b>2.73</b>             |

6.1 Current account include amount maintained for expenses towards Corporate Social Responsibility.

6.2 Balance in deposit accounts carry fixed rate of interest and are for period up to 9 months (Previous year : 14 months) and have lien against bank guarantees obtained by the Group.

## 7. Trade Receivables

(₹ in crore)

| Particulars                                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>At amortized cost:</b>                       |                         |                         |
| Unsecured considered good :                     |                         |                         |
| Trade Receivables                               | 242.02                  | 310.97                  |
| Less: Impairment Loss allowance (refer note 44) | (44.24)                 | (38.58)                 |
| <b>Total</b>                                    | <b>197.78</b>           | <b>272.39</b>           |

### 7.1 Trade receivable ageing schedule

(₹ in crore)

| Particulars                                   | Outstanding for following periods from due date of payment |                      |              |              |                      | Total         |
|---|--|----------------------|--------------|--------------|----------------------|---------------|
|   | Less than<br>6 months                                      | 6 months<br>- 1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years |               |
| <b>For the year 2023-24</b>                   |  |                      |              |              |                      |               |
| Undisputed trade receivable - Considered good | 18.71  | 16.87                | 44.34        | 48.13        | 113.97               | 242.02        |
| Less : Impairment loss allowance              | 0.87   | 4.79                 | 14.94        | 10.31        | 13.33                | 44.24         |
|   | <b>17.84</b>   | <b>12.08</b>         | <b>29.40</b> | <b>37.82</b> | <b>100.64</b>        | <b>197.78</b> |

### 7.1 Trade receivable ageing schedule

(₹ in crore)

| Particulars                                   | Outstanding for following periods from due date of payment |                      |              |              |                      | Total         |
|---|--|----------------------|--------------|--------------|----------------------|---------------|
|   | Less than<br>6 months                                      | 6 months<br>- 1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years |               |
| <b>For the year 2022-23</b>                   |  |                      |              |              |                      |               |
| Undisputed trade receivable - Considered good | 57.87  | 31.74                | 66.43        | 65.47        | 89.46                | 310.97        |
| Less : Impairment loss allowance              | 13.28  | 3.50                 | 8.48         | 0.72         | 12.60                | 38.58         |
|   | <b>44.59</b>   | <b>28.24</b>         | <b>57.95</b> | <b>64.75</b> | <b>76.86</b>         | <b>272.39</b> |

The above trade receivables mostly comprises of management fees recoverable from trusts which has a priority in the cash flows of the trust. Further these fees are payable by the trust to the Group only on realisation from the financial assets in the trust

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## 8. Loans

| Particulars                                     | (₹ in crore)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>At amortised cost</b>                        |                         |                         |
| Loans secured by tangible assets                | 493.50                  | 468.58                  |
| Interest accrued                                | 98.70                   | 96.63                   |
| <b>Gross Loan</b>                               | <b>592.20</b>           | <b>565.21</b>           |
| Less: Impairment Loss allowance (refer note 44) | (93.08)                 | (21.93)                 |
| <b>Net Loan-Total</b>                           | <b>499.12</b>           | <b>543.28</b>           |

All loans are granted within India and to entities other than public sector

## 9. Investments (At FVTPL)

| Particulars  | (₹ in crore)            |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>Quoted</b>  |                         |                         |
| Equity instruments :   |                         |                         |
| 7,65,980 of equity shares of Nitco Limited of ₹ 10 each fully paid up<br>(Previous year : 68,52,824 shares of ₹ 10 each)   | 4.28                    | 13.23                   |
| <b>Unquoted</b>  |                         |                         |
| Equity instruments   |                         |                         |
| 1,31,07,380 of equity shares (right issue) of BRFL Textiles Private Limited of face value ₹ 10 each fully paid up (Previous year : 1,31,07,380 shares of face value ₹ 10 each) | 4.47                    | 13.11                   |
| Security receipts of trusts held in distressed credit business (refer note 48 and below given notes )  | 1,241.82                | 1,237.03                |
| <b>Total</b>   | <b>1,250.57</b>         | <b>1,263.37</b>         |

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

9.2 The Group has given certain identified security receipts as pledge for term loans, bank overdraft, cash credit limits availed with various banks/ hypothecated in favour of debenture trustee for NCDs issued.

### 9.3 Commitments:

a) In respect of one trust, the company has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts along with yield of 10.70% p.a. compounded annually on or before January 31, 2026. Commitment of outstanding face value of security receipts as at March 31, 2024 is ₹ 16.39 crore (Previous year : ₹ 28.53 crore of one trust).

## 10. Other Financial Assets

| Particulars  | (₹ in crore)            |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Financial Assets under Distressed Credit Business (carried at FVTPL)     | 1,487.74                | 2,714.88                |
| Recoverable from trusts  | 55.65                   | 47.08                   |
| Advance to others  | #                       | 0.01                    |
| Interest receivable  | -                       | 0.02                    |
| Security deposits  |                         |                         |
| To Related Parties   | 1.40                    | 1.27                    |
| To Others  | 0.31                    | 0.39                    |
| <b>Total</b>   | <b>1,545.10</b>         | <b>2,763.65</b>         |
| Less : Impairment loss allowance recoverable from trusts (refer note 44) | (12.39)                 | (7.37)                  |
| <b>Net Total</b>   | <b>1,532.71</b>         | <b>2,756.28</b>         |

# Denote amount below ₹50,000



## 11. Current Tax Assets

(₹ in crore)

| Particulars                                   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Advance tax paid (net of provision for taxes) | 83.75                   | 44.35                   |
|   | <b>83.75</b>            | <b>44.35</b>            |

## 12. Deferred tax liability/(asset)

(₹ in crore)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Measurement of Financial instruments at fair value   | (99.26)                 | (62.04)                 |
| Impairment of financial instruments  | (20.10)                 | (17.19)                 |
| Difference between books and tax written down value (WDV) of Property, plant and equipment | (0.26)                  | (0.32)                  |
| Others (43B, 35D, etc. allowances under Income Tax Act, 1961)                              | (1.52)                  | (9.36)                  |
| <b>Total</b>   | <b>(121.14)</b>         | <b>(88.91)</b>          |

### 12.1 Deferred tax recorded in the balance sheet and changes recorded in the income tax expenses :

#### For the year ended March 31, 2024

(₹ in crore)

| Particulars   | Opening<br>balance | Recognised in<br>profit or loss<br>(Expense) / Income | Recognised in<br>Other Equity | Recognised<br>in OCI | Closing<br>balance |
|---|--------------------|---|-------------------------------|----------------------|--------------------|
| a) Measurement of financial instruments at fair value | (62.04)            | (35.61)   | (1.61)                        | -                    | (99.26)            |
| b) Impairment on financial instruments                | (17.19)            | (2.91)  | -                             | -                    | (20.10)            |
| c) Difference between books and tax WDV of PPE        | (0.32)             | 0.06  | -                             | -                    | (0.26)             |
| d) Others (43B, 35D, etc. allowances)                 | (9.36)             | 7.92  | -                             | (0.08)               | (1.52)             |
| <b>Total - DTL/(DTA)</b>                              | <b>(88.91)</b>     | <b>(30.54)</b>  | <b>(1.61)</b>                 | <b>(0.08)</b>        | <b>(121.14)</b>    |

#### For the year ended March 31, 2023

(₹ in crore)

| Particulars   | Opening<br>balance | Recognised in<br>profit or loss<br>(Expense) / Income | Recognised in<br>Other Equity | Recognised<br>in OCI | Closing<br>balance |
|---|--------------------|---|-------------------------------|----------------------|--------------------|
| a) Measurement of financial instruments at fair value | (25.24)            | (36.80)   | -                             | -                    | (62.04)            |
| b) Impairment on financial instruments                | (14.04)            | (3.15)  | -                             | -                    | (17.19)            |
| c) Difference between books and tax WDV of PPE        | (0.36)             | 0.04  | -                             | -                    | (0.32)             |
| d) Others (43B, 35D, etc. allowances)                 | (2.26)             | (7.05)  | -                             | (0.05)               | (9.36)             |
| <b>Total - DTL/(DTA)</b>                              | <b>(41.90)</b>     | <b>(46.96)</b>  | <b>-</b>                      | <b>(0.05)</b>        | <b>(88.91)</b>     |

## 13. Property, Plant and Equipment and Intangible assets

### As at March 31, 2024

#### Property, Plant and Equipment

(₹ in crore)

| Particulars            | Gross Block               |           |            |                            | Accumulated depreciation  |          |            |                            | Net<br>Block               |
|------------------------|---------------------------|-----------|------------|----------------------------|---------------------------|----------|------------|----------------------------|----------------------------|
|                        | As at<br>April 1,<br>2023 | Additions | Deductions | As at<br>March<br>31, 2024 | As at<br>April 1,<br>2023 | Addition | Deductions | As at<br>March<br>31, 2024 | As at<br>March 31,<br>2024 |
| <b>Owned Assets</b>    |                           |           |            |                            |                           |          |            |                            |                            |
| Freehold Land          | 0.03                      | -         | -          | 0.03                       | -                         | -        | -          | -                          | 0.03                       |
| Furniture and fixtures | 0.02                      | -         | (0.01)     | 0.01                       | 0.02                      | #        | (0.01)     | 0.01                       | #                          |
| Office equipment       | 0.11                      | -         | (0.03)     | 0.08                       | 0.10                      | #        | (0.03)     | 0.07                       | 0.01                       |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

(₹ in crore)

| Particulars   | Gross Block         |             |               |                      | Accumulated depreciation |             |               |                      | Net Block            |
|---|---------------------|-------------|---------------|----------------------|--------------------------|-------------|---------------|----------------------|----------------------|
|   | As at April 1, 2023 | Additions   | Deductions    | As at March 31, 2024 | As at April 1, 2023      | Addition    | Deductions    | As at March 31, 2024 | As at March 31, 2024 |
| Computers   | 0.72                | 0.36        | (0.01)        | 1.07                 | 0.60                     | 0.07        | (0.01)        | 0.66                 | 0.41                 |
| Leasehold improvements                                | 1.84                | -           | (0.13)        | 1.71                 | 1.53                     | 0.08        | (0.13)        | 1.48                 | 0.23                 |
| <b>Leased Assets</b>                                  |                     |             |               |                      |                          |             |               |                      |                      |
| Office premises (Right of use assets - refer note 35) | 22.60               | 0.04        | (0.31)        | 22.33                | 9.56                     | 2.34        | (0.22)        | 11.68                | 10.65                |
| Motor Vehicles (refer note 13.1)                      | 0.28                | -           | (0.28)        | -                    | 0.27                     | 0.01        | (0.28)        | -                    | -                    |
| <b>Total</b>  | <b>25.60</b>        | <b>0.40</b> | <b>(0.77)</b> | <b>25.23</b>         | <b>12.08</b>             | <b>2.50</b> | <b>(0.68)</b> | <b>13.90</b>         | <b>11.33</b>         |

# Denote amount below ₹50,000

## Intangible Assets

(₹ in crore)

| Particulars                | Gross Block         |             |            |                      | Accumulated amortisation |             |            |                      | Net Block            |
|----------------------------|---------------------|-------------|------------|----------------------|--------------------------|-------------|------------|----------------------|----------------------|
|                            | As at April 1, 2023 | Additions   | Deductions | As at March 31, 2024 | As at April 1, 2023      | Addition    | Deductions | As at March 31, 2024 | As at March 31, 2024 |
| Software (refer note 13.2) | 0.44                | 0.15        | -          | 0.59                 | 0.41                     | 0.03        | -          | 0.44                 | 0.15                 |
| <b>Total</b>               | <b>0.44</b>         | <b>0.15</b> | <b>-</b>   | <b>0.59</b>          | <b>0.41</b>              | <b>0.03</b> | <b>-</b>   | <b>0.44</b>          | <b>0.15</b>          |

## As at March 31, 2023

## Property, Plant and Equipment

(₹ in crore)

| Particulars   | Gross Block          |             |               |                      | Accumulated depreciation |             |               |                      | Net Block            |
|---|----------------------|-------------|---------------|----------------------|--------------------------|-------------|---------------|----------------------|----------------------|
|   | As at April 01, 2022 | Additions   | Deductions    | As at March 31, 2023 | As at April 01, 2022     | Additions   | Deductions    | As at March 31, 2023 | As at March 31, 2023 |
| <b>Owned Assets</b>                                   |                      |             |               |                      |                          |             |               |                      |                      |
| Freehold Land   | 0.03                 | -           | -             | 0.03                 | -                        | -           | -             | -                    | 0.03                 |
| Furniture and fixtures                                | 0.02                 | -           | -             | 0.02                 | 0.02                     | #           | -             | 0.02                 | #                    |
| Office equipment                                      | 0.11                 | -           | -             | 0.11                 | 0.10                     | #           | -             | 0.10                 | 0.01                 |
| Computers   | 0.60                 | 0.13        | (0.01)        | 0.72                 | 0.57                     | 0.04        | (0.01)        | 0.60                 | 0.12                 |
| Leasehold improvements                                | 1.84                 | -           | -             | 1.84                 | 1.44                     | 0.09        | -             | 1.53                 | 0.31                 |
| <b>Leased Assets</b>                                  |                      |             |               |                      |                          |             |               |                      |                      |
| Office premises (Right of use assets - refer note 35) | 24.81                | 0.19        | (2.40)        | 22.60                | 7.89                     | 2.51        | (0.84)        | 9.56                 | 13.04                |
| Motor Vehicles (refer note 13.1)                      | 0.28                 | -           | -             | 0.28                 | 0.22                     | 0.05        | -             | 0.27                 | 0.01                 |
| <b>Total</b>  | <b>27.69</b>         | <b>0.32</b> | <b>(2.41)</b> | <b>25.60</b>         | <b>10.24</b>             | <b>2.69</b> | <b>(0.85)</b> | <b>12.08</b>         | <b>13.52</b>         |

# Denote amount below ₹50,000

## Intangible Assets :

(₹ in crore)

| Particulars                | Gross Block          |           |            |                      | Accumulated amortisation |             |            |                      | Net Block            |
|----------------------------|----------------------|-----------|------------|----------------------|--------------------------|-------------|------------|----------------------|----------------------|
|                            | As at April 01, 2022 | Additions | Deductions | As at March 31, 2023 | As at April 01, 2022     | Additions   | Deductions | As at March 31, 2023 | As at March 31, 2023 |
| Software (refer note 13.2) | 0.44                 | -         | -          | 0.44                 | 0.39                     | 0.02        | -          | 0.41                 | 0.03                 |
| <b>Total</b>               | <b>0.44</b>          | <b>-</b>  | <b>-</b>   | <b>0.44</b>          | <b>0.39</b>              | <b>0.02</b> | <b>-</b>   | <b>0.41</b>          | <b>0.03</b>          |



**Notes :**

**13.1** Vendor have a lien over assets taken on lease.

**13.2** The Intangible assets are other than internally generated

**14. Other Non-financial Assets**

(₹ in crore)

| Particulars                          | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| Prepaid expenses                     | 0.79                    | 1.54                    |
| Balances with Government Authorities | 0.45                    | 0.56                    |
| Other non-financial Assets           | 0.09                    | 0.16                    |
| <b>Total</b>                         | <b>1.33</b>             | <b>2.26</b>             |

**15. Trade Payable**

(₹ in crore)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>Trade Payable</b>   |                         |                         |
| Total outstanding dues of micro enterprises and small enterprises (refer note 15.1)    | 0.14                    | 0.23                    |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4.70                    | 2.55                    |
| <b>Total</b>   | <b>4.84</b>             | <b>2.78</b>             |

**15.1 Dues payable to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006 :**

(₹ in crore)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.   | 0.14                    | 0.23                    |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year   | -                       | -                       |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond appointed day                                   | -                       | -                       |
| (iv) The amount of interest due and payable for the year  | -                       | -                       |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year.  | -                       | -                       |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid. | -                       | -                       |
| <b>Total</b>  | <b>0.14</b>             | <b>0.23</b>             |

Dues to Small and medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**15.2 Trade payable ageing schedule :**

(₹ in crore)

| Particulars                 | Outstanding for following periods from due date of payment |              |              |                      | Total       |
|-----------------------------|--|--------------|--------------|----------------------|-------------|
|                             | Less than<br>1 Year  | 1-2<br>years | 2-3<br>years | More than<br>3 years |             |
| <b>For the year 2023-24</b> |  |              |              |                      |             |
| (i) MSME - Undisputed       | 0.14   | -            | -            | -                    | 0.14        |
| (ii) Others - Undisputed    | 4.70   | -            | -            | -                    | 4.70        |
| <b>Total</b>                | <b>4.84</b>  | <b>-</b>     | <b>-</b>     | <b>-</b>             | <b>4.84</b> |
| <b>For the year 2022-23</b> |  |              |              |                      |             |
| (i) MSME - Undisputed       | 0.23   | -            | -            | -                    | 0.23        |
| (ii) Others - Undisputed    | 2.55   | -            | -            | -                    | 2.55        |
| <b>Total</b>                | <b>2.78</b>  | <b>-</b>     | <b>-</b>     | <b>-</b>             | <b>2.78</b> |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## 16. Debt Securities (Within India)

| (₹ in crore)  |                         |                         |
|---|-------------------------|-------------------------|
| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>At amortised cost</b>  |                         |                         |
| <b>Secured</b>  |                         |                         |
| Non Convertible Debentures (refer note 16.1, 16.2, 16.3 and 50.1) | 1,588.11                | 1,637.50                |
| Add: Premium/ interest accrued                                    | 109.79                  | 72.30                   |
| <b>Total Secured</b>  | <b>1,697.90</b>         | <b>1,709.80</b>         |
| <b>Unsecured</b>  |                         |                         |
| Optionally Convertible Debenture (refer note 16.4)                | 200.00                  | -                       |
| <b>Total Unsecured</b>  | <b>200.00</b>           | <b>-</b>                |
| <b>Total</b>  | <b>1,897.90</b>         | <b>1,709.80</b>         |

16.1 Non-convertible Debentures secured by way of hypothecation and/ or pledge of certain identified security receipt and/ or priority loans.

## 16.2 Maturity profile and rate of interest of NCDs:

| (₹ in crore)  |                         |                         |
|---|-------------------------|-------------------------|
| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| 8% Tranche XXXII redeemable in the year 2023-24 <sup>®</sup>    | -                       | 75.00                   |
| 8.5% Tranche XXXIII redeemable in the year 2023-24 <sup>®</sup> | -                       | 50.00                   |
| 8% Tranche XXXIV redeemable in the year 2023-24 <sup>®</sup>    | -                       | 55.00                   |
| 8.25% Tranche XXXV redeemable in the year 2024-25 <sup>®</sup>  | 70.00                   | 70.00                   |
| 8.50% Tranche XXXVI redeemable in the year 2024-25 <sup>®</sup> | 100.00                  | 100.00                  |
| 9% Tranche XXXVII redeemable in the year 2024-25 <sup>®</sup>   | 150.00                  | 150.00                  |
| 9% Tranche XXXVIII redeemable in the year 2024-25 <sup>®</sup>  | 30.00                   | 30.00                   |
| 9.25% Tranche XXXIX redeemable in the year 2024-25 <sup>®</sup> | 125.00                  | 125.00                  |
| 9.60% Tranche A (Series I) redeemable in the year 2024-25       | 75.00                   | 75.00                   |
| 9.60% Tranche A (Series II) redeemable in the year 2024-25      | 50.00                   | 50.00                   |
| 9.60% Tranche A (Series III) redeemable in the year 2025-26     | 75.00                   | 75.00                   |
| 9.60% Tranche A (Series IV) redeemable in the year 2025-26      | 50.00                   | 50.00                   |
| 10.21% Tranche B redeemable in the year 2024-25                 | 400.00                  | 400.00                  |
| 10.20% Tranche C (Series I) redeemable in the year 2025-26      | 175.00                  | 175.00                  |
| 10.20% Tranche C (Series II) redeemable in the year 2025-26     | 175.00                  | 175.00                  |
| 9% Tranche D redeemable in the year 2026-27                     | 30.00                   | -                       |
| 10.20% Tranche E redeemable in the year 2026-27                 | 50.00                   | -                       |
| 10.21% Tranche F redeemable in the year 2025-26                 | 50.00                   | -                       |
| <b>Total</b>  | <b>1,605.00</b>         | <b>1,655.00</b>         |

<sup>®</sup> The interest is linked to IGB 6.10 and 6.54 Government Securities of 10 years.

<sup>^</sup> redeemed during the period ended March 31, 2024.

Maturity profile above is disclosed at face value which excludes cumulative premium amounting to ₹ 0.20 crore (As at March 31, 2023 : ₹ 1.04 crore), cumulative discount of ₹ Nil (As at March 31, 2023 : ₹ 0.57 crore) and cumulative impact of effective interest rate adjustment amounting to ₹ 17.09 crore (As at March 31, 2023 : ₹ 17.97 crore).

16.3 The Group has utilized money obtained by way of Non-convertible debentures during the year for the purpose for which they were obtained.

16.4 The Group has issued 20,00,000, unlisted, unrated and unsecured Optionally Convertible Debentures (OCD) having face value of ₹ 1,000 each on March 4, 2024 to its shareholder JM Financial Credit Solution Limited. Conversion of said OCD shall be any time at option of the Company (Issuer of OCD). OCD shall be redeemable at any time and redemption shall be mutually decided by Issuer of OCD and Holder of OCD (JM Financial Credit Solution Limited). The Group has recognised the OCD as liability in financial statement considering the ability to repay at any time within whole life of said instrument.



## 16.5 Additional disclosure pursuant to Ind AS 7 (Debt Securities Movement during the year)

(₹ in crore)

| Particulars            | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|------------------------|--------------------------------------|--------------------------------------|
| Opening Balance        | 1,709.80                             | 785.91                               |
| Cash flows             | 16.38                                | 833.77                               |
| Non cash changes*      | 171.72                               | 90.12                                |
| <b>Closing balance</b> | <b>1,897.90</b>                      | <b>1,709.80</b>                      |

\*Non cash changes includes interest on debt securities

## 17. Borrowings (other than debt securities)

(₹ in crore)

| Particulars                                      | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>At amortized cost</b>                         |                         |                         |
| <b>Secured:</b>                                  |                         |                         |
| Term loans from (refer note 17.1, 17.2 and 17.5) |                         |                         |
| (a) Banks  | 151.22                  | 192.45                  |
| (b) Others                                       | 113.02                  | 275.81                  |
| Add: Interest accrued                            | 16.50                   | 8.71                    |
|  | <b>280.74</b>           | <b>476.97</b>           |
| Other loans from banks (refer note 17.3)         |                         |                         |
| (a) Working capital demand loans                 | 102.60                  | 45.00                   |
| (b) Cash credit facilities                       | 57.82                   | 50.15                   |
| Add: Interest accrued                            | 0.06                    | -                       |
|  | <b>160.48</b>           | <b>95.15</b>            |
| <b>Unsecured:</b>                                |                         |                         |
| Inter corporate deposits (refer note 17.4)       |                         |                         |
| (a) From related party (refer note 41)           | 257.00                  | 265.00                  |
| (b) From others                                  | 302.00                  | 592.86                  |
| Add: Interest accrued but not due                | 15.05                   | 63.57                   |
|  | <b>574.05</b>           | <b>921.43</b>           |
| <b>Total</b>                                     | <b>1,015.27</b>         | <b>1,493.55</b>         |

17.1 Term loans are secured by way of pledge of certain identified security receipts.

17.2 Maturity profile and rate of interest of term loans:

(₹ in crore)

| Residual Maturities                      | Interest range from |               |               |            |            |
|--|---------------------|---------------|---------------|------------|------------|
|  | 8% to 9%            | 9% to 10%     | 10% to 11%    | 11% to 12% | 12% to 13% |
| <b>As at March 31, 2024:</b>             |                     |               |               |            |            |
| Up to one year (April- 24 to March- 25)  | -                   | 5.00          | 100.82        | -          | -          |
| Up to 1-3 years (April- 25 to March- 27) | -                   | -             | 141.42        | -          | -          |
| 3 years and above (April- 27 onwards)    | -                   | -             | 17.00         | -          | -          |
| <b>Total</b>                             | <b>-</b>            | <b>5.00</b>   | <b>259.24</b> | <b>-</b>   | <b>-</b>   |
| <b>As at March 31, 2023:</b>             |                     |               |               |            |            |
| Up to one year (April- 23 to March- 24)  | -                   | 80.78         | 181.36        | -          | -          |
| Up to 1-3 years (April- 24 to March- 26) | -                   | 76.99         | 48.61         | -          | -          |
| 3 years and above (April- 26 onwards)    | -                   | 3.52          | 77.00         | -          | -          |
| <b>Total</b>                             | <b>-</b>            | <b>161.29</b> | <b>306.97</b> | <b>-</b>   | <b>-</b>   |

### Note:

- Maturity profile shown excluding effective interest rate impact amounting to ₹ 16.50 crore (As at March 31, 2023 : ₹ 8.71 crore).
- The rate of interest of above term loans are linked with MCLR, Repo rate and T-Bill of banks and subject to change from time to time. Classification of term loans based on interest rates has been done on interest rate prevalent as on the relevant reporting period ends.

# Notes

forming part of the Consolidated Financial Statements (Contd..)

17.3 Other loans from banks in the nature of working capital and cash credit facilities are secured by way of pledge of certain identified security receipts.

17.4 Inter corporate deposits taken from related party are repayable on call and taken from others are for 22-344 days (previous year : 30 -710 days).

17.5 The Group has utilized money obtained by way of Term loans during the year for the purpose for which they were obtained.

17.6 The monthly asset cover statement submitted by the company with banks / financial institutions from which borrowing is obtained on the basis of security of investment in security receipts are in agreement with the books of account.

17.7 All borrowings are made within India.

17.8 Additional disclosure pursuant to Ind AS 7 (Borrowing Movement during the year)

| (₹ in crore)           |                                      |                                      |
|------------------------|--------------------------------------|--------------------------------------|
| Particulars            | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Opening Balance        | 1,493.55                             | 1,599.03                             |
| Cash flows             | (599.16)                             | (261.54)                             |
| Non cash changes*      | 120.88                               | 156.06                               |
| <b>Closing balance</b> | <b>1,015.27</b>                      | <b>1,493.55</b>                      |

\*Non cash changes includes interest on borrowings

## 18. Lease liabilities

| (₹ in crore)                              |                         |                         |
|---|-------------------------|-------------------------|
| Particulars                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| On Office Premises (refer note 35)        | 14.02                   | 16.07                   |
| On Motor Vehicle (refer note 18.1 and 35) | -                       | 0.01                    |
|   | <b>14.02</b>            | <b>16.08</b>            |

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

18.2 Additional disclosure pursuant to Ind AS 7 (Lease liability Movement during the year)

| (₹ in crore)           |                                      |                                      |
|------------------------|--------------------------------------|--------------------------------------|
| Particulars            | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Opening Balance        | 16.08                                | 19.49                                |
| Cash flows             | (3.28)                               | (3.49)                               |
| Non cash changes*      | 1.22                                 | 0.08                                 |
| <b>Closing balance</b> | <b>14.02</b>                         | <b>16.08</b>                         |

\*Non cash changes includes interest on lease and effect of lease modification

## 19. Other Financial Liabilities

| (₹ in crore)                                  |                         |                         |
|---|-------------------------|-------------------------|
| Particulars                                   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Employee Benefits payable                     | 5.90                    | 5.46                    |
| Amount collected on behalf of trust           | 54.00                   | 4.89                    |
| Provision for CSR Expenditure (refer note 37) | 2.94                    | 6.20                    |
| Undistributed collection in trusts            | 6.35                    | 11.46                   |
| <b>Total</b>                                  | <b>69.19</b>            | <b>28.01</b>            |



## 20. Provisions

(₹ in crore)

| Particulars                           | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| Provision for employee benefits       |                         |                         |
| - Gratuity (refer note 40)            | 1.50                    | 1.44                    |
| - Compensated absence (refer note 40) | 0.25                    | 0.65                    |
| <b>Total</b>                          | <b>1.75</b>             | <b>2.09</b>             |

## 21. Other non Financial Liabilities

(₹ in crore)

| Particulars    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------|-------------------------|-------------------------|
| Statutory Dues | 16.66                   | 21.40                   |
| Other          | 4.08                    | 3.41                    |
| <b>Total</b>   | <b>20.74</b>            | <b>24.81</b>            |

## 22. Equity Share Capital

(₹ in crore)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>Authorised</b>  |                         |                         |
| 1,85,00,00,000 (Previous year: 1,85,00,00,000) equity shares of ₹ 10/- each            | 1,850.00                | 1,850.00                |
| 15,00,00,000 (Previous year: 15,00,00,000) redeemable preference shares of ₹ 10/- each | 150.00                  | 150.00                  |
|  | <b>2,000.00</b>         | <b>2,000.00</b>         |
| <b>Issued, Subscribed and Paid-up</b>  |                         |                         |
| 39,83,25,537 (Previous year: 39,83,25,537) equity shares of ₹ 10/- each fully paid-up  | 398.33                  | 398.33                  |
| <b>Total</b>   | <b>398.33</b>           | <b>398.33</b>           |

### 22.1 Terms and rights

The Company has only one class of issued shares referred to as equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

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

### 22.2 Reconciliation of number of shares

(₹ in crore)

| Particulars                                      | Equity Shares           |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Shares outstanding at the beginning of the year  | 39,83,25,537            | 34,46,42,857            |
| Shares issued during the year                    | -                       | 5,36,82,680             |
| <b>Shares outstanding at the end of the year</b> | <b>39,83,25,537</b>     | <b>39,83,25,537</b>     |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## 22.3 Details of shareholding more than 5%

(₹ in crore)

| Particulars                           | As at March 31, 2024 |              | As at March 31, 2023 |              |
|---------------------------------------|----------------------|--------------|----------------------|--------------|
|                                       | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding |
| <b>Equity Shares:</b>                 |                      |              |                      |              |
| JM Financial Limited                  | 21,35,65,599         | 53.62%       | 21,35,65,599         | 53.62%       |
| JM Financial Credit Solutions Limited | 3,97,92,720          | 9.99%        | 3,97,92,720          | 9.99%        |
| Mr. Narotam S Sekhsaria               | 5,68,66,072          | 14.28%       | 5,68,66,072          | 14.28%       |
| Indian Overseas Bank                  | 2,10,00,000          | 5.27%        | 2,10,00,000          | 5.27%        |
| Valiant Mauritius Partners FDI Ltd    | 3,35,50,551          | 8.42%        | 3,35,50,551          | 8.42%        |

## 22.4 Details of shareholding of promoters

(₹ in crore)

| S. No. | Promoter Name        | No. of Shares | Percentage of total shares | Percentage of change during the year |
|--------|----------------------|---------------|----------------------------|--------------------------------------|
| 1      | JM Financial Limited | 21,35,65,599  | 53.62%                     | -                                    |

## 23. Other equity

(₹ in crore)

| Particulars   | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Securities Premium Reserve                                    | 283.18               | 283.18               |
| Capital reserve on change in interest without loss of control | 28.15                | 28.15                |
| Retained earnings   | (364.36)             | 694.32               |
| Employee Stock option outstanding (refer note 23.1(e))        | 6.44                 | 4.59                 |
| Impairment reserve (refer note 23.2)                          | 243.73               | 127.19               |
| Initial Corpus  | 0.01                 | 0.01                 |
| <b>Total</b>  | <b>197.15</b>        | <b>1,137.44</b>      |

Refer Statement of Changes in Equity for movement in each reserve and surplus.

### 23.1 Nature of each reserves:

- Securities premium reserve represents premium received on equity shares issued which can be used on accordance with the provisions of the Act, 2013 for specified purposes.
- Capital reserve on acquisitions/ disposals represents reserves created on acquisition / disposal of subsidiaries without loss of control.
- Retained earnings are the profits that the Group has earned till date less any transfers to general reserve, impairment reserve, statutory reserve, dividends or other distributions to the shareholders.
- Initial corpus is corpus contributed by the Group for setting up of a Trust under SARFAESI Act for acquisition of account under distressed credit business.
- Stock options outstanding account (net of deferred stock option expenses ) relates to the stock options granted by the Group to employees under an Employee Stock Option Plan (refer note no.39)
- Impairment allowance reserve represents reserve created in accordance with the Reserve Bank of India (RBI) circular no. RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 on implementation of Indian Accounting Standard. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.





**23.2** During the year, Impairment Reserve has been created in accordance with Income Recognition, Asset Classification and Provisioning (IRACP) provided under RBI /2019-20/ 170 DOR (NBFC). CC. PD. No. 109/ 22.10.106/2019-20 dated March 13, 2020. Total provision as required under the extant RBI guidelines for Non - Performing Advances is ₹ 243.73 crore

The Honourable Supreme Court vide orders dated October 30, 2017, November 20, 2017, April 09, 2018 and January 20, 2020 has directed that “No Coercive Action” can be taken against one of the borrower group of company, until further directions are being issued in this regard. As per recent judicial precedence, classification of an account as Non-Performing Account can also be considered as a “Coercive Action”.

As at March 31, 2024, two loan accounts belonging to the same borrower group have outstanding interest which has not been serviced for more than 180 days.

In consideration to the aforesaid orders issued by the Honourable Supreme Court of India, the two accounts are classified as Standard. However, the provision as required under the extant RBI guidelines for Non - Performing Advances amounting to ₹ 227.18 crore is carried for these borrower accounts. Of the provisions made ₹ 220.79 crore is made by transfer to the impairment reserve.

In February 2024, the Adjudicating Authority (Under the Prevention of Money Laundering Act, 2002) (The Act) issued an order attaching certain properties held by the Company as one of the collaterals against loans acquired in trust (as a trustee) and additional loan given to the borrower group as referred to above ('borrower group'). The above order was pursuant to the action initiated by the Enforcement Directorate against the borrower group under the above Act. The Company has appealed against the aforesaid order in appropriate forum. The Company views these legal proceedings as arising in the normal course of Asset Reconstruction business. Considering the total security against the loans acquired of the borrower group and the expected cashflows to the Company as per the documented waterfall, the Company believes that the above proceedings do not have a material impact on the financial position of the Company.

## 24. Interest income

| Particulars                         | (₹ in crore)                         |                                      |
|-------------------------------------|--------------------------------------|--------------------------------------|
|                                     | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| <b>Interest Income</b>              |                                      |                                      |
| On loans (at amortized cost)        | 71.26                                | 56.20                                |
| On financial instruments (at FVTPL) | -                                    | 7.03                                 |
| On others (at FVTPL)                | 21.35                                | 2.81                                 |
| <b>Total</b>                        | <b>92.61</b>                         | <b>66.04</b>                         |

## 25. Fees and Incentives

| Particulars              | (₹ in crore)                         |                                      |
|--------------------------|--------------------------------------|--------------------------------------|
|                          | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Management fees          | 234.99                               | 134.94                               |
| Recovery Incentives Fees | 15.25                                | 15.57                                |
| <b>Total</b>             | <b>250.24</b>                        | <b>150.51</b>                        |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## 26. Other Income

| (₹ in crore)  |                                      |                                      |
|---|--------------------------------------|--------------------------------------|
| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Interest on fixed deposit (at amortised cost)         | 0.90                                 | 1.76                                 |
| Other interest income                                 | 0.12                                 | 0.12                                 |
| Gain on lease modification                            | 0.03                                 | 0.43                                 |
| Net gain on disposal of property, plant and equipment | 0.01                                 | -                                    |
| Miscellaneous income                                  | #                                    | 0.03                                 |
| <b>Total</b>  | <b>1.06</b>                          | <b>2.34</b>                          |

## 27. Finance Cost

| (₹ in crore)  |                                      |                                      |
|---|--------------------------------------|--------------------------------------|
| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| <b>At amortized cost:</b>                           |                                      |                                      |
| Interest on Debt Securities                         | 171.72                               | 90.12                                |
| Interest on Borrowings (Other than Debt Securities) | 120.88                               | 150.72                               |
| Others  | 9.27                                 | 7.00                                 |
| <b>Total</b>  | <b>301.87</b>                        | <b>247.84</b>                        |

27.1 Above interest on debt securities includes interest on compulsory convertible debentures of ₹ Nil (Previous year : ₹ 1.13 crore).

27.2 Interest on others includes interest on lease obligations of ₹ 1.30 crore (Previous year : ₹ 1.66 crore).

## 28. Net Loss on fair value changes

| (₹ in crore)   |                                      |                                      |
|--|--------------------------------------|--------------------------------------|
| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| <b>On financial instruments designated at FVTPL:</b> |                                      |                                      |
| Security receipts and financial assets of trusts     | 54.29                                | 102.26                               |
| Equity instruments                                   | (4.18)                               | 2.55                                 |
| Gain on mutual fund                                  | #                                    | (1.11)                               |
| <b>Total Net gain/(loss) on fair value changes</b>   | <b>50.11</b>                         | <b>103.70</b>                        |

### 28.1 Net (Gain)/Loss on fair value changes

| (₹ in crore)    |                                      |                                      |
|-----------------|--------------------------------------|--------------------------------------|
| Particulars     | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Realised Gain   | (112.28)                             | (19.79)                              |
| Unrealised Loss | 162.39                               | 123.49                               |
| <b>Total</b>    | <b>50.11</b>                         | <b>103.70</b>                        |

## 29. Impairment of Financial Instruments

| (₹ in crore)             |                                      |                                      |
|--------------------------|--------------------------------------|--------------------------------------|
| Particulars              | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| <b>At amortised Cost</b> |                                      |                                      |
| Loans                    | 0.80                                 | (0.56)                               |
| Trade Receivables        | 5.66                                 | 14.95                                |
| Advances                 | 5.02                                 | (1.96)                               |
| <b>Total</b>             | <b>11.48</b>                         | <b>12.43</b>                         |

**30. Employee benefits**

(₹ in crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Salaries, bonus, other allowances and benefits            | 18.58                                | 17.19                                |
| Contribution to provident and other funds (refer note 40) | 0.88                                 | 0.81                                 |
| Gratuity (refer note 40)                                  | 0.22                                 | 0.24                                 |
| Share Based Payments to employees (refer note 39)         | 1.91                                 | 2.12                                 |
| Staff welfare expenses                                    | 0.03                                 | 0.01                                 |
| <b>Total</b>  | <b>21.62</b>                         | <b>20.37</b>                         |

**31. Other Expenses**

(₹ in crore)

| Particulars                                     | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Rate & Taxes                                    | 3.15                                 | 3.52                                 |
| Legal & professional fees                       | 6.25                                 | 3.56                                 |
| Lease rentals                                   | 0.14                                 | 0.14                                 |
| Corporate social responsibility (refer note 37) | 2.83                                 | 4.17                                 |
| Support service charges                         | 6.00                                 | 5.45                                 |
| Donation  | 0.25                                 | 0.25                                 |
| Manpower Expenses                               | 1.17                                 | 0.59                                 |
| Director's commission & sitting fees            | 0.67                                 | 0.24                                 |
| Travelling Expenses                             | 0.16                                 | 0.25                                 |
| Repairs & Maintenance                           | 0.04                                 | 0.06                                 |
| Auditors remuneration (refer note 31.1)         | 0.21                                 | 0.19                                 |
| Insurance Expenses                              | 0.68                                 | 0.24                                 |
| Electricity Expenses                            | 0.19                                 | 0.19                                 |
| Demat charges                                   | 0.13                                 | 0.25                                 |
| Conveyance Expense                              | 0.02                                 | 0.02                                 |
| Car hire charges                                | 0.01                                 | #                                    |
| Resolution expenses                             | 21.13                                | 5.46                                 |
| Miscellaneous expenses                          | 1.01                                 | 0.88                                 |
| <b>Total</b>                                    | <b>44.04</b>                         | <b>25.46</b>                         |

# Denotes amount less than ₹50,000/-

**31.1 Payment to Auditors (Excluding Goods & Service tax)**

(₹ in crore)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Audit fees   | 0.15                    | 0.14                    |
| In any other matters (certification, limited review, etc.) | 0.05                    | 0.04                    |
| Out of pocket expenses                                     | 0.01                    | 0.01                    |
| <b>Total</b>   | <b>0.21</b>             | <b>0.19</b>             |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## 32. Exceptional items

| Particulars  | (₹ in crore)            |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Security receipts  | 26.32                   | -                       |
| Financial Assets under Distressed Credit Business (carried at FVTPL) | 741.55                  | -                       |
| Loans  | 70.35                   | -                       |
| Equity instruments   | 8.64                    | -                       |
|  | <b>846.86</b>           | <b>-</b>                |

During the financial year 2023-24, the Group has recognised impairment loss/expected credit loss aggregating ₹ 846.86 crore (excluding tax) on fair valuation of investments in multiple trusts and loans related to one large account/exposure due to a change in resolution strategy/plan and events subsequent to the balance sheet date. The recognition of such impairment loss/expected credit loss has happened in the normal course of asset reconstruction business of the Group. However, considering other impacts of the same on the financial statements and its materiality, the same has been treated as an Exceptional Item in the Statement of Profit and Loss Account.

## 33. Income Tax

| Particulars   | (₹ in crore)                         |                                      |
|---|--------------------------------------|--------------------------------------|
|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Current tax   | 40.95                                | -                                    |
| Deferred tax  | (30.54)                              | (46.96)                              |
| <b>Total income tax expenses recognised in the current year</b> | <b>10.41</b>                         | <b>(46.96)</b>                       |
| Income tax expense recognised in other comprehensive income     | (0.08)                               | (0.05)                               |
| <b>Total income tax expenses</b>                                | <b>10.33</b>                         | <b>(47.01)</b>                       |

### 33.1 Reconciliation of total tax charge

| Particulars   | (₹ in crore)                         |                                      |
|---|--------------------------------------|--------------------------------------|
|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Profit/(Loss) for the year  | (934.60)                             | (193.62)                             |
| Income tax rate   | 25.17%                               | 25.17%                               |
| Income tax expense  | (235.23)                             | (48.71)                              |
| <b>Tax Effect of:</b>   |                                      |                                      |
| Effect of non deductible expenses                                   | 0.78                                 | 1.11                                 |
| Effect of unrecognised deferred tax assets (net)*                   | 250.63                               | 0.64                                 |
| Deferred tax on Remeasurment of employee defined benefit obligation | (0.08)                               | (0.05)                               |
| Effect of deferred tax on unrecognised tax losses                   | (5.77)                               | -                                    |
| <b>Income tax expense recognised in profit and loss</b>             | <b>10.33</b>                         | <b>(47.01)</b>                       |

\*Includes unrecognised deferred tax assets for the financial year 2023-24 in respect of deductible temporary differences of ₹ 991.32 (including exceptional items) pertaining to impairment loss/expected credit loss on fair valuation of investments in multiple trusts and loans due to a change in resolution strategy/plan and events subsequent to the balance sheet date. It is not probable of future taxable profit will be available against which the Group can use the benefits therefrom.



### 34. Earning per share

Earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as under:

| Particulars  | (₹ in crore)                      |                                   |
|--|-----------------------------------|-----------------------------------|
|  | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| a) Profit/(Loss) for the year attributable to equity shareholders - Basic EPS (₹ in crore.)                              | (941.98)                          | (154.47)                          |
| b) Profit/(Loss) for the year attributable to equity shareholders - Diluted EPS (₹ in crore)                             | (941.98)                          | (154.47)                          |
| c) Weighted average number of equity shares outstanding during the year for calculating basic earning per share (Nos.)   | 39,83,25,537                      | 39,83,25,537                      |
| d) Add : Effect of stock option scheme (Nos.)*   | -                                 | 2,78,566                          |
| e) Weighted average number of equity shares outstanding during the year for calculating diluted earning per share (Nos.) | 39,83,25,537                      | 39,86,04,103                      |
| Basic earnings per share (₹) (a/c)   | (23.65)                           | (3.88)                            |
| Dilutive earning per share (₹) (b/e)   | (23.65)                           | (3.88)                            |
| Nominal value per share (₹)  | 10                                | 10                                |

\* Includes shares issued under ESOS are anti-dilutive and therefore considered as Nil.

### 35. Leasing

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2024:

| Category of leased asset | Gross Block         |           |           |                      | Accumulated Depreciation |           |           |                      | Net block            |
|--------------------------|---------------------|-----------|-----------|----------------------|--------------------------|-----------|-----------|----------------------|----------------------|
|                          | As at April 1, 2023 | Additions | Deletions | As at March 31, 2024 | As at April 1, 2023      | Additions | Deletions | As at March 31, 2024 | As at March 31, 2024 |
| Office Premises*         | 22.60               | 0.04      | (0.31)    | 22.33                | 9.56                     | 2.34      | (0.22)    | 11.68                | 10.65                |
| Motor Vehicle            | 0.28                | -         | (0.28)    | -                    | 0.27                     | 0.01      | (0.28)    | -                    | -                    |

\* addition and deletion is as result of lease modification - decrease in lease area and rent

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2023:

| Category of leased asset | Gross Block         |           |           |                      | Accumulated Depreciation |           |           |                      | Net block            |
|--------------------------|---------------------|-----------|-----------|----------------------|--------------------------|-----------|-----------|----------------------|----------------------|
|                          | As at April 1, 2022 | Additions | Deletions | As at March 31, 2023 | As at April 1, 2022      | Additions | Deletions | As at March 31, 2023 | As at March 31, 2023 |
| Office Premises*         | 24.81               | 0.19      | (2.40)    | 22.60                | 7.89                     | 2.51      | (0.84)    | 9.56                 | 13.04                |
| Motor Vehicle            | 0.28                | -         | -         | 0.28                 | 0.22                     | 0.05      | -         | 0.27                 | 0.01                 |

\* addition and deletion is as result of lease modification - decrease in lease area and rent

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023:

#### On Office premises

| Particulars                  | (₹ in crore)         |                      |
|------------------------------|----------------------|----------------------|
|                              | As at March 31, 2024 | As at March 31, 2023 |
| Opening balance              | 16.07                | 19.42                |
| Lease Modification           | (0.08)               | (1.60)               |
| Finance cost during the year | 1.30                 | 1.61                 |
| Payment of lease liabilities | (3.27)               | (3.36)               |
| Closing balance              | 14.02                | 16.07                |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## On Motor Vehicle

| Particulars                  | (₹ in crore)            |                         |
|------------------------------|-------------------------|-------------------------|
|                              | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Opening balance              | 0.01                    | 0.07                    |
| Additions during the year    | -                       | 0.02                    |
| Finance cost during the year | #                       | 0.05                    |
| Payment of lease liabilities | (0.01)                  | (0.13)                  |
| <b>Closing balance</b>       | <b>-</b>                | <b>0.01</b>             |

Table showing contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis:

## On Office Premises:

| Particulars                                       | (₹ in crore)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Not later than one year                           | 3.42                    | 3.33                    |
| Later than one year and not later than five years | 13.96                   | 13.85                   |
| Later than five years                             | -                       | 3.47                    |

## On Motor Vehicle

| Particulars  | (₹ in crore)            |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Not later than one year  | -                       | 0.01                    |
| <b>Total Finance lease commitment (on an undiscounted basis)</b> | <b>-</b>                | <b>0.01</b>             |

The Group does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## 36. Foreign Currency Exposure and Un-hedged Foreign Currency Exposure

| Sr. No.   | Particulars                                    | Amount in foreign Currency (Equivalent to USD in Million) | Amount in INR (₹ in crore) |
|-----------|--|---|----------------------------|
| <b>I.</b> | <b>Details of Foreign Currency Exposure</b>    |   |                            |
|           | (A) Receivables                                | NIL   | NIL                        |
|           | (i) Export of goods                            |   |                            |
|           | (ii) Services Rendered / Other Income          |   |                            |
|           | (B) Payables                                   | NIL   | NIL                        |
|           | (i) Import of Goods                            |   |                            |
|           | (ii) Services utilised / Other Expenses        |   |                            |
|           | (C) Non-Trade Items                            | NIL   | NIL                        |
|           | (i) Foreign Currency Loans (ECBs, FCTLs, etc.) |   |                            |
|           | (a) Principal Payments                         |   |                            |
|           | (b) Interest                                   |   |                            |
|           | (ii) Foreign Currency Investments              |   |                            |
|           | <b>Total Foreign Currency Exposure</b>         | <b>NIL</b>  | <b>NIL</b>                 |





| Sr. No.     | Particulars   | Amount in foreign Currency (Equivalent to USD in Million) | Amount in INR (₹ in crore) |
|-------------|---|---|----------------------------|
| <b>II</b>   | <b>Details of Hedgings</b>  |   |                            |
|             | (A) Natural Hedges  | NIL   | NIL                        |
|             | (B) Financial Hedges  | NIL   | NIL                        |
|             | (i) Forward Contracts Booked:                                       |   |                            |
|             | (a) For Export and other Receivables                                |   |                            |
|             | (b) For Import and other Payables                                   |   |                            |
|             | (ii) Swaps  |   |                            |
|             | (a) Principal amount Swaps  |   |                            |
|             | (b) Interest Rate Swaps   |   |                            |
|             | (iii) Other Financial Derivative Hedging Instruments                |   |                            |
|             | <b>Total Hedging of Foreign Currency Exposure</b>                   | <b>NIL</b>  | <b>NIL</b>                 |
| <b>III.</b> | <b>Amount of Unhedged Foreign Currency Exposure</b>                 | NIL   | NIL                        |
| <b>IV.</b>  | <b>Realised / Recognised Amount of Foreign Currency Loss / Gain</b> | NIL   | NIL                        |
| <b>V.</b>   | <b>EBID</b>   |   | (640.47)                   |
| <b>VI.</b>  | <b>Total Banking Exposure of the company</b>                        |   |                            |
|             | (i) Term Loans Exposure (Outstanding amounts + Undisbursed )        |   | 151.22                     |
|             | (ii) Working Capital Exposure (Limit sanctioned & accepted)         |   | 171.00                     |

#### Note

i) EBID is computed as per the definition contained in footnote 3 to paragraph 2 (c ) of the RBI Circular No. RBI/ 2013-14/ 448 DBOD.No.BP.BC. 85/21.06.200/2013-14 dated January 15, 2014 i.e. Profit After Tax + Depreciation + Interest on Debt + Lease Rentals, if any.

ii) Total banking exposure of the company excludes sanction facilities against fixed deposits.

### 37. Corporate Social Responsibility

Details of expenses towards corporate social responsibility as per section 135 of the Act, 2013 read with schedule VII there to: (₹ in crore)

| Particulars   | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-----------------------------------|-----------------------------------|
| a) Gross amount required to be spent by the Group during the year | 2.83                              | 4.17                              |
| b) Amount spent   | 0.63                              | 0.43                              |
| Amount provided for on-going projects                             | 2.20                              | 3.74                              |
| <b>Total</b>  | <b>2.83</b>                       | <b>4.17</b>                       |
| c) Short fall at the end of the year                              | -                                 | -                                 |
| d) Total Previous years shortfall                                 | -                                 | -                                 |
| e) Reason for shortfall   | -                                 | -                                 |
| f) Amount contributed to a trust controlled by the Group          | -                                 | -                                 |
| g) Nature of CSR Activities                                       | -                                 | -                                 |
| (i) Construction / acquisition of any asset                       | -                                 | -                                 |
| (ii) On purposes other than (i) above                             | 2.83                              | 4.17                              |
| <b>Total</b>  | <b>2.83</b>                       | <b>4.17</b>                       |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## Details of unspent obligations

In case of section 135(5) of the Companies Act, 2013 (ongoing projects)

(₹ in crore)

| Opening balance as on<br>April 1, 2023 |                                    | Amount required<br>to be spent<br>during the year | Amount spent during the year   |                                      | Closing balance as on<br>March 31, 2024 |                                    |
|--|------------------------------------|---|--------------------------------|--------------------------------------|---|------------------------------------|
| With Company                           | In separate CSR<br>Unspent account |   | From Company's<br>bank account | From separate CSR<br>unspent account | With Company                            | In separate CSR<br>Unspent account |
| 3.74                                   | 2.46                               | 2.83  | 0.63                           | 5.46                                 | 2.20                                    | 0.74                               |

(₹ in crore)

| Opening balance as on<br>April 1, 2022 |                                    | Amount required<br>to be spent<br>during the year | Amount spent during the year   |                                      | Closing balance as on<br>March 31, 2023 |                                    |
|--|------------------------------------|---|--------------------------------|--------------------------------------|---|------------------------------------|
| With Company                           | In separate CSR<br>Unspent account |   | From Company's<br>bank account | From separate CSR<br>unspent account | With Company                            | In separate CSR<br>Unspent account |
| 3.24                                   | 2.55                               | 4.17  | 0.43                           | 3.33                                 | 3.74                                    | 2.46                               |

## 38. Segment Reporting

The group operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Ind AS- 108 on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker.

The Group has one geographical segment identified based on its location of customers which is within India.

## 39. Employee Stock Option Scheme

The Employee Stock Option Scheme (the "Scheme") provides for grant of stock options to the eligible employees and/or directors ("the Employees") of the Group. The Stock Options are granted at an exercise price, which is either equal to the fair market price or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee of the Board of the Company.

During the financial year 2023-24, the Nomination and Remuneration Committee has granted Nil options (previous year 19,60,749 options) at an exercise price of ₹ Nil per option (previous year ₹ 33.63 per option) to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

(₹ in crore)

| Particulars                                | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Outstanding at the beginning of the year   | 34,99,797                            | 20,08,819                            |
| Add: Granted during the year               | -                                    | 19,60,749                            |
| Less: Forfeited/cancelled during the year  | (27,423)                             | (4,69,771)                           |
| Less: Lapsed/not exercised during the year | (30,183)                             | -                                    |
| Outstanding at end of the year             | 34,42,191                            | 34,99,797                            |
| Exercisable at end of the year             | 9,73,347                             | 3,95,361                             |

The Group follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.



Details of options granted during the current and previous financial year based on the graded vesting and fair value of the options are as under:

| Tranches  | % of Options to be vested | No. of options granted |               | Vesting date |               | Fair value per option (₹) |               |
|-----------|---------------------------|------------------------|---------------|--------------|---------------|---------------------------|---------------|
|           |                           | Current year           | Previous year | Current year | Previous year | Current year              | Previous year |
| Tranche 1 | 33.33%                    | -                      | 6,53,583      | -            | 19-04-2024    | -                         | 22.14         |
| Tranche 2 | 33.33%                    | -                      | 6,53,583      | -            | 19-04-2025    | -                         | 24.33         |
| Tranche 3 | 33.34%                    | -                      | 6,53,583      | -            | 19-04-2026    | -                         | 26.23         |

The following table summarizes the assumptions used in calculating the grant date fair value:

| Tranches  | Life of the Option (in years) |               | Risk-free interest rate |               | Volatility   |               | Dividend Yield* |               |
|-----------|-------------------------------|---------------|-------------------------|---------------|--------------|---------------|-----------------|---------------|
|           | Current year                  | Previous year | Current year            | Previous year | Current year | Previous year | Current year    | Previous year |
| Tranche 1 | -                             | 3.50          | -                       | 6.85%         | -            | 0.5004        | -               | -             |
| Tranche 2 | -                             | 4.50          | -                       | 7.12%         | -            | 0.4940        | -               | -             |
| Tranche 3 | -                             | 5.50          | -                       | 7.32%         | -            | 0.4897        | -               | -             |

\* Dividend Yield is Nil as the Group has not declared and paid any dividend in previous years and no dividend is expected to be paid.

#### Details of options granted

| Particulars                                      | (in Numbers)   |  |  |
|--|--|--|--|
|  | Series I   | Series II  | Series III   |
| Grant date                                       | 16 April 2020  | 19 April 2021  | 04 May 2022  |
| Options granted                                  | 15,81,444  | 9,09,549   | 19,60,749  |
| Options forfeited/cancelled till March 31, 2024  | (4,06,344)   | (2,87,562)   | (2,85,462)   |
| Options lapsed/not exercised till March 31, 2024 | (21,963)   | (8,220)  | -  |
| Outstanding at end of year                       | 11,53,137  | 6,13,767   | 16,75,287  |
| Exercisable at end of year                       | 7,68,758   | 2,04,589   | -  |
| Vesting of options                               | 1/3rd Options each on completion of first, second and third year from the date of grant of options | 1/3rd Options each on completion of first, second and third year from the date of grant of options | 1/3rd Options each on completion of first, second and third year from the date of grant of options |
| Exercise period                                  | Within 3 years from the date of vesting  | Within 3 years from the date of vesting  | Within 3 years from the date of vesting  |
| Exercise price                                   | ₹ 28.46  | ₹ 29.69  | ₹ 33.63  |
| Pricing formula                                  | As was determined by the Nomination and Remuneration Committee                                     | As was determined by the Nomination and Remuneration Committee                                     | As was determined by the Nomination and Remuneration Committee                                     |

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 1.91 crore (Previous year: ₹ 2.12 crore).

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## 40. Employee Benefits

### a) Defined contribution plans

The Group operates defined contribution plan (Provident fund) for all qualifying employees. The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

The Group's contribution to Provident Fund aggregating ₹ 0.69 crore (Previous year ₹ 0.66 crore) has been recognized in the Statement of Profit and Loss under the head Employee Benefits Expense.

### b) Defined benefit obligation

The Group's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of independent actuarial valuation made at the end of each financial year using the projected unit credit method. The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

#### Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

#### Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

#### Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the Group, which results in a higher liability for the Group and is therefore a plan risk for the Group.

#### The principal assumptions used for the purposes of the actuarial valuations:

| Particulars                      | (₹ in crore)  |   |
|----------------------------------|---|---|
|                                  | As at<br>March 31, 2024                                   | As at<br>March 31, 2023                                   |
| Discount rate                    | 7.15%   | 7.45%   |
| Expected rate of salary increase | 7.00%   | 7.00%   |
| Mortality rate                   | Indian Assured<br>Lives Mortality<br>(2012-14) Ult table. | Indian Assured<br>Lives Mortality<br>(2012-14) Ult table. |

#### Amount recognized in statement of profit and loss in respect of these defined benefit obligation

| Particulars  | (₹ in crore)                         |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Current service cost   | 0.12                                 | 0.15                                 |
| Past service cost  | -                                    | -                                    |
| Net interest cost  | 0.10                                 | 0.09                                 |
| <b>Components of defined benefits recognised in profit or loss.</b>      | <b>0.22</b>                          | <b>0.24</b>                          |
| Remeasurements on the net defined benefit liability :                    |                                      |                                      |
| - Return on plan assets, excl. amount included in interest exp. (income) | -                                    | -                                    |
| - Actuarial (gain)/loss from change in demographic assumptions           | 0.13                                 | -                                    |
| - Actuarial (gain)/loss from change in financial assumptions             | 0.03                                 | (0.03)                               |



(₹ in crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| - Actuarial (gain)/loss from change in experience adjustments | 0.14                                 | 0.23                                 |
| <b>Total amount recognised in OCI</b>                         | <b>0.30</b>                          | <b>0.20</b>                          |
| <b>Total</b>  | <b>0.52</b>                          | <b>0.44</b>                          |

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

**The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan is as follows:**

(₹ in crore)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Present value of defined benefit obligation              | 1.50                    | 1.44                    |
| Fair value of plan assets                                | -                       | -                       |
| <b>Net asset arising from defined benefit obligation</b> | <b>1.50</b>             | <b>1.44</b>             |

**Movement in the present value of the defined benefit obligation are as follows:**

(₹ in crore)

| Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Opening defined benefit obligation                             | 1.44                                 | 1.37                                 |
| Current service cost   | 0.12                                 | 0.15                                 |
| Interest cost  | 0.10                                 | 0.09                                 |
| Past service cost  | -                                    | -                                    |
| Remeasurements (gains)/losses:                                 |                                      |                                      |
| - Actuarial (gain)/loss from change in demographic assumptions | 0.13                                 | -                                    |
| - Actuarial (gain)/loss from change in financial assumptions   | 0.03                                 | (0.03)                               |
| - Actuarial (gain)/loss from change in experience adjustments  | 0.14                                 | 0.23                                 |
| Benefits paid  | (0.46)                               | (0.36)                               |
| Liabilities extinguished on settlements                        | -                                    | (0.01)                               |
| <b>Closing defined benefit obligation</b>                      | <b>1.50</b>                          | <b>1.44</b>                          |

**A reconciliation of the plan assets during the inter-valuation period is given below**

(₹ in crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>Opening balance of fair value of plan assets</b>                                 | <b>-</b>                             | <b>-</b>                             |
| Employer contribution   | 0.46                                 | 0.36                                 |
| Interest on plan assets   | -                                    | -                                    |
| Administrative Expenses   | -                                    | -                                    |
| <b>Remeasurement due to :</b>   |                                      |                                      |
| Actual return on plan assets less interest on plan assets                           | -                                    | -                                    |
| Benefit paid  | (0.46)                               | (0.36)                               |
| Asset acquired/(settled) on account of business combination or inter group transfer | -                                    | -                                    |
| Asset distributed on settlements  | -                                    | -                                    |
| <b>Closing balance of fair value of plan assets</b>                                 | <b>-</b>                             | <b>-</b>                             |

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is as follows:

# Notes

forming part of the Consolidated Financial Statements (Contd..)

(₹ in crore)

| Particulars                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| Defined benefit obligation (base) | 1.50                    | 1.44                    |

(₹ in crore)

| Particulars                                      | For the year ended March 31, 2024 |                        | For the year ended March 31, 2023 |                        |
|--|-----------------------------------|------------------------|-----------------------------------|------------------------|
|  | Discount Rate                     | Salary Escalation Rate | Discount Rate                     | Salary Escalation Rate |
| Defined benefit obligation on increase in 50 bps | 1.46                              | 1.53                   | 1.38                              | 1.48                   |
| Impact of increase in 50 bps on DBO              | (2.93%)                           | 2.13%                  | (4.00%)                           | 2.84%                  |
| Defined benefit obligation on decrease in 50 bps | 1.55                              | 1.47                   | 1.50                              | 1.40                   |
| Impact of decrease in 50 bps on DBO              | 3.09%                             | (2.09%)                | 4.35%                             | (2.74%)                |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognized in the balance sheet.

## Projected benefits payable:

(₹ in crore)

| Particulars                             | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Expected benefits for year 1            | 0.20                    | 0.26                    |
| Expected benefits for year 2            | 0.19                    | 0.25                    |
| Expected benefits for year 3            | 0.18                    | 0.06                    |
| Expected benefits for year 4            | 0.32                    | 0.05                    |
| Expected benefits for year 5            | 0.14                    | 0.26                    |
| Expected benefits for year 6            | 0.22                    | 0.05                    |
| Expected benefits for year 7            | 0.13                    | 0.21                    |
| Expected benefits for year 8            | 0.10                    | 0.07                    |
| Expected benefits for year 9            | 0.10                    | 0.04                    |
| Expected benefits for year 10 and above | 0.97                    | 2.16                    |

## Compensated absences

As per Group's policy, provision of ₹ 0.25 crore (Previous year ₹ 0.65 crore) has been made towards compensated absences, determined on the basis of independent actuarial valuation made at the end of each financial year using the projected unit credit method. (Previous year : calculated on the basis of unutilized leave as on the last day of the financial year)

## c) Code on Social Security, 2020

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.





## 41. Disclosure of related party

### a) Name and relationship with related parties:

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

##### Ultimate holding company

JM Financial Limited

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

##### (A) Ultimate holding company

JM Financial Limited

##### (B) Fellow Subsidiaries

JM Financial Institutional Securities Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

JM Financial Home Loans Limited

JM Financial Services Limited

JM Financial Capital Limited (merged with JM Financial Services Limited w.e.f. May 18, 2023 - refer note 41(g))

JM Financial Credit Solutions Limited

JM Financial Asset Management Limited

Astute Investments

CR Retail Malls (India) Limited

##### (C) Key managerial personnel

##### Whole time director or Chief Executive Office

Mr. Srinivasan Viswanathan - Chief Executive Officer (appointed w.e.f. June 22, 2023)

Mr. Anil Bhatia - Chief Executive Officer (ceased w.e.f. close of business hours of May 15, 2023)

##### Non-Executive Directors

Mr. V. P. Shetty

Mr. Narotam Sekhsaria

Mr. Pulkit Sekhsaria

Mr. Adi Patel

Mr. Vishal Kampani

##### Independent Directors

Ms. Rupa Vora

Dr. Vijay Kelkar

Mr. Ameet Desai

# Notes

forming part of the Consolidated Financial Statements (Contd..)

Mr. Satish Chand Mathur

Mr. Munesh Khanna

## Key managerial personnel of Ultimate holding company

Mr. Nimesh Kampani (NNK)

Mr. Vishal Kampani (VNK)

Mr. Atul Mehra (ASM) (ceased to be related party of the Company with effect from March 28, 2024)

Mr. Adi Patel (ARP)

Ms. Jagi Mangat Panda (JMP)

Mr. P S Jayakumar (PSJ)

Ms. Roshini Bakshi (RHB)

Mr. Navroz Udwadia (NDU)

Mr. Pradip Kanakia (PMK)

Mr. Sumit Bose (SB)

## Close member of Key managerial personnel of Ultimate holding company

Mrs. Suvidha Mehra (ceased to be related party of the Company with effect from March 28, 2024)

## (D) Entity controlled or jointly controlled or significantly influenced by key management personnel of a parent of the reporting entity

J.M. Financial & Investment Consultancy Services Private Limited

## b) Transactions with related parties :

| (₹ in crore)   |                        |                                   |                                   |
|--|------------------------|-----------------------------------|-----------------------------------|
| Name of the Related Party                                    | Nature of relationship | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| <b>JM Financial Limited (JMFL)</b>                           | (A)                    |                                   |                                   |
| Inter Corporate Deposit taken                                |                        | 541.00                            | 647.00                            |
| Inter Corporate Deposit paid                                 |                        | 806.00                            | 821.70                            |
| Interest on Inter Corporate Deposits                         |                        | 38.37                             | 37.18                             |
| Rating Support Fees  |                        | 7.28                              | 4.89                              |
| Support Service Charges                                      |                        | 3.00                              | 2.50                              |
| Recovery of Expense  |                        | 0.03                              | 0.02                              |
| Reimbursement of Expenses                                    |                        | 0.26                              | 0.25                              |
| Interest on Compulsory Convertible Debenture                 |                        | -                                 | 1.86                              |
| <b>JM Financial Properties and Holdings Limited (JMFPHL)</b> | (B)                    |                                   |                                   |
| Space and other related cost                                 |                        | 2.72                              | 2.77                              |
| Security Deposit received                                    |                        | -                                 | 0.54                              |
| Reimbursement of Expenses                                    |                        | 0.43                              | 0.46                              |
| <b>JM Financial Home Loans Limited (JMFHL)</b>               | (B)                    |                                   |                                   |
| Reimbursement of Expenses                                    |                        | #                                 | #                                 |
| <b>JM Financial Products Limited (JMFPL)</b>                 | (B)                    |                                   |                                   |
| Inter Corporate Deposit taken                                |                        | 257.00                            | 200.00                            |
| Inter Corporate Deposit paid                                 |                        | -                                 | 200.00                            |
| Management Fees received                                     |                        | 1.89                              | 1.89                              |
| Interest on Inter Corporate Deposits paid                    |                        | 0.31                              | 2.94                              |
| Support Service Charges                                      |                        | 2.50                              | 2.50                              |



(₹ in crore)

| Name of the Related Party                           | Nature of relationship | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Reimbursement of Expenses                           |                        | 0.03                              | 0.03                              |
| Purchase of distress assets                         |                        | -                                 | 142.82                            |
| <b>JM Financial Services Limited (JMFSL)</b>        | (B)                    |                                   |                                   |
| Market linked Non Convertible Debentures issued     |                        | -                                 | 320.00                            |
| Transfer of gratuity                                |                        | -                                 | 0.01                              |
| Arranger Fees                                       |                        | -                                 | 6.61                              |
| Brokerage paid                                      |                        | 0.01                              | -                                 |
| <b>JM Financial Credit Solutions Ltd (JMFCSL)</b>   | (B)                    |                                   |                                   |
| Issue of Optionally Convertible Debenture           |                        | 200.00                            | -                                 |
| Purchase of distress assets                         |                        | 300.00                            | -                                 |
| Interest on Compulsory Convertible Debenture        |                        | -                                 | 7.91                              |
| Issue of security receipts through subsidiary trust |                        | 102.00                            | -                                 |
| Management Fees received                            |                        | 4.94                              | 4.94                              |
| <b>JM Financial Asset Management Limited</b>        | (B)                    |                                   |                                   |
| Interest on Inter Corporate Deposits                |                        | -                                 | 0.13                              |
| Inter Corporate Deposit taken                       |                        | -                                 | 20.00                             |
| Inter Corporate Deposit paid                        |                        | -                                 | 20.00                             |
| <b>Key Managerial Personnel</b>                     | (C)                    |                                   |                                   |
| Remuneration (refer note (d) )                      |                        | 2.94                              | 1.67                              |

## c) Closing balances

(₹ in crore)

| Name of the Related Party                             | Nature of relationship | As at March 31, 2024 | As at March 31, 2023 |
|---|------------------------|----------------------|----------------------|
| <b>Inter Corporate Deposit payable</b>                |                        |                      |                      |
| JM Financial Limited (JMFL)                           | (A)                    | -                    | 265.00               |
| JM Financial Products Limited (JMFPPL)                | (B)                    | 257.00               | -                    |
| <b>Security Deposit Receivable</b>                    |                        |                      |                      |
| JM Financial Properties and Holdings Limited (JMFPPL) | (B)                    | 2.21                 | 2.21                 |
| <b>Market linked Non-Convertible Debentures</b>       |                        |                      |                      |
| JM Financial Services Ltd (JMFSL)                     | (B)                    | 0.20                 | 0.20                 |
| JM Financial Capital Ltd (JMFCCL)                     | (B)                    | -                    | 1.60                 |
| Dr. Vijay Kelkar                                      | (C)                    | 0.20                 | 0.20                 |
| Mr. V P Shetty  | (C)                    | -                    | 2.00                 |
| Mrs. Suvidha Mehra                                    | (C)                    | -                    | 1.10                 |
| <b>Optionally Convertible Debenture</b>               |                        |                      |                      |
| JM Financial Credit Solutions Ltd (JMFCSL)            | (B)                    | 200.00               | -                    |
| <b>Trade Receivables</b>                              |                        |                      |                      |
| JM Financial Products Limited (JMFPPL)                | (B)                    | -                    | 0.03                 |
| <b>Trade Payable</b>                                  |                        |                      |                      |
| JM Financial Limited (JMFL)                           | (A)                    | 1.88                 | 1.88                 |
| <b>Outstanding Security Receipts</b>                  |                        |                      |                      |
| JM Financial Credit Solutions Ltd (JMFCSL)            | (B)                    | 102.00               | -                    |
| <b>Key Managerial Personnel</b>                       | (C)                    | 1.45                 | 0.20                 |

# Denotes amount below ₹50,000/-

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## d) Remuneration to KMP were as follows

| Particulars                      | (₹ in crore)                         |                                      |
|----------------------------------|--------------------------------------|--------------------------------------|
|                                  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| (a) short term employee benefits | 2.02                                 | 1.33                                 |
| (b) post employment benefits;    | 0.25                                 | 0.10                                 |
| (c) other benefits*              | 0.67                                 | 0.24                                 |
| <b>Total</b>                     | <b>2.94</b>                          | <b>1.67</b>                          |

\* Other benefits includes directors sitting fees and commissions.

e) Remuneration excludes provision for gratuity and compensated absences as the incremental liability has been accounted for Group as a whole.

f) There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.

g) Pursuant to the NCLT order approving the Scheme of Arrangement (the “Scheme”) on April 20, 2023 with the appointed date being April 1, 2023, JM Financial Capital Limited has been merged with JM Financial Services Limited.

h) The transactions disclosed above are exclusive of GST.

### Note

The Group enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

## 42. Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimization of the debt and equity balance.(also refer note no 50.1)

The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Group monitors capital using debt to equity ratio.

| Particulars   | (₹ in crore)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Borrowings (Debt securities and borrowing other than debt securities) | 2,913.17                | 3,203.35                |
| Less - Cash and cash equivalents                                      | (93.66)                 | (70.95)                 |
| <b>Net Debt</b>   | <b>2,819.51</b>         | <b>3,132.40</b>         |
| Total equity (excluding non-controlling interest)                     | 595.48                  | 1,535.77                |
| Net Debt to equity ratio  | 4.73                    | 2.04                    |

## 43. Fair value measurement

### a) Fair value hierarchy and method of valuation:

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognized and measured at fair value and b) measured at amortized cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 fair value measurements are those derived from quoted prices of equity instruments.



Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The input factors considered are estimated cash flows, collateral values and other assumptions etc.

#### b) Categories of Financial Instruments:

**As at March 31, 2024**

(₹ in crore)

| Particulars                       | Carrying amount |          |                 |                 | Fair value  |          |                 |                 |
|-----------------------------------|-----------------|----------|-----------------|-----------------|-------------|----------|-----------------|-----------------|
|                                   | FVTPL           | FVTOCI   | Amortised Cost  | Total           | Level 1     | Level 2  | Level 3         | Total           |
| <b>Financial assets</b>           |                 |          |                 |                 |             |          |                 |                 |
| Cash and cash equivalents         | -               | -        | 93.66           | 93.66           | -           | -        | -               | -               |
| Other bank balances               | -               | -        | 0.99            | 0.99            | -           | -        | -               | -               |
| Trade receivables (net)           | -               | -        | 197.78          | 197.78          | -           | -        | -               | -               |
| Loans (net)                       | -               | -        | 499.12          | 499.12          | -           | -        | -               | -               |
| Investments                       | 1,250.57        | -        | -               | 1,250.57        | 4.28        | -        | 1,246.29        | 1,250.57        |
| Other financial assets (net)      | 1,487.74        | -        | 44.97           | 1,532.71        | -           | -        | 1,487.74        | 1,487.74        |
| <b>Total</b>                      | <b>2,738.31</b> | <b>-</b> | <b>836.52</b>   | <b>3,574.83</b> | <b>4.28</b> | <b>-</b> | <b>2,734.03</b> | <b>2,738.31</b> |
| <b>Financial liabilities</b>      |                 |          |                 |                 |             |          |                 |                 |
| Trade payables                    | -               | -        | 4.84            | 4.84            | -           | -        | -               | -               |
| Debt securities                   | -               | -        | 1,897.90        | 1,897.90        | -           | -        | -               | -               |
| Borrowing (other debt securities) | -               | -        | 1,015.27        | 1,015.27        | -           | -        | -               | -               |
| Lease liabilities                 | -               | -        | 14.02           | 14.02           | -           | -        | -               | -               |
| Other financial liabilities       | -               | -        | 69.19           | 69.19           | -           | -        | -               | -               |
| <b>Total</b>                      | <b>-</b>        | <b>-</b> | <b>3,001.22</b> | <b>3,001.22</b> | <b>-</b>    | <b>-</b> | <b>-</b>        | <b>-</b>        |

**As at March 31, 2023**

(₹ in crore)

| Particulars                       | Carrying amount |          |                 |                 | Fair value   |          |                 |                 |
|-----------------------------------|-----------------|----------|-----------------|-----------------|--------------|----------|-----------------|-----------------|
|                                   | FVTPL           | FVTOCI   | Amortised Cost  | Total           | Level 1      | Level 2  | Level 3         | Total           |
| <b>Financial assets</b>           |                 |          |                 |                 |              |          |                 |                 |
| Cash and cash equivalents         | -               | -        | 70.95           | 70.95           | -            | -        | -               | -               |
| Other Bank balances               | -               | -        | 2.73            | 2.73            | -            | -        | -               | -               |
| Trade receivables (net)           | -               | -        | 272.39          | 272.39          | -            | -        | -               | -               |
| Loans (net)                       | -               | -        | 543.28          | 543.28          | -            | -        | -               | -               |
| Investments                       | 1,263.37        | -        | -               | 1,263.37        | 13.23        | -        | 1,250.14        | 1,263.37        |
| Other financial assets (net)      | 2,714.88        | -        | 41.40           | 2,756.28        | -            | -        | 2,714.88        | 2,714.88        |
| <b>Total</b>                      | <b>3,978.25</b> | <b>-</b> | <b>930.75</b>   | <b>4,909.00</b> | <b>13.23</b> | <b>-</b> | <b>3,965.02</b> | <b>3,978.25</b> |
| <b>Financial liabilities</b>      |                 |          |                 |                 |              |          |                 |                 |
| Trade payables                    | -               | -        | 2.78            | 2.78            | -            | -        | -               | -               |
| Debt securities                   | -               | -        | 1,709.80        | 1,709.80        | -            | -        | -               | -               |
| Borrowing (other debt securities) | -               | -        | 1,493.55        | 1,493.55        | -            | -        | -               | -               |
| Lease liabilities                 | -               | -        | 16.08           | 16.08           | -            | -        | -               | -               |
| Other financial liabilities       | -               | -        | 28.01           | 28.01           | -            | -        | -               | -               |
| <b>Total</b>                      | <b>-</b>        | <b>-</b> | <b>3,250.22</b> | <b>3,250.22</b> | <b>-</b>     | <b>-</b> | <b>-</b>        | <b>-</b>        |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## Notes

1 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, 2024 | 1,153.65       | 1,144.19   |
| As at March 31, 2023 | 1,011.34       | 1,117.92   |

2 Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Group considers that the carrying amounts of financial instruments measured at amortised cost recognized in the financial statements approximate their fair values.

3 For financial assets that are measured at amortized cost, the carrying amounts are equal to the fair values.

### c) Valuation techniques used to determine the fair values:

i) For level 1- Listed equity instruments are fair valued using quoted prices;

ii) For level 2- fair value measurements are derived from quoted prices of equity instruments; and

iii) For Level 3 fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Group. Further, necessary and appropriate adjustments (adequate provisions for contingencies/ appropriate discounting of the cash flows) have been made by considering credit risk, uncertainties associated with prevailing economic condition, timing of the recoveries, strategy which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners and the value at which the collaterals are expected to be recovered for determination of fair value of the financial assets.

### d) Fair value measurements use significant unobservable inputs (Level-3):

The following table presents the changes in level 3 items for the year ended March 31, 2024 and March 31, 2023

(₹ in crore)

| Particulars   | Investment in Security Receipts | Financial Asset | Total           |
|---|---------------------------------|-----------------|-----------------|
| <b>As at April 1, 2022</b>  | <b>956.17</b>                   | <b>2,293.41</b> | <b>3,249.58</b> |
| Acquisitions made   | 434.03                          | 529.94          | 963.97          |
| (Realisations) made   | (91.98)                         | (67.40)         | (159.38)        |
| Net gain/(loss) on fair value changes                               | (61.19)                         | (41.07)         | (102.26)        |
| <b>As at March 31, 2023</b>   | <b>1,237.03</b>                 | <b>2,714.88</b> | <b>3,951.91</b> |
| Acquisitions made   | 260.56                          | 534.27          | 794.83          |
| (Realisations) made   | (184.49)                        | (842.31)        | (1,026.80)      |
| Change in controlling interest                                      | 96.18                           | (264.40)        | (168.22)        |
| Net gain/(loss) on fair value changes (Including exceptional items) | (167.46)                        | (654.70)        | (822.16)        |
| <b>As at March 31, 2024</b>   | <b>1,241.82</b>                 | <b>1,487.74</b> | <b>2,729.56</b> |



**e) Sensitivity for instruments**

(₹ in crore)

| Nature of the instrument                              | Fair Value<br>As at March<br>31, 2024 | Fair Value<br>As at March<br>31, 2023 | Significant<br>unobservable inputs                                  | Increase /<br>Decrease<br>in the<br>unobservable<br>input | Sensitivity Impact for<br>the year ended March<br>31, 2024* |                | Sensitivity Impact<br>for the year ended<br>March 31, 2023* |                |
|---|---------------------------------------|---------------------------------------|---|---|---|----------------|---|----------------|
|   |                                       |                                       |   |   | FV<br>Increase  | FV<br>Decrease | FV<br>Increase  | FV<br>Decrease |
| Investment in Security receipts                       | 1,241.82                              | 1,237.03                              | Estimated cash flow based on realisation of collaterals value, etc. | 5%  | 90.50   | (90.50)        | 80.51   | (80.51)        |
| Investment in financial assets of structured entities | 1,487.74                              | 2,714.88                              | Estimated cash flow based on realisation of collaterals value, etc. | 5%  | 111.91  | (111.91)       | 128.75  | (128.75)       |

\* above sensitivity is determined at percentage of outstanding security receipts at cost considering the normal course of business excluding exceptional item disclosed in note 32

f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

**44. Financial risk management**

The Group's activities expose it to credit risks, liquidity risks and market risks.

Risk management forms an integral part of the business and as it being into distressed credit business it exposed to several risks related to stress assets i.e. non-performing assets (NPA) acquired from banks and financial institutions. The group has a robust account monitoring system which ensures early detection of risks whereby timely action can be taken to surmount any avoidable slippages. The Group has an effective mechanism of driving business through policies and committees. The group has well balanced and experienced team of resources to drive its business.

The Group has established Risk Management Committee and Asset Acquisition Committee, responsible for identifying, developing, monitoring and mitigating all the risks related to its business. The committees reports to the board of directors on regular basis.

**i) Credit risk**

Credit risk is the risk of loss that may occur from the failure of party to abide by the terms and conditions of any financial contract, principally the failure to make the required payments. In order to minimize credit risk, the Group has adopted a policy of acquisition of asset in a transparent manner and at a fair price in a well-informed market, and the transactions are executed at arm's length in exercise of due diligence and adopt an industry / sector neutral and geography neutral approach in targeting financial assets for acquisition. Credit risk management is achieved by considering the factors like cash flow, collateral values, etc.

In order to minimize credit risk, the Group has tasked its Risk Management Committee and Asset Acquisition Committee to develop and maintain the Group's credit risk grading's.

Group has classified its receivables in to following categories:

- Loans given (in the nature of restructuring loans, additional funding for working capital, etc.); and
- Other receivables under distress credit business.

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## Provision for expected credit loss

### 1 For loans:

Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group's current credit risk rating and grading framework comprises the following categories:

For stage-1 performing assets- 12 months Expected Credit Loss (ECL); and

For stage-2- under performing assets- lifetime ECL (on default occurred)

For stage-3-credit impaired assets-based on expected cash flows

### (i) Movement of gross carrying amount in loans given:

#### As at March 31, 2024

(₹ in crore)

| Particulars  | As at March 31, 2024 |          |               |               |
|--|----------------------|----------|---------------|---------------|
|  | Stage 1              | Stage 2  | Stage 3       | Total         |
| <b>Gross carrying amount-opening balance</b>         | <b>135.78</b>        | <b>-</b> | <b>429.43</b> | <b>565.21</b> |
| New assets originated or purchased                   | 83.82                | -        | 34.76         | 118.58        |
| Assets derecognised or repaid (excluding write offs) | (56.83)              | -        | (34.76)       | (91.59)       |
| <b>Gross carrying amount- closing balance</b>        | <b>162.77</b>        | <b>-</b> | <b>429.43</b> | <b>592.20</b> |

#### As at March 31, 2023

(₹ in crore)

| Particulars                                   | As at March 31, 2023 |          |               |               |
|---|----------------------|----------|---------------|---------------|
|   | Stage 1              | Stage 2  | Stage 3       | Total         |
| <b>Gross carrying amount-opening balance</b>  | <b>148.29</b>        | <b>-</b> | <b>472.40</b> | <b>620.69</b> |
| New assets originated or purchased            | 33.61                | -        | -             | 33.61         |
| Transfer to Stage 3                           | (46.12)              | -        | (42.97)       | (89.09)       |
| <b>Gross carrying amount- closing balance</b> | <b>135.78</b>        | <b>-</b> | <b>429.43</b> | <b>565.21</b> |

### (ii) Movement of provision for impairment (ECL):

#### As at March 31, 2024

(₹ in crore)

| Particulars  | As at March 31, 2024 |          |              |              |
|--|----------------------|----------|--------------|--------------|
|  | Stage 1              | Stage 2  | Stage 3      | Total        |
| <b>ECL allowance - opening balance</b>               | <b>2.23</b>          | <b>-</b> | <b>19.70</b> | <b>21.93</b> |
| New assets originated or purchased                   | 0.54                 | -        | 70.71        | 71.25        |
| Assets derecognised or repaid (excluding write offs) | (0.10)               | -        | -            | (0.10)       |
| <b>ECL allowance - closing balance</b>               | <b>2.67</b>          | <b>-</b> | <b>90.41</b> | <b>93.08</b> |

#### As at March 31, 2023

(₹ in crore)

| Particulars                            | As at March 31, 2023 |          |              |              |
|--|----------------------|----------|--------------|--------------|
|  | Stage 1              | Stage 2  | Stage 3      | Total        |
| <b>ECL allowance - opening balance</b> | <b>2.44</b>          | <b>-</b> | <b>20.05</b> | <b>22.49</b> |
| New assets originated or purchased     | 0.10                 | -        | -            | 0.10         |
| Transfer to Stage 3                    | (0.31)               | -        | (0.35)       | (0.66)       |
| <b>ECL allowance - closing balance</b> | <b>2.23</b>          | <b>-</b> | <b>19.70</b> | <b>21.93</b> |



## 2 For other receivables under distressed credit business:

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

There is no credit period defined for other receivables and amount is due on the date of invoice/debit note. Interest is charged on overdue amount as per terms agreed.

Movement of provision for impairment

### As at March 31, 2024

(₹ in crore)

| Particulars                            | As at March 31, 2024 |                        |              |
|--|----------------------|------------------------|--------------|
|  | Trade receivables    | Other financial assets | Total        |
| <b>ECL allowance - opening balance</b> | <b>38.58</b>         | <b>7.37</b>            | <b>45.95</b> |
| Addition                               | 5.66                 | 5.02                   | 10.68        |
| <b>Closing balance</b>                 | <b>44.24</b>         | <b>12.39</b>           | <b>56.63</b> |

### As at March 31, 2023

(₹ in crore)

| Particulars                            | As at March 31, 2023 |                        |              |
|--|----------------------|------------------------|--------------|
|  | Trade receivables    | Other financial assets | Total        |
| <b>ECL allowance - opening balance</b> | <b>23.63</b>         | <b>9.33</b>            | <b>32.96</b> |
| Addition                               | 14.95                | (1.96)                 | 12.99        |
| <b>Closing balance</b>                 | <b>38.58</b>         | <b>7.37</b>            | <b>45.95</b> |

### The ageing of trade receivables :

(₹ in crore)

| Particulars         | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------|-------------------------|-------------------------|
|                     |                         |                         |
| Past due 1-180 days | 18.71                   | 57.87                   |
| More than 180 days  | 223.31                  | 253.10                  |
|                     | <b>242.02</b>           | <b>310.97</b>           |

## b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. However the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

Ultimate responsibility for liquidity risk rest with the management, which has established by an appropriate liquidity risk framework for the management of the Group's short term, medium-term and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company has undrawn lines of credit of ₹ 10.58 crore and ₹ 69.01 crore as of March 31, 2024 and March 31, 2023 respectively, from its bankers for working capital requirements. The Company also has Bank balances of ₹ 93.66 crore as on March 31, 2024. The company is in process of raising of equity which would also be used for repayment of its obligation.

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## Exposure to liquidity risk

The following tables details the Group's remaining contractual/ expected maturities for its non-derivative financial liabilities and assets as at the reporting date. The tables have been drawn up based on undiscounted cash flow basis.

### As at March 31, 2024

(₹ in crore)

| Particulars                    | Contractual cash flows |                 |                 |                 |               |                   |
|--------------------------------|------------------------|-----------------|-----------------|-----------------|---------------|-------------------|
|                                | Carrying amount        | Total           | 0-1 year        | 1-3 years       | 3-5 years     | More than 5 years |
| <b>Financial Liabilities</b>   |                        |                 |                 |                 |               |                   |
| Borrowings and debt securities | 2,913.17               | 2,913.17        | 1,940.01        | 953.38          | 19.78         | -                 |
| Trade payables                 | 4.84                   | 4.84            | 4.84            | -               | -             | -                 |
| Lease liabilities              | 14.02                  | 14.02           | 2.23            | 5.44            | 6.35          | -                 |
| Other financial liabilities    | 69.19                  | 69.19           | 67.99           | 1.20            | -             | -                 |
| <b>Total</b>                   | <b>3,001.22</b>        | <b>3,001.22</b> | <b>2,015.07</b> | <b>960.02</b>   | <b>26.13</b>  | <b>-</b>          |
| <b>Financial Assets</b>        |                        |                 |                 |                 |               |                   |
| Cash and cash equivalents      | 93.66                  | 93.66           | 93.66           | -               | -             | -                 |
| Other Bank balances            | 0.99                   | 0.99            | 0.99            | -               | -             | -                 |
| Trade receivables (net)        | 197.78                 | 197.78          | 54.53           | 143.25          | -             | -                 |
| Loans (net)                    | 499.12                 | 499.12          | 286.58          | 212.54          | -             | -                 |
| Investment                     | 1,250.57               | 1,250.57        | 502.76          | 600.70          | 147.11        | -                 |
| Other Financial Assets (net)   | 1,532.71               | 1,532.71        | 719.60          | 604.02          | 203.50        | 5.59              |
| <b>Total</b>                   | <b>3,574.83</b>        | <b>3,574.83</b> | <b>1,658.12</b> | <b>1,560.51</b> | <b>350.61</b> | <b>5.59</b>       |

### As at March 31, 2023

(₹ in crore)

| Particulars                    | Contractual cash flows |                 |                 |                 |               |                   |
|--------------------------------|------------------------|-----------------|-----------------|-----------------|---------------|-------------------|
|                                | Carrying amount        | Total           | 0-1 year        | 1-3 years       | 3-5 years     | More than 5 years |
| <b>Financial Liabilities</b>   |                        |                 |                 |                 |               |                   |
| Borrowings and debt securities | 3,203.35               | 3,203.35        | 1,398.14        | 1,716.36        | 88.85         | -                 |
| Trade payables                 | 2.78                   | 2.78            | 2.78            | -               | -             | -                 |
| Lease liabilities              | 16.08                  | 16.08           | 2.03            | 4.78            | 5.95          | 3.32              |
| Other financial liabilities    | 28.01                  | 28.01           | 27.42           | 0.59            | -             | -                 |
| <b>Total</b>                   | <b>3,250.22</b>        | <b>3,250.22</b> | <b>1,430.37</b> | <b>1,721.73</b> | <b>94.80</b>  | <b>3.32</b>       |
| <b>Financial Assets</b>        |                        |                 |                 |                 |               |                   |
| Cash and cash equivalents      | 70.95                  | 70.95           | 70.95           | -               | -             | -                 |
| Other Bank balances            | 2.73                   | 2.73            | 2.48            | 0.25            | -             | -                 |
| Trade receivables (net)        | 272.39                 | 272.39          | 72.84           | 122.69          | 76.86         | -                 |
| Loans (net)                    | 543.28                 | 543.28          | 537.72          | 5.56            | -             | -                 |
| Investment                     | 1,263.37               | 1,263.37        | 704.80          | 501.50          | 57.07         | -                 |
| Other Financial Assets (net)   | 2,756.28               | 2,756.28        | 1,199.23        | 1,266.59        | 278.79        | 11.67             |
| <b>Total</b>                   | <b>4,909.00</b>        | <b>4,909.00</b> | <b>2,588.02</b> | <b>1,896.59</b> | <b>412.72</b> | <b>11.67</b>      |

## Note

- The maturities of non-derivative financial liabilities are based on the earliest date on which the Group may be required to pay.
- The maturities of the financial assets are based on the management's estimation on realization.
- The liquidity gap between 0-1 year for the financial year 2023-24 would be met by refinancing through bank facilities /other refinancing options. The liquidity gap includes inter corporate deposit payable to related party which are payable which are on call and also Bank working capital balances which are annually renewable. The company would also have equity available from fresh infusion to repay its obligation.



The following are the details of Group's remaining contractual maturities of financial liabilities based on undiscounted cash flows:

### As at March 31, 2024

(₹ in crore)

| Particulars                    | Contractual cash flows |                 |                 |                 |              |                   |
|--------------------------------|------------------------|-----------------|-----------------|-----------------|--------------|-------------------|
|                                | Carrying amount        | Total           | 0-1 year        | 1-3 years       | 3-5 years    | More than 5 years |
| <b>Financial Liabilities</b>   |                        |                 |                 |                 |              |                   |
| Borrowings and debt securities | 2,913.17               | 2,930.05        | 1,725.22        | 1,185.05        | 19.78        | -                 |
| Trade payables                 | 4.84                   | 4.84            | 4.84            | -               | -            | -                 |
| Lease liabilities              | 14.02                  | 17.38           | 3.42            | 7.03            | 6.93         | -                 |
| Other financial liabilities    | 69.19                  | 69.19           | 67.99           | 1.20            | -            | -                 |
| <b>Total</b>                   | <b>3,001.22</b>        | <b>3,021.46</b> | <b>1,801.47</b> | <b>1,193.28</b> | <b>26.71</b> | <b>-</b>          |

The following are the details of Group's remaining contractual maturities of financial liabilities based on undiscounted cash flows

### As at March 31, 2023

(₹ in crore)

| Particulars                    | Contractual cash flows |                 |                 |                 |              |                   |
|--------------------------------|------------------------|-----------------|-----------------|-----------------|--------------|-------------------|
|                                | Carrying amount        | Total           | 0-1 year        | 1-3 years       | 3-5 years    | More than 5 years |
| <b>Financial Liabilities</b>   |                        |                 |                 |                 |              |                   |
| Borrowings and debt securities | 3,203.35               | 3,220.85        | 1,399.64        | 1,732.36        | 88.85        | -                 |
| Trade payables                 | 2.78                   | 2.78            | 2.78            | -               | -            | -                 |
| Lease liabilities              | 16.08                  | 20.66           | 3.34            | 6.80            | 7.05         | 3.47              |
| Other financial liabilities    | 28.01                  | 28.01           | 27.42           | 0.59            | -            | -                 |
| <b>Total</b>                   | <b>3,250.22</b>        | <b>3,272.30</b> | <b>1,433.18</b> | <b>1,739.75</b> | <b>95.90</b> | <b>3.47</b>       |

### c) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

#### 1. Currency risk

The functional currency of the Group is Indian Rupee (₹). The Group has not undertaken any transactions denominated in foreign currencies and therefore is not exposure to exchange rate fluctuations. Group has not taken derivative contracts during the year.

#### 2. Interest rate risk

The Group is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk and provide appropriate guidelines to the Treasury to manage such risk. The ALCO reviews the interest rate risk on periodic basis and decides on the appropriate funding mix.

### Exposure to interest rate risk

The exposure of the Group's borrowings to the interest rates risk at the end of the reporting period is:

(₹ in crore)

| Particulars              | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|----------------------|----------------------|
| <b>Borrowings:</b>       |                      |                      |
| Fixed rate borrowings    | 1,793.45             | 2,125.99             |
| Floating rate borrowings | 778.32               | 932.78               |
| <b>Total</b>             | <b>2,571.77</b>      | <b>3,058.77</b>      |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## Interest rate Sensitivity analysis:

The sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If floating rate of interest had been 100 basis points higher/ lower, the Group's profit for the year ended March 31, 2024 would decrease/ increase by ₹ 7.78 crore (Previous year: decrease/ increase by ₹ 9.33 crore).

## 3 Equity Price Risk

Equity price risk is related to the change in market reference price of the instruments in quoted and unquoted securities. The fair value of the Group's investments exposes to equity price risks. In general, these securities are not held for trading purposes.

## Equity Price Sensitivity analysis:

The fair value of equity instruments as at March 31, 2024 aggregate to ₹ 4.28 crore (Previous year ₹ 13.23 crore). If price of equity instruments decrease/ increase by 5%, the Group's profit for the year ended March 31, 2024 would be decrease/ increase by ₹ 0.21 crore (Previous year: decrease/ increase by ₹ 0.66 crore).

## 45 A) Entities considered for Consolidation

### a) Composition of the Group

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<br>March 31, 2024   | As at<br>March 31, 2023 |
| Subsidiary Trusts in India                  |                      |                          | (%)   | (%)                     |
| JMFARC - DB-ICICI Trust^                    | Asset reconstruction | India                    | -   | 100%                    |
| JMFARC - DB SBI Trust^                      | Asset reconstruction | India                    | -   | 100%                    |
| JMFARC - DB DCB Trust^                      | Asset reconstruction | India                    | -   | 100%                    |
| JMFARC - Jord SUUTI Trust^                  | Asset reconstruction | India                    | -   | 100%                    |
| JMFARC - Pasupati SASF Trust                | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - Central Bank Tube Trust^           | Asset reconstruction | India                    | -   | 100%                    |
| JMFARC - UTI Tube Trust^                    | Asset reconstruction | India                    | -   | 100%                    |
| JMFARC - SASF Tube Trust^                   | Asset reconstruction | India                    | -   | 100%                    |
| JMFARC - UCO Bank March 2011 Trust          | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - Corp Apparel 2013 Trust            | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - Central India 2013 Trust           | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - Dena Bank March 2014 Trust         | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - Gelatine March 2014 Trust          | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - ICICI Bank July 2014 Trust         | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - Axis Bank Cement March 2015 Trust  | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - ICICI Bank Cement June 2015 Trust  | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - United Bank Cement Sept 2015 Trust | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - ICICI Geometric Trust              | Asset reconstruction | India                    | 15%   | 15%                     |
| JMFARC - Axis Bank February 2016 Trust      | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - OBC Cement March 2016 Trust        | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - Axis Iris II March 2016 Trust      | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - SBI Geometric October 2016 Trust   | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - IRIS Cash 2016 Trust               | Asset reconstruction | India                    | 100%  | 100%                    |
| JMFARC - Tata Capital December 2016 Trust   | Asset reconstruction | India                    | 100%  | 100%                    |





| Name of the Entity                         | Principal activity   | Country of incorporation | Proportion of ownership interest and voting power held by the group |                      |
|--|----------------------|--------------------------|---|----------------------|
|  |                      |                          | As at March 31, 2024  | As at March 31, 2023 |
| JMFARC - IDBI March 2017 Trust             | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - BOB 2008 Trust                    | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - SME Retail 2011 Trust             | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - IOB II March 2011 Trust           | Asset reconstruction | India                    | 40%   | 50%                  |
| JMFARC - Corp I 2013 Trust                 | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Corp II 2013 Trust                | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Retail June 2011 Trust            | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Retail Aug 2011 Trust             | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - IRIS IIFL May 2017 Trust          | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - ALHB Bank Textile June 2017 Trust | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - ALHB Bank June 2017 Trust         | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Federal Bank June 2017 Trust      | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - IRIS Cash July 2017 Trust         | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Woods October 2017 Trust          | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Fabrics August 2018 I Trust       | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - IRIS Cash March 2018 Trust        | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Metalics July 2018 Trust          | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Federal Bank March 2013 Trust     | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Fabrics March 2019 I              | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Fabrics September 2018 I Trust    | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Fabrics September 2018 II Trust   | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - PNB IRIS II September 2018 Trust  | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Fabrics June 2018 Trust           | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Fabrics June 2019 II Trust        | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Fabrics June 2019 III Trust       | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Fabrics December 2019 I Trust     | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - March 2018                        | Asset reconstruction | India                    | 60%   | 60%                  |
| JMFARC - Fabrics September 2020 Trust      | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Fabrics November 2020 Trust       | Asset reconstruction | India                    | 100%  | 100%                 |
| JMFARC - Metalics February 2018 Trust      | Asset reconstruction | India                    | 92%   | 92%                  |
| JMFARC - Metalics November 2018 Trust      | Asset reconstruction | India                    | 95%   | 95%                  |
| JMFARC - Metalics December 2018 Trust      | Asset reconstruction | India                    | 94%   | 94%                  |
| JMFARC - KTK Metalics December 2018 Trust  | Asset reconstruction | India                    | 94%   | 94%                  |
| JMFARC - Coated February 2021 Trust        | Asset reconstruction | India                    | 89%   | 89%                  |
| Deccan 2021 Trust                          | Asset reconstruction | India                    | 100%  | 100%                 |
| Deccan June 2022                           | Asset reconstruction | India                    | 100%  | 100%                 |
| Textile 2022                               | Asset reconstruction | India                    | 100%  | 100%                 |
| Retail June 2022 *                         | Asset reconstruction | India                    | -   | 54%                  |
| Deccan January 2023 Trust                  | Asset reconstruction | India                    | 100%  | 100%                 |
| Real Estate May 2023 Trust <sup>@</sup>    | Asset reconstruction | India                    | 59%   | -                    |
| Deccan September 2023 Trust <sup>@</sup>   | Asset reconstruction | India                    | 100%  | -                    |

<sup>@</sup> Trusts addition during the year

<sup>^</sup> Trusts closed during financial year 2022-23

\* Subsidiary till July 31, 2023

#### Note :

All the entities considered for consolidation above are Trust formed under SARFAESI Act in India for conducting principal activities of acquisition of accounts under distressed credit business.

# Notes

forming part of the Consolidated Financial Statements (Contd..)

## B) Additional Information, as required under Schedule III to the Act, 2013, of entities consolidated as Subsidiary.

### i) As at and for the year ended March 31, 2024

(₹ 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 |   |
|---|--|---------------------------------|---------------------------|---------------------------------------|-------------------------------------|---|-------------------------------------|---|
|   | ₹ in crore   | As % of consolidated net assets | ₹ in crore                | As % of consolidated profit or (loss) | ₹ in crore                          | As % of consolidated other comprehensive income | ₹ in crore                          | As % of consolidated Total comprehensive income |
| <b>Parent</b>                                     |  |                                 |                           |                                       |                                     |   |                                     |   |
| JM Financial Asset Reconstruction Company Limited | (633.92)   | (82.39%)                        | (236.89)                  | 25.06%                                | (0.22)                              | 100.00%   | (237.11)                            | 25.06%  |
| <b>Subsidiary Trusts in India</b>                 |  |                                 |                           |                                       |                                     |   |                                     |   |
| JMFARC - Pasupati SASF Trust                      | (0.10)   | (0.01%)                         | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - UCO Bank March 2011 Trust                | 0.10   | 0.01%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Corp Apparel 2013 Trust                  | 0.09   | 0.01%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Central India 2013 Trust                 | 29.04  | 3.78%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Dena Bank March 2014 Trust               | 1.49   | 0.19%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Gelatine March 2014 Trust                | 6.45   | 0.84%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - ICICI Bank July 2014 Trust               | 0.03   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Axis Bank Cement March 2015 Trust        | 12.65  | 1.65%                           | (9.20)                    | 0.97%                                 | -                                   | -   | (9.20)                              | 0.97%   |
| JMFARC - ICICI Bank Cement June 2015 Trust        | 9.06   | 1.18%                           | (7.55)                    | 0.80%                                 | -                                   | -   | (7.55)                              | 0.80%   |
| JMFARC - United Bank Cement Sept 2015 Trust       | 16.81  | 2.19%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - ICICI Geometric Trust                    | 1.55   | 0.20%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Axis Bank February 2016 Trust            | 0.39   | 0.05%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - OBC Cement March 2016 Trust              | 2.05   | 0.27%                           | (1.30)                    | 0.14%                                 | -                                   | -   | (1.30)                              | 0.14%   |
| JMFARC - Axis Iris II March 2016 Trust            | 6.00   | 0.78%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - SBI Geometric October 2016 Trust         | 3.60   | 0.47%                           | 0.01                      | 0.00%                                 | -                                   | -   | 0.01                                | 0.00%   |
| JMFARC - IRIS Cash 2016 Trust                     | 45.13  | 5.87%                           | (31.03)                   | 3.28%                                 | -                                   | -   | (31.03)                             | 3.28%   |
| JMFARC - Tata Capital December 2016 Trust         | 42.56  | 5.54%                           | 33.52                     | (3.55%)                               | -                                   | -   | 33.52                               | (3.55%)   |
| JMFARC - IDBI March 2017 Trust                    | 2.34   | 0.30%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - IIFL May 2017 Trust                      | 2.42   | 0.31%                           | (1.65)                    | 0.17%                                 | -                                   | -   | (1.65)                              | 0.17%   |
| JMFARC - IRIS Cash July 2017 Trust                | 11.27  | 1.47%                           | (10.69)                   | 1.13%                                 | -                                   | -   | (10.69)                             | 1.13%   |
| JMFARC - Woods October 2017 Trust                 | 8.65   | 1.13%                           | (4.83)                    | 0.51%                                 | -                                   | -   | (4.83)                              | 0.51%   |
| JMFARC - IRIS Cash March 2018 Trust               | 3.03   | 0.39%                           | (1.83)                    | 0.19%                                 | -                                   | -   | (1.83)                              | 0.19%   |
| JMFARC - BOB 2008 Trust                           | (0.01)   | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - SME Retail 2011 Trust                    | 0.01   | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - IOB II March 2011 Trust                  | 1.88   | 0.24%                           | (0.02)                    | 0.00%                                 | -                                   | -   | (0.02)                              | 0.00%   |
| JMFARC - Federal Bank March 2013 Trust            | 22.78  | 2.96%                           | 7.18                      | (0.76%)                               | -                                   | -   | 7.18                                | (0.76%)   |
| JMFARC - Corp I 2013 Trust                        | 4.05   | 0.53%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Corp II 2013 Trust                       | 0.27   | 0.04%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - ALHB Bank June 2017 Trust                | 0.01   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |



(₹ 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 |   |
|--|--|---------------------------------|---------------------------|---------------------------------------|-------------------------------------|---|-------------------------------------|---|
|  | ₹ in crore   | As % of consolidated net assets | ₹ in crore                | As % of consolidated profit or (loss) | ₹ in crore                          | As % of consolidated other comprehensive income | ₹ in crore                          | As % of consolidated Total comprehensive income |
| JMFARC - ALHB Bank Textile June 2017 Trust           | 0.01   | 0.00%                           | (0.02)                    | 0.00%                                 | -                                   | -   | (0.02)                              | 0.00%   |
| JMFARC - Federal Bank June 2017 Trust                | 1.05   | 0.14%                           | (2.51)                    | 0.27%                                 | -                                   | -   | (2.51)                              | 0.27%   |
| JMFARC - Metallica July 2018 Trust                   | (0.01)   | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - Fabrics August 2018 I Trust                 | 248.43   | 32.31%                          | (511.53)                  | 54.13%                                | -                                   | -   | (511.53)                            | 54.12%  |
| JMFARC - Fabrics September 2018 I Trust              | 23.41  | 3.04%                           | (49.13)                   | 5.20%                                 | -                                   | -   | (49.13)                             | 5.20%   |
| JMFARC - Fabrics September 2018 II Trust             | 16.69  | 2.17%                           | (34.82)                   | 3.68%                                 | -                                   | -   | (34.82)                             | 3.68%   |
| JMFARC - PNB IRIS II September 2018 Trust            | 1.15   | 0.15%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Fabrics June 2018 Trust                     | 23.01  | 2.99%                           | (48.25)                   | 5.11%                                 | -                                   | -   | (48.25)                             | 5.10%   |
| JMFARC - Fabrics March 2019 I                        | 10.51  | 1.37%                           | (22.01)                   | 2.33%                                 | -                                   | -   | (22.01)                             | 2.33%   |
| JMFARC - Retail June 2011 Trust                      | 0.03   | 0.00%                           | 0.02                      | 0.00%                                 | -                                   | -   | 0.02                                | 0.00%   |
| JMFARC - Retail Aug 2011 Trust                       | 0.08   | 0.01%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - Fabrics June 2019 II Trust                  | 22.09  | 2.87%                           | (46.02)                   | 4.87%                                 | -                                   | -   | (46.02)                             | 4.87%   |
| JMFARC - Fabrics June 2019 III Trust                 | 5.72   | 0.74%                           | (11.91)                   | 1.26%                                 | -                                   | -   | (11.91)                             | 1.26%   |
| JMFARC - Fabrics December 2019 I Trust               | 1.50   | 0.20%                           | (3.24)                    | 0.34%                                 | -                                   | -   | (3.24)                              | 0.34%   |
| JMFARC - March 2018                                  | 93.86  | 12.21%                          | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Fabrics September 2020 Trust                | 3.13   | 0.41%                           | (6.58)                    | 0.70%                                 | -                                   | -   | (6.58)                              | 0.70%   |
| JMFARC - Fabrics November 2020 Trust                 | 16.05  | 2.09%                           | (32.85)                   | 3.48%                                 | -                                   | -   | (32.85)                             | 3.48%   |
| JMFARC - Metallica February 2018 Trust               | 0.02   | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - Metallica November 2018 Trust               | 0.01   | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - Metallica December 2018 Trust               | 0.01   | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - KTK Metallica December 2018 Trust           | #  | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC - Coated February 2021 Trust                  | -  | 0.00%                           | 66.14                     | (7.00%)                               | -                                   | -   | 66.14                               | (7.00%)   |
| Deccan 2021  | 9.52   | 1.24%                           | 0.01                      | 0.00%                                 | -                                   | -   | 0.01                                | 0.00%   |
| Deccan June 2022                                     | 3.03   | 0.39%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| Textile 2022   | 164.84   | 21.44%                          | 25.00                     | (2.63%)                               | -                                   | -   | 25.00                               | (2.61%)   |
| Deccan January 2023 Trust                            | 94.67  | 12.31%                          | -                         | -                                     | -                                   | -   | -                                   | -   |
| Real Estate May 2023 Trust                           | 149.72   | 19.47%                          | -                         | -                                     | -                                   | -   | -                                   | -   |
| Deccan September 2023 Trust                          | 107.27   | 13.90%                          | -                         | -                                     | -                                   | -   | -                                   | -   |
|  | 595.48   | 77.45%                          | (941.98)                  | 99.68%                                | (0.22)                              | 100.00%   | (942.20)                            | 99.68%  |
| <b>Non Controlling Interests in all subsidiaries</b> | 173.34   | 22.55%                          | (3.03)                    | 0.32%                                 | -                                   | -   | (3.03)                              | 0.32%   |
| JMFARC - ICICI Geometric Trust                       | 8.77   | 1.14%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - IOB II March 2011 Trust                     | #  | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - March 2018                                  | 62.57  | 8.14%                           | -                         | -                                     | -                                   | -   | -                                   | -   |

## Notes

forming part of the Consolidated Financial Statements (Contd..)

(₹ 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 |   |
|---|--|---------------------------------|---------------------------|---------------------------------------|-------------------------------------|---|-------------------------------------|---|
|   | ₹ in crore   | As % of consolidated net assets | ₹ in crore                | As % of consolidated profit or (loss) | ₹ in crore                          | As % of consolidated other comprehensive income | ₹ in crore                          | As % of consolidated Total comprehensive income |
| JMFARC -<br>Metallics February 2018 Trust     | #  | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC -<br>Metallics November 2018 Trust     | #  | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC -<br>Metallics December 2018 Trust     | #  | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC -<br>KTK Metallics December 2018 Trust | #  | 0.00%                           | #                         | 0.00%                                 | -                                   | -   | #                                   | 0.00%   |
| JMFARC -<br>Coated February 2021 Trust        | -  | -                               | (3.03)                    | 0.32%                                 | -                                   | -   | (3.03)                              | 0.32%   |
| Real Estate May 2023 Trust                    | 102.00   | 13.27%                          | -                         | -                                     | -                                   | -   | -                                   | -   |
| <b>Total</b>                                  | <b>768.82</b>  | <b>100.00%</b>                  | <b>(945.01)</b>           | <b>100.00%</b>                        | <b>(0.22)</b>                       | <b>100.00%</b>                                  | <b>(945.23)</b>                     | <b>100.00%</b>                                  |

# Denotes amount less than ₹50,000

### Note:

1) Subsidiaries share in OCI is Nil for the year ended March 31, 2024.

### ii) As at and for the year ended March 31, 2023

(₹ 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 |   |
|---|--|---------------------------------|---------------------------|---------------------------------------|-------------------------------------|---|-------------------------------------|---|
|   | ₹ in crore   | As % of consolidated net assets | ₹ in crore                | As % of consolidated profit or (loss) | ₹ in crore                          | As % of consolidated other comprehensive income | ₹ in crore                          | As % of consolidated Total comprehensive income |
| <b>Parent</b>                                     |  |                                 |                           |                                       |                                     |   |                                     |   |
| JM Financial Asset Reconstruction Company Limited | (809.03)   | (45.43%)                        | (84.99)                   | 57.95%                                | (0.15)                              | 100.00%   | (85.14)                             | 57.99%  |
| <b>Subsidiary Trusts in India</b>                 |  |                                 |                           |                                       |                                     |   |                                     |   |
| JMFARC - DB-ICICI Trust^                          | -  | -                               | 0.02                      | (0.01%)                               | -                                   | -   | 0.02                                | (0.01%)   |
| JMFARC - DB SBI Trust^                            | -  | -                               | 0.02                      | (0.01%)                               | -                                   | -   | 0.02                                | (0.01%)   |
| JMFARC - DB DCB Trust^                            | -  | -                               | 0.01                      | (0.01%)                               | -                                   | -   | 0.01                                | (0.01%)   |
| JMFARC - Jord SUUTI Trust^                        | -  | -                               | 0.18                      | (0.12%)                               | -                                   | -   | 0.18                                | (0.12%)   |
| JMFARC - Pasupati SASF Trust                      | (0.10)   | (0.01%)                         | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Central Bank Tube Trust^                 | -  | -                               | 0.01                      | (0.01%)                               | -                                   | -   | 0.01                                | (0.01%)   |
| JMFARC - UTI Tube Trust^                          | -  | -                               | 0.12                      | (0.08%)                               | -                                   | -   | 0.12                                | (0.08%)   |
| JMFARC - SASF Tube Trust^                         | -  | -                               | 0.02                      | (0.01%)                               | -                                   | -   | 0.02                                | (0.01%)   |
| JMFARC - UCO Bank March 2011 Trust                | 0.10   | 0.01%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Textile 2013 Trust                       | -  | -                               | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Corp Textile 2013 Trust^                 | 0.01   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Corp Apparel 2013 Trust                  | 0.09   | 0.01%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Central India 2013 Trust                 | 29.04  | 1.63%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Dena Bank March 2014 Trust               | 1.49   | 0.08%                           | 0.91                      | (0.62%)                               | -                                   | -   | 0.91                                | (0.62%)   |
| JMFARC - Gelatine March 2014 Trust                | 6.45   | 0.36%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - ICICI Bank July 2014 Trust               | 0.03   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC -<br>Indian Bank I March 2016- Trust       | -  | -                               | -                         | -                                     | -                                   | -   | -                                   | -   |



(₹ 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 |   |
|---|--|---------------------------------|---------------------------|---------------------------------------|-------------------------------------|---|-------------------------------------|---|
|   | ₹ in crore   | As % of consolidated net assets | ₹ in crore                | As % of consolidated profit or (loss) | ₹ in crore                          | As % of consolidated other comprehensive income | ₹ in crore                          | As % of consolidated Total comprehensive income |
| JMFARC - Axis Bank Cement March 2015 Trust  | 21.85  | 1.23%                           | (0.55)                    | 0.38%                                 | -                                   | -   | (0.55)                              | 0.37%   |
| JMFARC - ICICI Bank Cement June 2015 Trust  | 16.61  | 0.93%                           | (0.53)                    | 0.36%                                 | -                                   | -   | (0.53)                              | 0.36%   |
| JMFARC - United Bank Cement Sept 2015 Trust | 16.81  | 0.94%                           | (1.31)                    | 0.89%                                 | -                                   | -   | (1.31)                              | 0.89%   |
| JMFARC - ICICI Geometric Trust              | 1.55   | 0.09%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Axis Bank February 2016 Trust      | 0.39   | 0.02%                           | 0.05                      | (0.03%)                               | -                                   | -   | 0.05                                | (0.03%)   |
| JMFARC - OBC Cement March 2016 Trust        | 3.35   | 0.19%                           | 0.08                      | (0.05%)                               | -                                   | -   | 0.08                                | (0.05%)   |
| JMFARC - Axis Iris II March 2016 Trust      | 6.00   | 0.34%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - SBI Geometric October 2016 Trust   | 3.58   | 0.20%                           | 0.01                      | (0.01%)                               | -                                   | -   | 0.01                                | (0.01%)   |
| JMFARC - IRIS Cash 2016 Trust               | 76.17  | 4.28%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Tata Capital December 2016 Trust   | 9.04   | 0.51%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - IDBI March 2017 Trust              | 2.34   | 0.13%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - IRIS IIFL May 2017 Trust           | 4.08   | 0.23%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - IRIS Cash July 2017 Trust          | 21.96  | 1.23%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Woods October 2017 Trust           | 13.48  | 0.76%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - IRIS Cash March 2018 Trust         | 4.86   | 0.27%                           | (1.50)                    | 1.02%                                 | -                                   | -   | (1.50)                              | 1.02%   |
| JMFARC - BOB 2008 Trust                     | (0.01)   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - SME Retail 2011 Trust              | 0.01   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - IOB II March 2011 Trust            | 1.88   | 0.11%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Federal Bank March 2013 Trust      | 24.03  | 1.35%                           | (0.15)                    | 0.10%                                 | -                                   | -   | (0.15)                              | 0.10%   |
| JMFARC - Corp I 2013 Trust                  | 4.05   | 0.23%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Corp II 2013 Trust                 | 0.27   | 0.02%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - ALHB Bank June 2017 Trust          | 0.01   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - ALHB Bank Textile June 2017 Trust  | 0.03   | 0.00%                           | 0.02                      | (0.01%)                               | -                                   | -   | 0.02                                | (0.01%)   |
| JMFARC - Federal Bank June 2017 Trust       | 3.57   | 0.20%                           | 2.52                      | (1.72%)                               | -                                   | -   | 2.52                                | (1.72%)   |
| JMFARC - Metallica July 2018 Trust          | (0.01)   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Fabrics August 2018 I Trust        | 759.96   | 42.67%                          | (88.33)                   | 60.23%                                | -                                   | -   | (88.33)                             | 60.17%  |
| JMFARC - Fabrics September 2018 I Trust     | 72.53  | 4.07%                           | (8.46)                    | 5.77%                                 | -                                   | -   | (8.46)                              | 5.76%   |
| JMFARC - Fabrics September 2018 II Trust    | 51.51  | 2.89%                           | (6.01)                    | 4.10%                                 | -                                   | -   | (6.01)                              | 4.09%   |
| JMFARC - PNB IRIS II September 2018 Trust   | 1.15   | 0.06%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Fabrics June 2018 Trust            | 71.25  | 4.00%                           | (8.31)                    | 5.67%                                 | -                                   | -   | (8.31)                              | 5.66%   |
| JMFARC - Fabrics March 2019 I               | 32.52  | 1.83%                           | (3.79)                    | 2.58%                                 | -                                   | -   | (3.79)                              | 2.58%   |
| JMFARC - Retail June 2011 Trust             | 0.02   | 0.00%                           | 0.01                      | (0.01%)                               | -                                   | -   | 0.01                                | (0.01%)   |
| JMFARC - Retail Aug 2011 Trust              | 0.08   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Fabrics June 2019 II Trust         | 68.10  | 3.82%                           | (7.94)                    | 5.41%                                 | -                                   | -   | (7.94)                              | 5.41%   |
| JMFARC - Fabrics June 2019 III Trust        | 17.63  | 0.99%                           | (2.06)                    | 1.40%                                 | -                                   | -   | (2.06)                              | 1.40%   |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

(₹ 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 |   |
|--|--|---------------------------------|---------------------------|---------------------------------------|-------------------------------------|---|-------------------------------------|---|
|  | ₹ in crore   | As % of consolidated net assets | ₹ in crore                | As % of consolidated profit or (loss) | ₹ in crore                          | As % of consolidated other comprehensive income | ₹ in crore                          | As % of consolidated Total comprehensive income |
| JMFARC - Fabrics December 2019 I Trust               | 4.73   | 0.27%                           | (0.55)                    | 0.38%                                 | -                                   | -   | (0.55)                              | 0.37%   |
| JMFARC - March 2018                                  | 93.85  | 5.27%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Fabrics September 2020 Trust                | 9.71   | 0.55%                           | (1.13)                    | 0.77%                                 | -                                   | -   | (1.13)                              | 0.77%   |
| JMFARC - Fabrics November 2020 Trust                 | 48.90  | 2.75%                           | (5.70)                    | 3.89%                                 | -                                   | -   | (5.70)                              | 3.88%   |
| JMFARC - Metallica February 2018 Trust               | 0.02   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Metallica November 2018 Trust               | 0.01   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Metallica December 2018 Trust               | 0.01   | 0.00%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - KTK Metallica December 2018 Trust           | -  | -                               | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Coated February 2021 Trust                  | 453.43   | 25.46%                          | 62.84                     | (42.86%)                              | -                                   | -   | 62.84                               | (42.79%)  |
| Deccan 2021  | 9.52   | 0.53%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| Deccan June 2022 <sup>@</sup>                        | 3.03   | 0.17%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| Textile 2022 <sup>@</sup>                            | 139.84   | 7.85%                           | 0.02                      | (0.01%)                               | -                                   | -   | 0.02                                | (0.01%)   |
| Retail June 2022 <sup>*</sup>                        | 139.32   | 7.82%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| Deccan January 2023 Trust <sup>@</sup>               | 94.67  | 5.32%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
|  | <b>1,535.77</b>  | <b>86.23%</b>                   | <b>(154.47)</b>           | <b>105.33%</b>                        | <b>(0.15)</b>                       | <b>100.00%</b>                                  | <b>(154.62)</b>                     | <b>105.32%</b>                                  |
| <b>Non Controlling Interests in all subsidiaries</b> | <b>245.18</b>  | <b>13.77%</b>                   | <b>7.81</b>               | <b>(5.33%)</b>                        | <b>-</b>                            | <b>-</b>  | <b>7.81</b>                         | <b>(5.32%)</b>                                  |
| JMFARC - ICICI Geometric Trust                       | 8.77   | 0.49%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - IOB II March 2011 Trust                     | #  | -                               | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - March 2018                                  | 62.56  | 3.51%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Metallica February 2018 Trust               | #  | -                               | #                         | -                                     | -                                   | -   | #                                   | -   |
| JMFARC - Metallica November 2018 Trust               | #  | -                               | #                         | -                                     | -                                   | -   | #                                   | -   |
| JMFARC - Metallica December 2018 Trust               | #  | -                               | #                         | -                                     | -                                   | -   | #                                   | -   |
| JMFARC - KTK Metallica December 2018 Trust           | #  | -                               | #                         | -                                     | -                                   | -   | #                                   | -   |
| Retail June 2022 <sup>*</sup>                        | 117.52   | 6.60%                           | -                         | -                                     | -                                   | -   | -                                   | -   |
| JMFARC - Coated February 2021 Trust <sup>\$</sup>    | 56.33  | 3.16%                           | 7.81                      | (5.33%)                               | -                                   | -   | 7.81                                | (5.32%)   |
| <b>Total</b>   | <b>1,780.95</b>  | <b>100.00%</b>                  | <b>(146.66)</b>           | <b>100.00%</b>                        | <b>(0.15)</b>                       | <b>100.00%</b>                                  | <b>(146.81)</b>                     | <b>100.00%</b>                                  |

# Denotes amount less than ₹50,000

@ Trust addition during the year

^ trust closed during the year

\$ stake acquired by other security receipt holders during the financial year 2021-22

\* change in controlling interest during the year

## Note:

Subsidiaries share in OCI is Nil for the year ended March 31, 2023.





#### 46. Details of non-wholly owned subsidiaries that have material non-controlling interest

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

(₹ in crore)

| Name of the subsidiaries                 | Place of incorporation and principal place of business | Proportion of ownership interest and voting rights held by non-controlling interests |                      | Profit/ (loss) allocated to non-controlling interests |                                   | Accumulated non-controlling interests |                      |
|--|--|--|----------------------|---|-----------------------------------|---------------------------------------|----------------------|
|  |  | As at March 31, 2024   | As at March 31, 2023 | For the year ended March 31, 2024                     | For the year ended March 31, 2023 | As at March 31, 2024                  | As at March 31, 2023 |
| JMFARC ICICI Geometric Trust             | India  | 85.00%   | 85.00%               | -   | -                                 | 8.77                                  | 8.77                 |
| JMFARC IOB II March 2011 Trust           | India  | 59.59%   | 50.44%               | -   | -                                 | #                                     | #                    |
| JMFARC March 2018                        | India  | 40.00%   | 40.00%               | -   | -                                 | 62.57                                 | 62.56                |
| JMFARC Metallica February 2018 Trust     | India  | 7.61%  | 7.61%                | #   | #                                 | #                                     | #                    |
| JMFARC Metallica November 2018 Trust     | India  | 5.08%  | 5.08%                | #   | #                                 | #                                     | #                    |
| JMFARC Metallica December 2018 Trust     | India  | 6.16%  | 6.16%                | #   | #                                 | #                                     | #                    |
| JMFARC KTK Metallica December 2018 Trust | India  | 6.16%  | 6.16%                | #   | #                                 | #                                     | #                    |
| Retail June 2022*                        | India  | -  | 45.75%               | -   | -                                 | -                                     | 117.52               |
| JMFARC Coated February 2021 Trust        | India  | 11.05%   | 11.05%               | (3.03)  | 7.81                              | -                                     | 56.33                |
| Real Estate May 2023 Trust @             | India  | 40.52%   | -                    | -   | -                                 | 102.00                                | -                    |
| <b>Total</b>                             |  |  |                      | <b>(3.03)</b>   | <b>7.81</b>                       | <b>173.34</b>                         | <b>245.18</b>        |

@ addition during the year

\* subsidiary upto July 31, 2023

**46.1** Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intra-Company eliminations:

(₹ in crore)

| Particulars  | JMFARC Coated February 2021 Trust |                      | JMFARC ICICI Geometric Trust |                      | JMFARC – March 2018  |                      |
|--|-----------------------------------|----------------------|------------------------------|----------------------|----------------------|----------------------|
|  | As at March 31, 2024              | As at March 31, 2023 | As at March 31, 2024         | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Financial assets   | 1.26                              | 569.37               | 0.57                         | 0.56                 | 156.62               | 156.56               |
| Non-financial assets   | -                                 | -                    | 10.32                        | 10.32                | -                    | -                    |
| Financial liabilities  | 1.20                              | 35.12                | 0.57                         | 0.56                 | 0.19                 | 0.10                 |
| Non-financial liabilities  | 0.06                              | 24.49                | #                            | #                    | -                    | 0.04                 |
| Equity attributable to owners of the Company                         | -                                 | 453.43               | 1.55                         | 1.55                 | 93.86                | 93.86                |
| Non-controlling interests  | -                                 | 56.33                | 8.77                         | 8.77                 | 62.57                | 62.56                |
| Revenue  | 44.35                             | 113.08               | 0.01                         | 0.08                 | 0.05                 | 0.01                 |
| Expenses   | 5.00                              | 18.67                | 0.01                         | 0.08                 | 0.05                 | 0.01                 |
| Tax Expenses   | (23.76)                           | 23.76                | -                            | -                    | -                    | -                    |
| <b>Profit for the year</b>   | <b>63.11</b>                      | <b>70.65</b>         | -                            | -                    | -                    | -                    |
| Profit attributable to owners of the Company                         | 66.14                             | 62.84                | -                            | -                    | -                    | -                    |
| Profit attributable to non-controlling interests                     | (3.03)                            | 7.81                 | -                            | -                    | -                    | -                    |
| <b>Profit for the year</b>   | <b>63.11</b>                      | <b>70.65</b>         | -                            | -                    | -                    | -                    |
| Other comprehensive income attributable to owners of the Company     | -                                 | -                    | -                            | -                    | -                    | -                    |
| Other comprehensive income attributable to non-controlling interests | -                                 | -                    | -                            | -                    | -                    | -                    |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

(₹ in crore)

| Particulars  | JMFARC Coated February 2021 Trust |                      | JMFARC ICICI Geometric Trust |                      | JMFARC – March 2018  |                      |
|--|-----------------------------------|----------------------|------------------------------|----------------------|----------------------|----------------------|
|  | As at March 31, 2024              | As at March 31, 2023 | As at March 31, 2024         | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| <b>Other comprehensive income for the year</b>                       | -                                 | -                    | -                            | -                    | -                    | -                    |
| Total comprehensive income attributable to owners of the Company     | 66.14                             | 62.84                | -                            | -                    | -                    | -                    |
| Total comprehensive income attributable to non-controlling interests | (3.03)                            | 7.81                 | -                            | -                    | -                    | -                    |
| <b>Total comprehensive income for the year</b>                       | <b>63.11</b>                      | <b>70.65</b>         | -                            | -                    | -                    | -                    |
| Dividend paid to non-controlling interests                           | -                                 | -                    | -                            | -                    | -                    | -                    |
| Net cash generated from/(used in) operating activities               | 572.94                            | 0.01                 | #                            | #                    | #                    | (0.01)               |
| Net cash generated from/(used in) investing activities               | -                                 | -                    | -                            | -                    | -                    | -                    |
| Net cash generated from/(used in) financing activities               | (572.87)                          | (0.01)               | -                            | -                    | 0.01                 | 0.01                 |
| <b>Net cash generated from/(used in)</b>                             | <b>0.07</b>                       | <b>#</b>             | <b>#</b>                     | <b>#</b>             | <b>#</b>             | <b>#</b>             |

# Denotes amount less than ₹50,000

(₹ in crore)

| Particulars  | JMFARC IOB II March 2011 Trust |                      | JMFARC Metallica February 2018 Trust |                      | JMFARC Metallica November 2018 Trust |                      |
|--|--------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
|  | As at March 31, 2024           | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 | As at March 31, 2024                 | As at March 31, 2023 |
| Financial assets   | 0.03                           | 0.02                 | 1.06                                 | 1.06                 | 0.62                                 | 0.62                 |
| Non-financial assets   | 1.88                           | 1.88                 | #                                    | #                    | #                                    | #                    |
| Financial liabilities  | 0.03                           | #                    | -                                    | -                    | -                                    | -                    |
| Non-financial liabilities  | -                              | #                    | 1.04                                 | 1.04                 | 0.61                                 | 0.61                 |
| Equity attributable to owners of the Company                         | 1.88                           | 1.90                 | 0.02                                 | 0.02                 | 0.01                                 | 0.01                 |
| Non-controlling interests  | #                              | #                    | #                                    | #                    | #                                    | #                    |
| Revenue  | -                              | -                    | -                                    | #                    | -                                    | #                    |
| Expenses   | 0.03                           | #                    | #                                    | 0.01                 | #                                    | #                    |
| Tax Expenses   | (0.01)                         | #                    | #                                    | #                    | #                                    | #                    |
| <b>Profit for the year</b>   | <b>(0.02)</b>                  | <b>#</b>             | <b>#</b>                             | <b>(0.01)</b>        | <b>#</b>                             | <b>#</b>             |
| Profit attributable to owners of the Company                         | (0.02)                         | #                    | #                                    | (0.01)               | #                                    | #                    |
| Profit attributable to non-controlling interests                     | -                              | -                    | #                                    | #                    | #                                    | #                    |
| <b>Profit for the year</b>   | <b>(0.02)</b>                  | <b>#</b>             | <b>#</b>                             | <b>(0.01)</b>        | <b>#</b>                             | <b>#</b>             |
| Other comprehensive income attributable to owners of the Company     | -                              | -                    | -                                    | -                    | -                                    | -                    |
| Other comprehensive income attributable to non-controlling interests | -                              | -                    | -                                    | -                    | -                                    | -                    |
| <b>Other comprehensive income for the year</b>                       | <b>-</b>                       | <b>-</b>             | <b>-</b>                             | <b>-</b>             | <b>-</b>                             | <b>-</b>             |
| Total comprehensive income attributable to owners of the Company     | (0.02)                         | #                    | #                                    | (0.01)               | #                                    | #                    |
| Total comprehensive income attributable to non-controlling interests | -                              | -                    | #                                    | #                    | #                                    | #                    |
| <b>Total comprehensive income for the year</b>                       | <b>(0.02)</b>                  | <b>#</b>             | <b>#</b>                             | <b>(0.01)</b>        | <b>#</b>                             | <b>#</b>             |



(₹ in crore)

| Particulars  | JMFARC IOB II<br>March 2011 Trust |                         | JMFARC Metallica<br>February 2018 Trust |                         | JMFARC Metallica<br>November 2018 Trust |                         |
|--|-----------------------------------|-------------------------|---|-------------------------|---|-------------------------|
|  | As at<br>March 31, 2024           | As at<br>March 31, 2023 | As at<br>March 31, 2024                 | As at<br>March 31, 2023 | As at<br>March 31, 2024                 | As at<br>March 31, 2023 |
| Dividend paid to non-controlling interests             | -                                 | -                       | -                                       | -                       | -                                       | -                       |
| Net cash generated from/(used in) operating activities | 0.02                              | 0.01                    | 0.05                                    | 0.04                    | 0.03                                    | 0.03                    |
| Net cash generated from/(used in) investing activities | -                                 | -                       | -                                       | -                       | -                                       | -                       |
| Net cash generated from/(used in) financing activities | -                                 | 0.01                    | -                                       | 0.01                    | -                                       | -                       |
| <b>Net cash generated from/(used in)</b>               | <b>0.02</b>                       | <b>0.02</b>             | <b>0.05</b>                             | <b>0.05</b>             | <b>0.03</b>                             | <b>0.03</b>             |

# Denotes amount less than ₹50,000

(₹ in crore)

| Particulars  | JMFARC Metallica<br>December 2018 Trust |                         | JMFARC KTK Metallica<br>December 2018 Trust |                         | Retail June 2022        |                         |
|--|---|-------------------------|---|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2024                 | As at<br>March 31, 2023 | As at<br>March 31, 2024                     | As at<br>March 31, 2023 | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Financial assets   | 0.63                                    | 0.63                    | 0.33  | 0.33                    | -                       | 257.35                  |
| Non-financial assets   | #                                       | #                       | #   | #                       | -                       | -                       |
| Financial liabilities  | -                                       | -                       | -   | -                       | -                       | 0.04                    |
| Non-financial liabilities  | 0.62                                    | 0.62                    | 0.33  | 0.32                    | -                       | 0.46                    |
| Equity attributable to owners of the Company                         | 0.01                                    | 0.01                    | #   | #                       | -                       | 139.33                  |
| Non-controlling interests  | #                                       | #                       | #   | #                       | -                       | 117.52                  |
| Revenue  | -                                       | #                       | -   | #                       | 25.09                   | 5.46                    |
| Expenses   | #                                       | #                       | #   | #                       | 25.09                   | 5.46                    |
| Tax Expenses   | #                                       | #                       | #   | #                       | -                       | -                       |
| <b>Profit for the year</b>   | <b>#</b>                                | <b>#</b>                | <b>#</b>                                    | <b>#</b>                | <b>-</b>                | <b>-</b>                |
| Profit attributable to owners of the Company                         | #                                       | #                       | #   | #                       | -                       | -                       |
| Profit attributable to non-controlling interests                     | #                                       | -                       | #   | #                       | -                       | -                       |
| <b>Profit for the year</b>   | <b>#</b>                                | <b>#</b>                | <b>#</b>                                    | <b>#</b>                | <b>-</b>                | <b>-</b>                |
| Other comprehensive income attributable to owners of the Company     | -                                       | -                       | -   | -                       | -                       | -                       |
| Other comprehensive income attributable to non-controlling interests | -                                       | -                       | -   | -                       | -                       | -                       |
| <b>Other comprehensive income for the year</b>                       | <b>-</b>                                | <b>-</b>                | <b>-</b>                                    | <b>-</b>                | <b>-</b>                | <b>-</b>                |
| Total comprehensive income attributable to owners of the Company     | #                                       | #                       | #   | #                       | -                       | -                       |
| Total comprehensive income attributable to non-controlling interests | #                                       | #                       | #   | #                       | -                       | -                       |
| <b>Total comprehensive income for the year</b>                       | <b>#</b>                                | <b>#</b>                | <b>#</b>                                    | <b>#</b>                | <b>-</b>                | <b>-</b>                |
| Dividend paid to non-controlling interests                           | -                                       | -                       | -   | -                       | -                       | -                       |
| Net cash generated from/(used in) operating activities               | 0.03                                    | 0.03                    | 0.03  | 0.01                    | (11.44)                 | 41.71                   |
| Net cash generated from/(used in) investing activities               | -                                       | -                       | -   | -                       | -                       | -                       |
| Net cash generated from/(used in) financing activities               | -                                       | -                       | (0.01)                                      | 0.01                    | 24.70                   | (22.50)                 |
| <b>Net cash generated from/(used in)</b>                             | <b>0.03</b>                             | <b>0.03</b>             | <b>0.02</b>                                 | <b>0.02</b>             | <b>13.26</b>            | <b>19.21</b>            |

# Denotes amount less than ₹50,000

# Notes

forming part of the Consolidated Financial Statements (Contd..)

(₹ in crore)

| Particulars  | Real Estate May 2023 Trust |                         |
|--|----------------------------|-------------------------|
|  | As at<br>March 31, 2024    | As at<br>March 31, 2023 |
| Financial assets   | 251.91                     | -                       |
| Non-financial assets   | -                          | -                       |
| Financial liabilities  | 0.05                       | -                       |
| Non-financial liabilities  | 0.13                       | -                       |
| Equity attributable to owners of the Company                         | 149.73                     | -                       |
| Non-controlling interests  | 102.00                     | -                       |
| Revenue  | 9.46                       | -                       |
| Expenses   | 9.46                       | -                       |
| Tax Expenses   | -                          | -                       |
| <b>Profit for the year</b>   | -                          | -                       |
| Profit attributable to owners of the Company                         | -                          | -                       |
| Profit attributable to non-controlling interests                     | -                          | -                       |
| <b>Profit for the year</b>   | -                          | -                       |
| Other comprehensive income attributable to owners of the Company     | -                          | -                       |
| Other comprehensive income attributable to non-controlling interests | -                          | -                       |
| <b>Other comprehensive income for the year</b>                       | -                          | -                       |
| Total comprehensive income attributable to owners of the Company     | -                          | -                       |
| Total comprehensive income attributable to non-controlling interests | -                          | -                       |
| <b>Total comprehensive income for the year</b>                       | -                          | -                       |
| Dividend paid to non-controlling interests                           | -                          | -                       |
| Net cash generated from/(used in) operating activities               | (251.01)                   | -                       |
| Net cash generated from/(used in) investing activities               | -                          | -                       |
| Net cash generated from/(used in) financing activities               | 251.73                     | -                       |
| <b>Net cash generated from/(used in)</b>                             | <b>0.72</b>                | <b>-</b>                |

# Denotes amount less than ₹50,000

## 47. Maturity Analysis of Assets and Liabilities

(₹ in crore)

| Sr. No.    | Assets                        | As at March 31, 2024 |                 |                 | As at March 31, 2023 |                 |                 |
|------------|-------------------------------|----------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
|            |                               | Within 12 months     | After 12 months | Total           | Within 12 months     | After 12 months | Total           |
| <b>(1)</b> | <b>Financial Assets</b>       |                      |                 |                 |                      |                 |                 |
| (a)        | Cash and cash equivalents     | 93.66                | -               | 93.66           | 70.95                | -               | 70.95           |
| (b)        | Other bank balances           | 0.99                 | -               | 0.99            | 2.48                 | 0.25            | 2.73            |
| (c)        | Trade Receivables             | 54.53                | 143.25          | 197.78          | 72.84                | 199.55          | 272.39          |
| (d)        | Loans                         | 286.58               | 212.54          | 499.12          | 537.72               | 5.56            | 543.28          |
| (e)        | Investments                   | 502.76               | 747.81          | 1,250.57        | 704.80               | 558.57          | 1,263.37        |
| (f)        | Other Financial assets        | 719.60               | 813.11          | 1,532.71        | 1,199.23             | 1,557.05        | 2,756.28        |
| <b>(2)</b> | <b>Non-financial Assets</b>   |                      |                 |                 |                      |                 |                 |
| (a)        | Current tax Assets (Net)      | -                    | 83.75           | 83.75           | -                    | 44.35           | 44.35           |
| (b)        | Deferred tax assets (net)     | -                    | 121.14          | 121.14          | -                    | 88.91           | 88.91           |
| (c)        | Property, Plant and Equipment | -                    | 11.33           | 11.33           | -                    | 13.52           | 13.52           |
| (d)        | Other Intangible assets       | -                    | 0.15            | 0.15            | -                    | 0.03            | 0.03            |
| (e)        | Other non-financial assets    | 1.33                 | -               | 1.33            | 2.26                 | -               | 2.26            |
|            | <b>Total Assets</b>           | <b>1,659.45</b>      | <b>2,133.08</b> | <b>3,792.53</b> | <b>2,590.28</b>      | <b>2,467.79</b> | <b>5,058.07</b> |
|            | <b>LIABILITIES AND EQUITY</b> |                      |                 |                 |                      |                 |                 |



(₹ in crore)

| Sr. No. | Assets                                  | As at March 31, 2024 |                 |                 | As at March 31, 2023 |                 |                 |
|---------|---|----------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
|         |   | Within 12 months     | After 12 months | Total           | Within 12 months     | After 12 months | Total           |
|         | <b>LIABILITIES</b>                      |                      |                 |                 |                      |                 |                 |
| (1)     | <b>Financial Liabilities</b>            |                      |                 |                 |                      |                 |                 |
| (a)     | Trade Payables                          | 4.84                 | -               | 4.84            | 2.78                 | -               | 2.78            |
| (b)     | Debt Securities                         | 1,099.58             | 798.32          | 1,897.90        | 221.43               | 1,488.37        | 1,709.80        |
| (c)     | Borrowings (Other than Debt Securities) | 840.43               | 174.84          | 1,015.27        | 1,176.71             | 316.84          | 1,493.55        |
| (d)     | Lease liabilities                       | 2.23                 | 11.79           | 14.02           | 2.03                 | 14.05           | 16.08           |
| (e)     | Other financial liabilities             | 67.99                | 1.20            | 69.19           | 27.42                | 0.59            | 28.01           |
| (2)     | <b>Non-Financial Liabilities</b>        |                      |                 |                 |                      |                 |                 |
| (a)     | Provisions                              | 0.45                 | 1.30            | 1.75            | 0.91                 | 1.18            | 2.09            |
| (b)     | Other non-financial liabilities         | 20.74                | -               | 20.74           | 24.81                | -               | 24.81           |
|         | <b>Total Liabilities</b>                | <b>2,036.26</b>      | <b>987.45</b>   | <b>3,023.71</b> | <b>1,456.09</b>      | <b>1,821.03</b> | <b>3,277.12</b> |

**Note :** Maturity Analysis of Assets and Liabilities- within 12 months of current year is negative on account of ICDs payables to related parties which were payable on call and working capital demand loans/ cash credit facilities which were annually renewals. The shortfall would be balanced through refinancing/ others modes of borrowings and fresh infusion of equity.

#### 48. Schedule of security receipts

(₹ in crore)

| Name of Trust  | As at March 31, 2024 |        | As at March 31, 2023 |        |
|--|----------------------|--------|----------------------|--------|
|  | No. of SRs           | Amount | No. of SRs           | Amount |
| <b>Investment in Trust Security receipts at fair value</b> |                      |        |                      |        |
| JMFARC - BOI 2009 - Trust                                  | 48,600               | -      | 48,600               | -      |
| JMFARC - Swarna 2011 - Trust                               | 72,199               | 0.98   | 72,199               | 0.98   |
| JMFARC - Swarna II 2012 - Trust Class A                    | 66,200               | 1.58   | 66,200               | 1.58   |
| JMFARC - Swarna II 2012 - Trust Class B                    | 12,500               | 0.31   | 12,500               | 0.31   |
| JMFARC - OBC March 2014 - Trust                            | 34,500               | -      | 34,500               | -      |
| JMFARC - Fed Gelatine March 2014 - Trust                   | 17,500               | -      | 17,500               | -      |
| JMFARC - OBC March 2014 II - Trust                         | 4,760                | 0.29   | 4,760                | 0.29   |
| JMFARC - UBOI March 2014 - Trust                           | 66,750               | 0.73   | 66,750               | 1.72   |
| JMFARC - SBI Ceramics June 2014 - Trust                    | 1,56,000             | 1.54   | 1,56,000             | 3.68   |
| JMFARC - Indian Bank June 2014 - Trust                     | 32,200               | 0.38   | 32,200               | 0.91   |
| JMFARC - Vijaya Bank June 2014 - Trust                     | 25,360               | 0.10   | 25,360               | 0.76   |
| JMFARC - Hotels June 2014 - Trust Class A                  | 3,29,099             | -      | 3,29,099             | -      |
| JMFARC - Hotels June 2014 - Trust Class B                  | 20,71,631            | -      | 20,71,631            | -      |
| JMFARC - Central Bank of India June 2014 - Trust           | 32,000               | -      | 32,000               | -      |
| JMFARC - CSB Ceramics September 2014 - Trust               | 32,625               | 1.21   | 32,625               | 2.45   |
| JMFARC - LVB Ceramics September 2014 - Trust               | 27,900               | 0.77   | 27,900               | 1.56   |
| JMFARC - SBOP Ceramics December 2014 - Trust               | 11,850               | 0.62   | 11,850               | 0.89   |
| JMFARC - SBH Ceramics December 2014 - Trust                | 60,000               | 3.08   | 60,000               | 4.32   |
| JMFARC - SBT Ceramics March 2015 - Trust                   | 23,250               | 1.11   | 23,250               | 1.74   |
| JMFARC - SBI Steel March 2015 - Trust                      | 93,150               | -      | 93,150               | -      |
| JMFARC - SBM Ceramics March 2015 - Trust                   | 12,750               | 0.78   | 12,750               | 0.94   |
| JMFARC - Karnataka Bank Cement March 2015 - Trust          | 49,500               | 1.78   | 49,500               | 3.61   |
| JMFARC - Vijaya Bank Ceramics March 2015 - Trust           | 27,000               | 0.79   | 27,000               | 1.49   |
| JMFARC - SBH Cement June 2015 - Trust                      | 66,000               | 2.44   | 66,000               | 4.95   |
| JMFARC - United Bank Textile September 2015 - Trust        | 27,075               | 0.64   | 27,075               | 0.69   |
| JMFARC - PNB Ceramics November 2015 - Trust                | 4,01,640             | 14.82  | 4,01,640             | 27.46  |
| JMFARC - Corp Bank Ceramics September 2015 - Trust         | 46,065               | 2.54   | 46,065               | 3.59   |

# Notes

forming part of the Consolidated Financial Statements (Contd..)

(₹ in crore)

| Name of Trust                                      | As at March 31, 2024 |        | As at March 31, 2023 |        |
|--|----------------------|--------|----------------------|--------|
|  | No. of SRs           | Amount | No. of SRs           | Amount |
| JMFARC - SBOP Geometric - Trust                    | 61,560               | -      | 61,560               | -      |
| JMFARC - Dena Ceramics January 2016 - Trust        | 15,750               | 0.52   | 15,750               | 1.04   |
| JMFARC - UBOI Steel March 2016 - Trust             | 63,000               | -      | 63,000               | -      |
| JMFARC - IDBI Ceramics March 2016 - Trust          | 57,180               | 3.05   | 57,180               | 3.66   |
| JMFARC - EXIM Ceramics March 2016 - Trust          | 17,101               | 0.91   | 17,101               | 1.30   |
| JMFARC - UCO Geometric March 2016 - Trust          | 88,965               | -      | 88,965               | -      |
| JMFARC - KVB Iris II March 2016 - Trust            | 37,500               | 5.63   | 37,500               | 5.63   |
| JMFARC - Indian Bank March 2016 - Trust            | 97,515               | -      | 97,515               | 0.09   |
| JMFARC - IOB March 2016 - Trust                    | 50,250               | 1.27   | 50,250               | 1.42   |
| JMFARC - Iris March 2016 - Trust                   | 10,00,165            | 35.84  | 10,00,165            | 104.15 |
| JMFARC - Exim Iris March 2016 - Trust              | 60,000               | 1.66   | 60,000               | 5.22   |
| JMFARC - Axis Iris March 2016 - Trust              | 1,50,000             | 6.36   | 1,50,000             | 19.20  |
| JMFARC - KB Metals September 2016 - Trust          | 22,500               | #      | 22,500               | #      |
| JMFARC - Andhra Resin September 2016 - Trust       | 37,605               | #      | 37,605               | #      |
| JMFARC - Dena SEZ September 2016 - Trust           | 7,335                | 0.37   | 7,335                | 0.55   |
| JMFARC - IDBI Geometric Dec 2016 - Trust           | 41,250               | -      | 41,250               | -      |
| JMFARC - IRIS December 2016 - Trust                | 31,110               | 2.21   | 31,110               | 4.67   |
| JMFARC - IRIS UBOI December 2016 - Trust           | 16,005               | 0.86   | 16,005               | 2.30   |
| JMFARC - IRIS PNB January 2017 - Trust             | 41,550               | 2.02   | 41,550               | 5.90   |
| JMFARC - IOB CHN March 2017 - Trust                | 37,500               | 3.49   | 37,500               | 3.56   |
| JMFARC - IOB Ceramics March 2017 - Trust           | 33,000               | 1.25   | 33,000               | 2.18   |
| JMFARC - IRIS United March 2017 - Trust            | 66,900               | 0.49   | 66,900               | 4.36   |
| JMFARC - SBP March 2017 - Trust                    | 31,665               | 1.68   | 31,665               | 2.28   |
| JMFARC - IRIS UCO March 2017 - Trust               | 38,310               | 1.39   | 38,310               | 4.61   |
| JMFARC - SBP Retreat March 2017 - Trust            | 77,600               | 5.42   | 77,600               | 7.23   |
| JMFARC - SBI Retreat March 2017 - Trust            | 1,66,800             | 11.65  | 1,66,800             | 15.53  |
| JMFARC - SBI Tollways March 2017 - Trust           | 1,53,000             | 2.70   | 1,53,000             | 4.32   |
| JMFARC - Karnataka Bank September 2017 - Trust     | 20,310               | 1.07   | 20,310               | 1.47   |
| JMFARC - Syndicate Ceramics September 2017 - Trust | 1,25,250             | 4.35   | 1,25,250             | 6.76   |
| JMFARC - Allahabad Bank December 2017 - Trust      | 76,275               | 5.49   | 76,275               | 7.02   |
| JMFARC - Motors December 2017 - Trust              | 94,500               | 5.39   | 94,500               | 5.39   |
| JMFARC - IOB Metallica February 2018 - Trust       | 3,60,000             | -      | 3,60,000             | -      |
| JMFARC - Township February 2018 - Trust            | 4,80,000             | 8.47   | 4,80,000             | 36.00  |
| JMFARC - IRIS Canara March 2018 - Trust            | 18,225               | 1.22   | 18,225               | 2.15   |
| JMFARC - Alphahealth 2018 - Trust                  | 17,80,700            | 190.53 | 17,80,700            | 190.88 |
| JMFARC - Fabrics August 2018 II - Trust            | 3,80,000             | 29.64  | 3,80,000             | 36.10  |
| JMFARC - Fabrics September 2018 III - Trust        | 40,200               | 2.12   | 40,200               | 3.82   |
| JMFARC - IRIS SIDBI December 2018 - Trust          | 33,000               | 2.43   | 33,000               | 4.77   |
| JMFARC - Infra March 2019 - Trust                  | 60,000               | 4.50   | 60,000               | 4.50   |
| JMFARC - IOB March 2011 - Trust Class A            | 2,80,000             | -      | 2,80,000             | -      |
| JMFARC - IOB March 2011 - Trust Class B            | 96,500               | -      | 96,500               | -      |
| JMFARC - UCO Bank March 2014 - Trust               | 4,62,500             | 6.09   | 4,62,500             | 6.44   |
| JMFARC - SBI March 2014 I - Trust                  | 1,73,750             | 4.78   | 1,73,750             | 5.17   |
| JMFARC - SBI March 2014 II - Trust                 | 45,250               | 1.52   | 45,250               | 1.52   |
| JMFARC - Cosmos March 2014 - Trust                 | 1,54,500             | 1.32   | 1,54,500             | 1.47   |
| JMFARC - Indian Bank March 2014 - Trust            | 44,500               | -      | 44,500               | -      |
| JMFARC - BOI March 2014 II - Trust                 | 2,15,750             | -      | 2,15,750             | -      |
| JMFARC - OBC June 2014 - Trust                     | 8,915                | -      | 8,915                | -      |
| JMFARC - Karnataka Bank December 2014 - Trust      | 1,72,500             | 3.13   | 1,72,500             | 3.43   |
| JMFARC - CSB September 2015 - Trust                | 63,000               | 0.01   | 63,000               | 0.01   |
| JMFARC - SBH December 2015 - Trust                 | 73,380               | -      | 73,380               | -      |





(₹ in crore)

| Name of Trust                                  | As at March 31, 2024 |                 | As at March 31, 2023 |                 |
|--|----------------------|-----------------|----------------------|-----------------|
|  | No. of SRs           | Amount          | No. of SRs           | Amount          |
| JMFARC - KVB March 2016 - Trust                | 3,55,095             | 5.52            | 3,55,095             | 10.11           |
| JMFARC - Federal Bank March 2016 - Trust       | 73,350               | 3.77            | 73,350               | 3.77            |
| JMFARC - PAN INDIA 2016 - Trust                | 15,46,908            | 139.22          | 15,46,908            | 139.22          |
| JMFARC - PNB March 2017 - Trust                | 2,22,075             | 7.65            | 2,22,075             | 8.09            |
| JMFARC - SBT March 2017 - Trust                | 55,875               | 2.40            | 55,875               | 3.63            |
| JMFARC - LTF June 2017 - Trust                 | 6,00,000             | 3.93            | 6,00,000             | 11.99           |
| JMFARC - Central Bank Retail 2011 - Trust      | 88,872               | -               | 88,872               | -               |
| JMFARC - ICICI Bank September 2016 - Trust     | 8,55,495             | 15.16           | 8,55,495             | 15.62           |
| JMFARC - Fabrics June 2019 I - Trust Class A\$ | 1,71,800             | 11.82           | 50,400               | 4.79            |
| JMFARC - Fabrics June 2019 I - Trust Class B   | 1,51,200             | -               | 1,51,200             | 3.78            |
| JMFARC - Textile Gama I - Trust                | 48,000               | -               | 48,000               | 3.32            |
| JMFARC - Textile Gama II - Trust               | 33,390               | -               | 33,390               | 0.05            |
| Victory Real Estate 2021- Trust                | 60,000               | 6.00            | 60,000               | 6.00            |
| Realty March 2022 - Trust                      | 6,07,500             | 60.75           | 6,07,500             | 60.75           |
| Sapphire RE Trust 2022^                        | -                    | -               | 65,504               | 0.98            |
| Textile Gama III - Trust                       | 9,150                | -               | 9,150                | 0.92            |
| Textile Gama IV - Trust                        | 14,850               | -               | 14,850               | 1.49            |
| Aranya - Trust @                               | 60,05,000            | 540.50          | 38,25,000            | 382.50          |
| Retail June 2022 - Trust*                      | 24,90,540            | 47.78           | -                    | -               |
| Textile Gama V - Trust@^                       | -                    | -               | -                    | -               |
| <b>Total</b>                                   |                      | <b>1,241.82</b> |                      | <b>1,237.03</b> |

# Denotes amount less than ₹50,000

@ trusts added during the year or additional investment made in security receipts of existing trust

^ trusts closed during the year

\$ includes security receipts bought back during the year

\* subsidiary upto July 31, 2023

**49.** Pursuant to notification issued by the Ministry of Corporate Affairs (MCA) dated August 16, 2019, on Companies (Share Capital and Debentures) Rules, 2014, ('Rules') the Parent Company is not required to create DRR and as per MCA notification dated 5th June, 2020, the Parent Company is also exempted to invest or deposit a sum which shall not be less than 15% of the amount of the Debentures issued and maturing during the financial year.

## 50. Disclosure of ratios:

| Sr. No. | Ratio  | Numerator<br>(₹ in crore) | Denominator<br>(₹ in crore) | As at<br>March 31,<br>2024 | Numerator<br>(₹ in crore) | Denominator<br>(₹ in crore) | As at<br>March 31,<br>2023 |
|---------|--|---------------------------|-----------------------------|----------------------------|---------------------------|-----------------------------|----------------------------|
| a)      | Capital to risk-weighted assets ratio (CRAR) | 3,329.56                  | 96.99                       | 2.91%                      | 4,586.86                  | 1,131.46                    | 24.67%                     |
| b)      | Tier I CRAR*                                 | NA                        | NA                          | NA                         | NA                        | NA                          | NA                         |
| c)      | Tier II CRAR*                                | NA                        | NA                          | NA                         | NA                        | NA                          | NA                         |
| d)      | Liquidity Coverage Ratio*                    | NA                        | NA                          | NA                         | NA                        | NA                          | NA                         |

\* not applicable considering the nature of company's business.

# Notes

forming part of the Consolidated Financial Statements (Contd..)

**50.1** Pursuant to note 32 of exceptional item, there is decrease in the Group's net worth as on March 31, 2024. However, the Group is in the process of raising funds of ₹ 525 crore or such higher amounts through equity infusion from its Holding Company/ Existing shareholders/Group entities/New investors and the same has been approved by the Board at its meeting held on May 16, 2024 subject to the necessary regulatory and other approvals as may be necessary. The Group is confident about meeting its obligations considering the above equity infusion and realisation from its existing assets. Considering the above, there would be no impact on Going concern principle on the Group in the foreseeable future and the Group would continue to operate its business in the normal course. The impact of these developments if any shall be assessed and given effect in the respective future periods. Summary of the impact on regulatory ratios is given as under:

|                                    | (₹ in crore)                   |   |                      |
|------------------------------------|--------------------------------|---|----------------------|
|                                    | Pre Impact of exceptional item | Post Impact of exceptional item (Pre equity infusion) | Post Equity Infusion |
| Net worth (₹ in crore)             | 1,442.34                       | 595.48  | 1,120.48             |
| Debt Equity Ratio (Nos. of times)* | 2.02                           | 4.89  | 2.13                 |

\* debt equity ratio (Total debt/Net worth) of post equity infusion after considering utilisation of proceed of said equity infusion for repayment of debts

## 51. Contingent liabilities

|   | (₹ in crore)         |                      |
|---|----------------------|----------------------|
| Particulars   | As at March 31, 2024 | As at March 31, 2023 |
| <b>Income tax matter under dispute* :</b>   |                      |                      |
| Primarily relates to demand received from income tax authorities on account of disallowance of donation u/s 80G of Income Tax Act, 1961 | 0.41                 | 0.41                 |

\*In respect of above disputed demand, the Group has filed appeal before appellate authority and has sufficient tax credit to pay the above demand in case the same materialises.

## 52. Additional Regulatory Information

- (i) The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.
- (ii) The Company has no transactions with the companies struck off under the Companies Act, 2013.
- (iii) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vi) (A) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (i) directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



- (vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (viii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (ix) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- (x) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**53.** The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.

**54.** The consolidated financial statements are approved for issue by the Board of Directors at its meeting held on May 16, 2024.

**For and on behalf of the Board of Directors**

**Adi Patel**

Director  
(DIN - 02307863)

**Rupa Vora**

Chairperson -  
Audit Committee  
(DIN - 01831916)

**Srinivasan Viswanathan**

Chief Executive Officer

**Vineet Singh**

Company Secretary

**Sabyasachi Ray**

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

# Independent Auditor's Report

To,

**The Members of JM Financial Asset Reconstruction Company Limited**

## **Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of **JM Financial Asset Reconstruction Company Limited** ("the Company"), which comprise the balance sheet as at March 31, 2024, the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the statement of cash flows for the year ended on that date, including a summary of material accounting policies and other explanatory information (The "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, Including the Ind AS, of the financial position of the Company as at March 31, 2024, and its loss including other comprehensive income, the changes in equity and its Cash flows for the period ended on that date.

### **Basis for Opinion**

We conducted our audit of Standalone 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statements.

### **Material Uncertainty Related to Going Concern**

With reference to Note 49.1 to the standalone financial statements which indicates that the company has incurred

significant losses for the current financial year, an exceptional impairment loss provision made on March 31, 2024, in multiple trusts & loans related to one large investment in security receipts/financial assets due to the change in the resolution strategy & events subsequent to the balance sheet date, which led to a reduction in the fair values of these assets, resulting in the Company's net worth decreasing from ₹ 1,533.09 crore as on March 31, 2023, to ₹ 592.34 crore as on March 31, 2024. The reduction in net worth has resulted in a decrease in regulatory capital and regulatory ratios that indicate that material uncertainty related to going concern may exist.

However, the Company is raising funds through an equity infusion of ₹ 525 crore or such higher amounts from its Holding Company/Existing shareholders/group entities/new investors, approved in its Board Meeting on May 16, 2024, subject to regulatory and other approvals. The regulatory capital and regulatory ratios will improve post the equity infusion which is explained in the note and the Company is confident it can meet obligations with equity infusion and asset realization. The Standalone Financial Statements are prepared on a going-concern basis, as detailed in the note.

Our opinion is not modified with respect to this above matter.

### **Emphasis of Matters:**

We draw your attention to Note 32 to these standalone financial statements, which describes the exceptional item considered by management for significant impairment provisions of ₹ 846.86 Crore on fair valuation of investments in multiple trusts and loans related to one large account/exposure in the current financial year due to a change in resolution strategy/plan and events subsequent to the balance sheet date resulting in the reduction of fair values of the specific assets.

Our opinion is not modified with respect to this emphasis of matter.

### **Key Audit Matters**

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



## Independent Auditor's Report (Contd.)

### Key Audit Matter

#### Fair Valuation of investments in security receipts:

The valuation of the investments in security receipts in Trusts formed under distressed credit business is based on a recovery range provided by the External Rating Agency and other unobservable inputs (i.e. projection of future cash flows and expenses etc.). These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded.

Initially, the independent committee finalizes the resolution strategy for each trust, which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners. The fair value of the investment can only be estimated based on the chosen resolution strategy, expected cash flows, recovery ranges provided by the external rating agency, collateral values, discount rates, proposed investor offer and other relevant assumptions. Further, the Company has applied judgements in estimating the cash flows.

The Company has made investments in security receipts in Trusts formed under distressed credit business aggregating to ₹ 2,462.51 crore as at March 31, 2024 carried at fair value. (Refer note 9 to the Standalone Financial Statements).

In view of the complexities and significant judgements involved we have considered the valuation of these investments as a key audit matter.

### Auditor's Response

#### Principal Audit Procedures Performed:

- We have tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by the Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates etc.

We have selected the sample and performed the following audit procedures:

- Analysed reasonableness of the determination of the appropriate recovery rate and estimated cash flows and the other relevant judgments and estimates, if any; and we assessed the information used to determine the key assumptions;
- Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any;
- Compared the management's assumption of discount rate with the supporting internal/ external evidence;
- We assessed the reasonableness of the judgements in estimating the cash flows in response to corroborate the assumptions based on the information used by the Company, adopted/change in resolution strategy; and verified the accounting treatment applied.
- Read and assessed the disclosure made in the standalone financial statements for assessing the compliance with respect to the disclosure requirements.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### Management's & Board of Director's Responsibility for the Standalone Financial Statements

The Company's Management & Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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 section 133 of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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





## Independent Auditor's Report (Contd.)

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report), Order 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Companies Act, 2013, 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), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, according to the information & explanation given to us, the remuneration (Commission) payable by the Company to its directors during the year, is in accordance with the provisions of section 197 of the Act subject to approval of shareholders which the Company proposes to obtain in its forthcoming annual general meeting.
- (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:
  - i. There is no pending litigation by the Company / on the Company which has the impact on 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;
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no 51 (vi) (A), no funds (which are material either individually or in the aggregate), have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person (s') or entity (ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries")

- or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no 51 (vi) (B), no funds (which are material either individually or in the aggregate) have been received by the Company from any person (s) or entity (ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the year Company has not declared/ paid any dividend hence reporting under rule 11 (f) is not applicable to that extent.
- vi. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature did not operate for the period 1st Apr 2023 to 4th Apr 2023. Further, for the period where the audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

**For Sharp and Tannan Associates**  
Chartered Accountants  
Firm's Registration No.:109983W  
by the hand of

**Parthiv S. Desai**  
Partner

Membership No.: (F) 042624  
UDIN: 24042624BKFRSJ9926

Mumbai, May 16, 2024



# Annexure A

## to the Independent Auditors' Report

### (Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)

We report that:

- (i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:
  - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE) of the Company.
  - (B) The Company has maintained proper records showing full particulars of the Intangible assets of the Company.
- (b) Property, Plant and Equipment have been 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) Based on the examination of the registered sale deed provided to us, we report that the title deeds, comprising of the immovable properties of land which are freehold, are held in the name of the Company. In respect of immovable properties of office premises that have been taken on lease and disclosed as fixed asset (lease assets - Right to Use) in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (d) The Company has not made any revaluation of PPE (including Right of use assets) or intangible assets as at the balance sheet date. Accordingly, reporting on paragraphs 3 (i)(d) of the Order is not applicable to the Company.
- (e) There is no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting on paragraphs 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The Company does not have any inventory as considering the nature of the business. Accordingly, the reporting under clause (ii)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, pursuant to terms of sanction letters for working capital limits in excess of five crore, in aggregate, from banks or financial institutions on the basis of security of current assets (i.e. Security receipts, considering based on

the nature of business); based on our verification quarterly statements (Pledge / Hypothecation) filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

- (iii) The Company is a non-banking financial company ("NBFC") registered under section 3 of 'Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002' (SARFAESI Act) under the RBI regulation, as an 'Asset Reconstruction Company'. During the year, the Company has made investments in security receipts, granted loans for restructuring, secured and unsecured, and advances in the nature of loans to the subsidiary in the form of trusts:

In our opinion and according to the information and explanations given to us;

- (a) Clause (iii) (a) of the Order is not applicable to the company, considering the nature of the business as the company in distress business through the subsidiary in the form of Trusts.
- (b) The company has made investments and granted loans to the subsidiary in the nature of Trust, and granted loans to other parties other than subsidiary, associates & joint ventures, considering the nature of the business as the company, the terms and conditions of the grant of such loans are not prejudicial to the interest of the company.
- (c) In respect of loans granted by the Company, to the subsidiary in the nature of Trust, the repayment has not been stipulated considering the nature of business since the same are dependent on recoveries/realization of Financial Assets held by such subsidiaries and to other parties other than subsidiary, associates & joint venture, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amount and receipts of interest have generally been regular as per stipulation except for the following cases:

| Number of borrowers | Amount overdue as at March 31, 2024 (₹ Crore) | Due date          | Extent of delay (in days) | Remarks, if any |
|---------------------|---|-------------------|---------------------------|-----------------|
| 4                   | 458.41  | Various Due dates | More than 1 day           | -               |

- (d) In respect of the loans granted by the company, to the subsidiary in the nature of Trust, the repayment has not been stipulated considering the nature of business, so we are not able to comment on overdue outstanding for subsidiary in the nature of trusts and to other parties other than subsidiary associates & joint venture there is no overdue amount remaining outstanding for more than 90 days as at the balance sheet date except for the following cases, and reasonable steps have been taken by the company for recovery of the overdue amount of principal and interest:

| Number of borrowers | Principal Amount (₹Crore) | Interest Amount (₹Crore) | Remarks, if any |
|---------------------|---------------------------|--------------------------|-----------------|
| 4                   | 316.11                    | 124.00                   | -               |

- (e) Clause (iii) (e) of the Order is not applicable to the company, considering the nature of the business as the company is in distress credit business.
- (f) Considering the nature of business, during the year the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013, accordingly, the clause (iii) (f) of the Order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted loans, made investments or provided guarantees which requires compliance with the provisions of Section 185 and 186 of the Act, Accordingly, reporting under clause 3 (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the central government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Accordingly, reporting under clause 3 (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods

and Service Tax, Customs Duty, Cess and other material statutory dues where applicable to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2024, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no disputed statutory dues referred to in sub-clause (a) above, except the details mentioned in below tabulated form, which have not been deposited as at 31 March 2024.

| Nature of the statute    | Nature of dues | Forum where Dispute is Pending       | Period to which the Amount Relates | Amount ₹ Crore |
|--------------------------|----------------|--------------------------------------|------------------------------------|----------------|
| The Income Tax Act, 1961 | Income tax     | Commissioner of Income-tax (Appeals) | Assessment Year 2016-17            | 0.41           |

- (viii) We report that there are no such transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly, reporting on paragraphs 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us and the records examined by us;
- (a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) As disclosed by the management in note 51 (i) and as confirmed by us, the company has not declared willful defaulter by banks or financial institutions or other lenders Accordingly, reporting on paragraphs 3 (ix) (b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information and explanations given to us, the company has raised additional term loan from Bank & NBFC and the same term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company and considering the business nature of the company, we report that no funds raised on short- term basis have been used for long-term purposes by the company.



## Annexure A (Contd.)

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company & considering the business nature of the company, the company has not taken the loan from the bank or financial institution to meet the obligation as such of the subsidiaries in the nature of trusts. Accordingly, reporting on paragraphs 3 (ix) (e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us and considering the nature of the business, we report that the company has raised loans during the year on the pledge of securities (i.e. Investment in Security Receipts) held in its subsidiaries in the form of trusts, however, there is no default as such in the repayment of such loans raised by the company.
- (x) According to the information and explanations given to us and the records examined by us,
- (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on paragraphs 3 (x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanation provided to us, during the year the Company has not made preferential allotment or private placement of shares or convertible debentures (fully or partially), However, during the year company has issue optionally convertible debentures amounting to ₹ 200 Crores and the requirements of provision of section 42 and section 62 of the Act have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- (xi) According to the information and explanations given to us and the records examined by us,
- (a) Based upon the audit procedures performed by us no material fraud by the Company or any material fraud on the Company has been noticed or reported during the year.
- (b) Based on the audit procedures performed by us there is no report under sub-section (12) of section 143 of the companies act 2013 has been filed by the auditors in the form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanations given to us and the records examined by us,
- (a) the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion, during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) The Company being a Securitisation and Reconstruction Company ('SCRC') under Securitisation & Reconstruction of Financial Assets & Enforcement of Securities Interest Act, 2002, it is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on Para 3(xvi)(b) and (c) is not applicable.
- According to the information and explanations given to us, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, paragraph 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the current financial year. In the immediately preceding financial year, the company incurred cash losses amounting to ₹ 18.18 crores.
- (xviii) There has been no resignation of the statutory auditors during the year Accordingly, reporting under clause 3(xviii) of the Order is not applicable.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions including support letter from the group company to infuse equity subject to regulatory & other approvals, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount as at the end of the current & previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

For **Sharp and Tannan Associates**  
Chartered Accountants  
Firm's Registration No.:109983W  
by the hand of

**Parthiv S. Desai**  
Partner

Membership No.: (F) 042624  
UDIN: 24042624BKFRSJ9926

Mumbai, May 16, 2024





## Annexure - B

### to the Independent Auditors' Report

**(Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)**

We have audited the internal financial controls over financial reporting of **JM Financial Asset Reconstruction Company Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's & Board of Director's Responsibility for Internal Financial Controls

The Company's management and Board of Directors 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 (the "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 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 applicable to an audit of Internal Financial Controls and, both issued by 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 standalone 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 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 (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 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Mumbai, May 16, 2024

For **Sharp and Tannan Associates**  
Chartered Accountants  
Firm's Registration No.:109983W  
by the hand of

**Parthiv S. Desai**

Partner

Membership No.: (F) 042624

UDIN: 24042624BKFRSJ9926



# Standalone Balance Sheet

as at March 31, 2024

(₹ in Crore)

| Sr. No. | Particulars   | Note No. | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------|---|----------|-------------------------|-------------------------|
|         | <b>ASSETS</b>   |          |                         |                         |
| (I)     | <b>Financial Assets</b>   |          |                         |                         |
| (a)     | Cash and cash equivalents   | 5        | 84.75                   | 39.20                   |
| (b)     | Bank balance other than (a) above   | 6        | 0.99                    | 2.73                    |
| (c)     | Trade Receivables   | 7        | 201.53                  | 304.23                  |
| (d)     | Loans   | 8        | 499.12                  | 543.28                  |
| (e)     | Investments   | 9        | 2,471.26                | 3,622.33                |
| (f)     | Other Financial assets  | 10       | 60.84                   | 55.49                   |
|         | <b>Total Financial Assets</b>   |          | <b>3,318.49</b>         | <b>4,567.26</b>         |
| (II)    | <b>Non-financial Assets</b>   |          |                         |                         |
| (a)     | Current tax assets (Net)  | 11       | 83.75                   | 44.35                   |
| (b)     | Deferred tax Assets (Net)   | 12       | 113.42                  | 83.64                   |
| (c)     | Property, Plant and Equipment   | 13       | 11.33                   | 13.52                   |
| (d)     | Other Intangible assets   | 13       | 0.15                    | 0.03                    |
| (e)     | Other non-financial assets  | 14       | 1.33                    | 2.26                    |
|         | <b>Total Non Financial Assets</b>   |          | <b>209.98</b>           | <b>143.80</b>           |
|         | <b>TOTAL ASSETS (I+II)</b>  |          | <b>3,528.47</b>         | <b>4,711.06</b>         |
|         | <b>LIABILITIES AND EQUITY</b>   |          |                         |                         |
|         | <b>LIABILITIES</b>  |          |                         |                         |
| (I)     | <b>Financial Liabilities</b>  |          |                         |                         |
| (a)     | Trade Payables  | 15       |                         |                         |
|         | (i) total outstanding dues of micro and small enterprises                       |          | 0.14                    | 0.23                    |
|         | (ii) total outstanding dues of creditors other than micro and small enterprises |          | 4.69                    | 2.54                    |
| (b)     | Debt Securities   | 16       | 1,897.90                | 1,709.80                |
| (c)     | Borrowings (Other than Debt Securities)   | 17       | 921.86                  | 1,408.13                |
| (d)     | Lease liabilities   | 18       | 14.02                   | 16.08                   |
| (e)     | Other financial liabilities   | 19       | 82.80                   | 21.90                   |
|         | <b>Total Financial Liabilities</b>  |          | <b>2,921.41</b>         | <b>3,158.68</b>         |
| (II)    | <b>Non-Financial Liabilities</b>  |          |                         |                         |
| (a)     | Provisions  | 20       | 1.75                    | 2.09                    |
| (b)     | Other non-financial liabilities   | 21       | 12.97                   | 17.20                   |
|         | <b>Total Non-Financial Liabilities</b>  |          | <b>14.72</b>            | <b>19.29</b>            |
| (III)   | <b>EQUITY</b>   |          |                         |                         |
| (a)     | Equity Share capital  | 22       | 398.33                  | 398.33                  |
| (b)     | Other Equity  | 23       | 194.01                  | 1,134.76                |
|         | <b>Total Equity</b>   |          | <b>592.34</b>           | <b>1,533.09</b>         |
|         | <b>TOTAL LIABILITIES AND EQUITY (I+II+III)</b>                                  |          | <b>3,528.47</b>         | <b>4,711.06</b>         |

The accompanying notes are an integral part of the standalone financial statements : 1 to 53

**In terms of our report of even date attached**

**For Sharp & Tannan Associates**

Chartered Accountants

Firm Registration No.: 109983W

**For and on behalf of the Board of Directors**

**Parthiv S. Desai**

Partner

Membership No.(F) 042624

**Adi Patel**

Director

(DIN - 02307863)

**Rupa Vora**

Chairperson -

Audit Committee

(DIN - 01831916)

**Srinivasan Viswanathan**

Chief Executive Officer

**Vineet Singh**

Company Secretary

**Sabyasachi Ray**

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Place : Mumbai

Date : May 16, 2024

# Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Crore)

| Sr. No.     | Particulars   | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------|---|----------|-----------------------------------|-----------------------------------|
| <b>I</b>    | <b>Revenue From Operations</b>                                  |          |                                   |                                   |
| (a)         | Interest Income   | 24       | 93.08                             | 66.00                             |
| (b)         | Fees and Incentives   | 25       | 265.29                            | 166.70                            |
|             |   |          | <b>358.37</b>                     | <b>232.70</b>                     |
| <b>II</b>   | <b>Other Income</b>   | 26       | 0.58                              | 2.00                              |
| <b>III</b>  | <b>Total Income (I+II)</b>                                      |          | <b>358.95</b>                     | <b>234.70</b>                     |
| <b>IV</b>   | <b>EXPENSES</b>   |          |                                   |                                   |
| (a)         | Finance costs   | 27       | 292.99                            | 240.29                            |
| (b)         | Net loss on fair value changes                                  | 28       | 98.97                             | 149.73                            |
| (c)         | Impairment on financial instruments                             | 29       | 11.55                             | 12.51                             |
| (d)         | Employee benefits expense                                       | 30       | 21.62                             | 20.37                             |
| (e)         | Depreciation and amortization expense                           | 13       | 2.53                              | 2.71                              |
| (f)         | Other expenses  | 31       | 15.62                             | 13.76                             |
|             | <b>Total expenses</b>   |          | <b>443.28</b>                     | <b>439.37</b>                     |
| <b>V</b>    | <b>Profit/(Loss) before exceptional items and tax (III- IV)</b> |          | <b>(84.33)</b>                    | <b>(204.67)</b>                   |
| <b>VI</b>   | <b>Exceptional items</b>  | 32       | <b>(846.86)</b>                   | -                                 |
| <b>VII</b>  | <b>Profit/(Loss) before tax (V+VI)</b>                          |          | <b>(931.19)</b>                   | <b>(204.67)</b>                   |
| <b>VIII</b> | <b>Less : Tax expense</b>                                       | 33       |                                   |                                   |
|             | Current tax   |          | 40.95                             | -                                 |
|             | Deferred tax  |          | (29.70)                           | (49.74)                           |
|             | <b>Total tax expenses</b>                                       |          | <b>11.25</b>                      | <b>(49.74)</b>                    |
| <b>IX</b>   | <b>Profit/(Loss) for the year (VII-VIII)</b>                    |          | <b>(942.44)</b>                   | <b>(154.93)</b>                   |
| <b>X</b>    | <b>Other Comprehensive Income</b>                               |          |                                   |                                   |
| (i)         | Items that will not be reclassified to profit or loss           |          | (0.30)                            | (0.20)                            |
| (ii)        | Income tax on the above   |          | (0.08)                            | (0.05)                            |
|             | <b>Total Other Comprehensive Income</b>                         |          | <b>(0.22)</b>                     | <b>(0.15)</b>                     |
| <b>XI</b>   | <b>Total Comprehensive Income for the year (IX+X)</b>           |          | <b>(942.66)</b>                   | <b>(155.08)</b>                   |
| <b>XII</b>  | <b>Earnings per equity share (Face value of ₹ 10 each)</b>      | 34       |                                   |                                   |
|             | Basic (in ₹)  |          | (23.66)                           | (3.89)                            |
|             | Diluted (in ₹)  |          | (23.66)                           | (3.89)                            |

The accompanying notes are an integral part of the standalone financial statements : 1 to 53

**In terms of our report of even date attached**

**For Sharp & Tannan Associates**

Chartered Accountants

Firm Registration No.: 109983W

**For and on behalf of the Board of Directors**

**Parthiv S. Desai**

Partner

Membership No.(F) 042624

**Adi Patel**

Director

(DIN - 02307863)

**Rupa Vora**

Chairperson -

Audit Committee

(DIN - 01831916)

**Srinivasan Viswanathan**

Chief Executive Officer

**Vineet Singh**

Company Secretary

**Sabyasachi Ray**

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Place : Mumbai

Date : May 16, 2024



# Statement of Changes in Standalone Equity

for the year ended March 31, 2024

## A. Equity share capital

(₹ in Crore)

| Particulars          | Balance as at April 1, 2022 | Changes in equity share capital during the year | As at March 31, 2023 | Changes in equity share capital during the year | As at March 31, 2024 |
|----------------------|-----------------------------|---|----------------------|---|----------------------|
| Equity Share Capital | 344.64                      | 53.69   | 398.33               | -   | 398.33               |

## B. Other Equity

(₹ in Crore)

| Particulars   | Reserves and Surplus |                   |   |                              |                            | Total Other Equity |
|---|----------------------|-------------------|---|------------------------------|----------------------------|--------------------|
|   | Securities Premium   | Retained earnings | Equity component of Compulsory convertible debentures | Impairment allowance reserve | Employee Stock Outstanding |                    |
| <b>As at April 1, 2022</b>  | <b>194.34</b>        | <b>893.97</b>     | <b>142.52</b>   | <b>108.10</b>                | <b>2.47</b>                | <b>1,341.40</b>    |
| Profit for the year   | -                    | (154.93)          | -   | -                            | -                          | (154.93)           |
| Addition during the year  | 88.84                | -                 | -   | -                            | 0.81                       | 89.65              |
| Issue and conversion of Compulsorily Convertible Debenute- Equity Component | -                    | -                 | (142.52)  | -                            | -                          | (142.52)           |
| Appropriation for Impairment reserve (Refer note 47(e))                     | -                    | (19.09)           | -   | 19.09                        | -                          | -                  |
| ESOP grant during the year  | -                    | -                 | -   | -                            | 4.06                       | 4.06               |
| ESOP deferred employee compensation   | -                    | -                 | -   | -                            | (2.75)                     | (2.75)             |
| Re-measurement of defined benefit plan                                      | -                    | (0.15)            | -   | -                            | -                          | (0.15)             |
| <b>As at March 31, 2023</b>   | <b>283.18</b>        | <b>719.80</b>     | <b>-</b>  | <b>127.19</b>                | <b>4.59</b>                | <b>1,134.76</b>    |
| Profit for the year   | -                    | (942.44)          | -   | -                            | -                          | (942.44)           |
| Addition during the year  | -                    | -                 | -   | -                            | 1.91                       | 1.91               |
| Appropriation for Impairment reserve (Refer note 47(e))                     | -                    | (116.54)          | -   | 116.54                       | -                          | -                  |
| Transfer on account of options not exercised                                | -                    | 0.06              | -   | -                            | (0.06)                     | -                  |
| Re-measurement of defined benefit plan                                      | -                    | (0.22)            | -   | -                            | -                          | (0.22)             |
| <b>As at March 31, 2024</b>   | <b>283.18</b>        | <b>(339.34)</b>   | <b>-</b>  | <b>243.73</b>                | <b>6.44</b>                | <b>194.01</b>      |

The accompanying notes are an integral part of the standalone financial statements : 1 to 53

### In terms of our report of even date attached

**For Sharp & Tannan Associates**

Chartered Accountants

Firm Registration No.: 109983W

**Parthiv S. Desai**

Partner

Membership No.(F) 042624

**For and on behalf of the Board of Directors**

**Adi Patel**

Director

(DIN - 02307863)

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**Vineet Singh**

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**Srinivasan Viswanathan**

Chief Executive Officer

**Sabyasachi Ray**

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Place : Mumbai

Date : May 16, 2024

# Standalone Statement of Cash Flow

for the year ended March 31, 2024

(₹ in Crore)

| Sr. No.  | Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|----------|---|--------------------------------------|--------------------------------------|
|          |   | Audited                              | Audited                              |
| <b>A</b> | <b>Cash flow from operating activities</b>                              |                                      |                                      |
|          | Profit/(Loss) before exceptional items and tax                          | (84.33)                              | (204.67)                             |
|          | <b>Adjustment for:</b>  |                                      |                                      |
|          | Interest expenses   | 291.69                               | 238.63                               |
|          | Interest on lease liability   | 1.30                                 | 1.66                                 |
|          | Impairment of financial instruments (net)                               | 11.55                                | 12.51                                |
|          | Depreciation and amortisation of expenses                               | 2.53                                 | 2.71                                 |
|          | Net (Gain)/Loss on fair value changes                                   | 98.97                                | 150.84                               |
|          | (Gain)/Loss on mutual fund  | #                                    | (1.11)                               |
|          | (Gain)/Loss on lease modification                                       | (0.03)                               | (0.43)                               |
|          | Net (Gain) on sale of Property, Plant and Equipment                     | #                                    | -                                    |
|          | Amortisation of deferred employee compensation (ESOP)                   | 1.91                                 | 2.12                                 |
|          | Interest income on fixed deposits                                       | (0.42)                               | (1.42)                               |
|          | <b>Operating profit/(loss) before working capital changes</b>           | <b>323.16</b>                        | <b>200.84</b>                        |
|          | <b>Adjustment for:</b>  |                                      |                                      |
|          | (Increase)/Decrease in trade receivables                                | 97.04                                | (97.70)                              |
|          | (Increase)/Decrease in loans  | (26.99)                              | 55.48                                |
|          | (Increase)/Decrease in other financial assets                           | (10.44)                              | (4.54)                               |
|          | (Increase)/Decrease in other non financial assets                       | 0.93                                 | 0.36                                 |
|          | (Increase)/Decrease in other bank balances                              | 1.74                                 | 0.73                                 |
|          | Increase/(Decrease) in trade payable                                    | (5.91)                               | 1.50                                 |
|          | Increase/(Decrease) in provisions                                       | (0.64)                               | (0.12)                               |
|          | Increase/(Decrease) in other financial liability                        | 60.90                                | (24.14)                              |
|          | Increase/(Decrease) in other non financial liabilities                  | (4.23)                               | (5.84)                               |
|          | <b>Cash generated from/ (used in) operations</b>                        | <b>435.56</b>                        | <b>126.57</b>                        |
|          | Income tax paid (net)   | (80.35)                              | (4.01)                               |
|          | <b>Net cash generated from/ (used in) operating activities</b>          | <b>355.21</b>                        | <b>122.56</b>                        |
| <b>B</b> | <b>Cash flow from investing activities</b>                              |                                      |                                      |
|          | Purchase of investment in security receipts                             | (603.58)                             | (881.86)                             |
|          | Redemption of security receipts   | 866.04                               | 190.23                               |
|          | Purchase of Property, Plant and Equipment and Intangibles               | (0.51)                               | (0.13)                               |
|          | Payments for purchase of investment in equity instruments (right issue) | -                                    | (13.11)                              |
|          | Proceed from sale of investment in equity instruments                   | 13.13                                | 0.34                                 |
|          | Payments for purchase of investment in mutual funds                     | (4.00)                               | (161.70)                             |
|          | Redemption of mutual funds  | 4.00                                 | 162.81                               |
|          | Sale of Property, Plant and Equipments                                  | 0.01                                 | -                                    |
|          | Interest Income   | 0.42                                 | 1.42                                 |
|          | <b>Net cash generated from/(used in) investment activities</b>          | <b>275.51</b>                        | <b>(702.00)</b>                      |





(₹ in Crore)

| Sr. No.  | Particulars  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|----------|--|--------------------------------------|--------------------------------------|
|          |  | Audited                              | Audited                              |
| <b>C</b> | <b>Cash flow from financing activities</b>                               |                                      |                                      |
|          | Proceeds from debt securities  | 129.11                               | 1,390.12                             |
|          | Repayment of debt securities   | (178.50)                             | (474.00)                             |
|          | Proceed from issue of optionally convertible debenture                   | 200.00                               | -                                    |
|          | Repayment of debt component of Compulsory Convertible Debenture          | -                                    | (20.17)                              |
|          | Interest paid on debt securities and other borrowing                     | (294.89)                             | (191.36)                             |
|          | Repayment of lease liability   | (3.28)                               | (3.49)                               |
|          | Proceeds from borrowing  | 975.00                               | 1,109.40                             |
|          | Repayment of borrowing   | (1,434.71)                           | (1,244.18)                           |
|          | <b>Net cash generated from/(used in) financing activities</b>            | <b>(607.27)</b>                      | <b>566.32</b>                        |
|          | <b>Net increase/(decrease) in cash and cash equivalents</b>              | <b>23.45</b>                         | <b>(13.12)</b>                       |
|          | Cash and cash equivalents at the beginning of the financial year/period  | 39.20                                | 52.32                                |
|          | <b>Cash and cash equivalents at the end of the financial year/period</b> | <b>62.65</b>                         | <b>39.20</b>                         |

### Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

(₹ in Crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
|   | Audited                              | Audited                              |
| <b>Cash and cash equivalents</b>  | 84.75                                | 39.20                                |
| Bank overdrafts repayable on demand and used for cash management purposes | (22.10)                              | -                                    |
| <b>Cash and cash equivalents in the statement of cash flows</b>           | <b>62.65</b>                         | <b>39.20</b>                         |

# Denotes amount less than ₹50,000/-

The accompanying notes are an integral part of the standalone financial statements : 1 to 53

### In terms of our report of even date attached

**For Sharp & Tannan Associates**

Chartered Accountants

Firm Registration No.: 109983W

**Parthiv S. Desai**

Partner

Membership No.(F) 042624

**For and on behalf of the Board of Directors**

**Adi Patel**

Director

(DIN - 02307863)

**Rupa Vora**

Chairperson -

Audit Committee

(DIN - 01831916)

**Srinivasan Viswanathan**

Chief Executive Officer

**Vineet Singh**

Company Secretary

**Sabyasachi Ray**

Chief Financial Officer

Place : Mumbai

Date : May 16, 2024

Place : Mumbai

Date : May 16, 2024

# Notes

forming part of the Standalone Financial Statements

## 1 Corporate Information

JM Financial Asset Reconstruction Company Limited (the "Company" or "JMFARC") was incorporated as a private limited company on September 19, 2007 under the provision of Companies Act, 1956 and is registered with the Reserve Bank of India ("RBI") as an asset reconstruction company ("ARC") under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") vide RBI certificate of registration no. 11/2008 dated September 23, 2008. The Company was converted into a Public Limited Company with effect from April 12, 2017. The Company is engaged in the business of acquisition of non-performing and distressed assets (NPA) from Banks and Financial institutions and resolving them.

## 2 Basis of Preparation and presentation

### 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 other relevant provisions of the Act to the extent applicable and the guidelines prescribed by the RBI, to the extent applicable.

### 2.2 Basis of measurement

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 the original cost or transaction price of 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 standalone 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, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

### 2.3 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 crore 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.

Previous year figures have been re-grouped or reclassified, to confirm with current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

## 3 Material Accounting Policy information

### 3.1 Investment in Subsidiary:

Subsidiaries are all entities over which the Company has control. Investment in Security Receipts of Subsidiaries are accounted at fair value under Ind AS 109 (refer note 42).

### 3.2 Revenue Recognition

Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset



is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

The company is generally able to make reliable estimates after it has agreed to the following with the other parties to the transaction:

- (a) each party's enforceable rights regarding the service to be provided and received by the parties;
- (b) the consideration to be exchanged; and
- (c) the manner and terms of agreements or offer documents.

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

Recovery incentive is accounted over the period on a cash basis, i.e. as and when received by the Company, based on terms of the relevant trust deeds and offer document issued by the Trust.

The Company recognises followings income/(loss) pertaining to security receipts under the heading Net gain/(loss) on fair value changes on financial instruments at FVTPL

- (i) Additional realisation of assets over Net Asset Value of security receipt is accounted as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the Net Asset Value of security receipts in the trust.

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

### 3.3 Leasing

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

#### The Company as a lessee

The Company assesses, whether the 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.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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.

# Notes

forming part of the Standalone Financial Statements (Contd.)

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 18 "Lease Liabilities" and ROU asset has been presented in Note 13 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

## The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

## 3.4 Borrowing costs

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

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

## 3.5 Employee benefits

### Retirement benefit costs and termination benefits:

#### Defined Contribution Plan

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

#### Defined Benefit Obligation:

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

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

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

### Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.



### Other long-term benefits:

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

## 3.6 Income tax

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

### Current Tax

The tax currently payable is based on the taxable profit for the year of the 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 utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## 3.7 Property, plant and equipments and Intangible Assets

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

"Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and recognises depreciation of the right-of-use asset. The cost of the right-of-use asset shall comprise of

- a) the amount of the initial measurement of the lease liability which is the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease;
- b) any lease payments made at or before the commencement date, less any lease incentives received;
- c) any initial direct costs incurred by the lessee; and
- d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

(Also refer to policy on leases, borrowing costs and impairment of assets below).



# Notes

forming part of the Standalone Financial Statements (Contd.)

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

| <b>Tangible assets -Property, Plant and Equipment</b> | <b>Useful life</b>                          |
|---|---|
| Motor Vehicles  | 8 years or lease period whichever is lower  |
| Computers   | 3 years                                     |
| Servers and networks                                  | 6 years                                     |
| Office equipment                                      | 5 years                                     |
| Furniture and fixtures                                | 10 years                                    |
| Leasehold improvements                                | 10 years or lease period whichever is lower |
| <b>Intangible assets</b>                              | <b>Useful life</b>                          |
| Computer software                                     | 5 years                                     |

Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase. Assets taken on finance lease are depreciated over a period of lease.

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

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

## Intangible assets

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

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development". Intangible assets are amortized on straight line basis over the estimated useful life of 5 years. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of

any changes in the estimate being accounted for on a prospective basis.

Amortization on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized as profit or loss when the asset is derecognised.

## Impairment losses on non financial assets

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

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

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

## 3.8 Provisions, contingent liabilities and contingent assets

**Provisions are recognised only when:**

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





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

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

#### Contingent liability is disclosed in case of:

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

#### Contingent Assets:

Contingent assets are not recognised in the financial statements.

### 3.9 Statement of Cash Flows

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

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

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

### 3.10 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

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

#### Subsequent Measurement of Financial Assets

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

#### Interest income

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

#### Classification of Financial Assets:

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

#### Debt instruments at amortised cost or at FVTOCI

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

# Notes

forming part of the Standalone Financial Statements (Contd.)

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

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

## Fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Security receipt investments in scope of Ind AS 109, "Financial Instruments" are measured at fair value. Security Receipts are classified as at FVTPL. Gains and losses on security investments are included in the statement of profit or loss.

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

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

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

## Reclassifications

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

## Impairment of financial assets:

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

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

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

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include



facilities where no significant increase in credit risk, improvement in credit risk 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 significant increase in credit risk, improvement in credit risk and the loan has been reclassified from Stage 3.
- Stage 3 - Under performing with overdue more than 90 DPD including Non performing assets

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

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

### Derecognition of financial assets

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

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

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

### Write off

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

### Financial liabilities and equity instruments

#### Classification as debt or equity

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

#### Equity instruments

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

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

#### Financial liabilities

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

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

# Notes

forming part of the Standalone Financial Statements (Contd.)

## Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

## Financial liabilities subsequently measured at amortised cost

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

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

## De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms

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

## 3.11 Share-based payment arrangements

Equity-settled share-based payments to employee of the Company are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments to employees is recognised as deferred employee compensation and is expensed in the Statement of Profit and Loss over the vesting period with a corresponding increase in employee stock option outstanding in other equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognised any impact in profit or loss, such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment in other equity.

## 3.12 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

## 3.13 Foreign currency translation

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

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.



### 3.14 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.

### 3.15 Commitments

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

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

Other commitments if any related normal course of business are not disclosed to avoid excessive details.

### 3.16 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.

## 4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of standalone financial statements in conformity with Ind AS requires the Company's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the standalone financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain

future events that are considered to be relevant. Actual results may differ from these estimates.

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

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

### i) Fair value measurement and valuation processes

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in note 42.

## 4A Issue of new accounting standards or amendments to the existing standards

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



# Notes

forming part of the Standalone Financial Statements (Contd.)

## 5. Cash and cash equivalents

(₹ in crore)

| Particulars                | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| <b>Balances with banks</b> |                         |                         |
| - In current accounts      | 84.70                   | 39.19                   |
| - In Deposits account      | 0.05                    | 0.01                    |
| <b>Total</b>               | <b>84.75</b>            | <b>39.20</b>            |

## 6. Other bank balances

(₹ in crore)

| Particulars                           | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Earmarked balance with banks:</b>  |                         |                         |
| - In current account (refer note 6.1) | 0.74                    | 2.48                    |
| - In deposit account (refer note 6.2) | 0.25                    | 0.25                    |
| <b>Total</b>                          | <b>0.99</b>             | <b>2.73</b>             |

**6.1** Current account include amount maintained for expenses towards Corporate Social Responsibility.

**6.2** Balance in deposit accounts carry fixed rate of interest and are for period up to 9 months (previous year : 14 months) and have lien against bank guarantees obtained by the Company.

## 7. Trade receivables

(₹ in crore)

| Particulars                                     | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>At amortised cost :</b>                      |                         |                         |
| Unsecured considered good                       |                         |                         |
| Trade receivables                               | 245.77                  | 342.81                  |
| Less: Impairment Loss Allowance (refer note 43) | (44.24)                 | (38.58)                 |
| <b>Total</b>                                    | <b>201.53</b>           | <b>304.23</b>           |

### 7.1 Trade receivable ageing schedule

(₹ in crore)

| Particulars                                   | Outstanding for following periods from due date of payment |                      |              |              |                      | Total         |
|---|--|----------------------|--------------|--------------|----------------------|---------------|
|   | Less than<br>6 months                                      | 6 months<br>- 1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years |               |
| <b>For the year 2023-24</b>                   |  |                      |              |              |                      |               |
| Undisputed trade receivable - Considered good | 22.11  | 16.87                | 44.34        | 48.48        | 113.97               | 245.77        |
| Less: Impairment Loss Allowance               | 0.87   | 4.79                 | 14.94        | 10.31        | 13.33                | 44.24         |
|   | <b>21.24</b>   | <b>12.08</b>         | <b>29.40</b> | <b>38.17</b> | <b>100.64</b>        | <b>201.53</b> |

### 7.1 Trade receivable ageing schedule

(₹ in crore)

| Particulars                                   | Outstanding for following periods from due date of payment |                      |              |              |                      | Total         |
|---|--|----------------------|--------------|--------------|----------------------|---------------|
|   | Less than<br>6 months                                      | 6 months<br>- 1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years |               |
| <b>For the year 2022-23</b>                   |  |                      |              |              |                      |               |
| Undisputed trade receivable - Considered good | 69.31  | 37.82                | 80.75        | 65.47        | 89.46                | 342.81        |
| Less: Impairment Loss Allowance               | 10.80  | 4.14                 | 10.31        | 0.72         | 12.61                | 38.58         |
|   | <b>58.51</b>   | <b>33.68</b>         | <b>70.44</b> | <b>64.75</b> | <b>76.85</b>         | <b>304.23</b> |

The above trade receivable mostly comprises of management fees recoverable from trusts which has a priority in the cashflows of the trust. Further these fees are payable by the trust to the Company only on realisation from the financial assets in the trust.





## 7.2 Information on the ageing of the unrealised management fee as per circular RBI/2022-23/182-DOR.ACC.REC. No.104/21.07.001/2022-23 dated February 20, 2023

| Particulars  | (₹ in crore)            |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| A. Outstanding amount of unrealised management fees  | 245.77                  | 342.81                  |
| Out of the above, amount outstanding for:  |                         |                         |
| B. Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value | 85.01                   | 30.59                   |
| C. Other amounts unrealised for:   |                         |                         |
| (i) More than 180 days but upto 1 year   | 9.25                    | 31.04                   |
| (ii) More than 1 year but upto 3 years   | 42.11                   | 135.01                  |
| (iii) More than 3 years  | 93.68                   | 84.87                   |
| D. Allowances held for unrealised management fees (on B and C)   | 46.63                   | 28.62                   |
| <b>E. Net unrealised management fee receivable (B+C-D)</b>   | <b>183.42</b>           | <b>252.89</b>           |

## 8. Loan

| Particulars                                     | (₹ in crore)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>At amortised cost</b>                        |                         |                         |
| Loans secured by tangible asset                 | 493.50                  | 468.58                  |
| Interest accrued                                | 98.70                   | 96.63                   |
| <b>Gross loan</b>                               | <b>592.20</b>           | <b>565.21</b>           |
| Less: Impairment Loss Allowance (refer note 43) | (93.08)                 | (21.93)                 |
| <b>Net Loan-Total</b>                           | <b>499.12</b>           | <b>543.28</b>           |

All loans are granted within India and to entities other than public sector.

## 9. Investments (At FVTPL)

| Particulars  | (₹ in crore)            |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| <b>Quoted</b>  |                         |                         |
| Equity instruments   |                         |                         |
| 7,65,980 of equity shares of Nitco Limited of ₹ 10 each fully paid up (Previous year : 68,52,824 shares of ₹ 10 each)  | 4.28                    | 13.23                   |
| <b>Unquoted</b>  |                         |                         |
| Equity instruments   |                         |                         |
| 1,31,07,380 of equity shares (right issue) of BRFL Textiles Private Limited of face value ₹ 10 each fully paid up (Previous year : 1,31,07,380 shares of face value ₹ 10 each) | 4.47                    | 13.11                   |
| Security receipts of trusts held in distressed credit business (refer note 46 and below given notes)   | 2,462.51                | 3,595.99                |
| <b>Total</b>   | <b>2,471.26</b>         | <b>3,622.33</b>         |

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

9.2 The Company has given some identified security receipts as pledge for term loans, bank overdraft, cash credit limits availed with various banks/ hypothecated in favour of debenture trustee for NCDs issued.

### 9.3 Commitments:

In respect of one trust, the company has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts along with yield of 10.70% p.a. compounded annually on or before January 31, 2026. Commitment of outstanding face value of security receipts as at March 31, 2024 is ₹ 16.39 crore (Previous year : ₹ 28.53 crore of one trust).

# Notes

forming part of the Standalone Financial Statements (Contd.)

## 10. Other Financial Assets

(₹ in crore)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Recoverable from trusts   | 72.02                   | 61.60                   |
| Interest receivable   | -                       | 0.02                    |
| Advance to other  | #                       | 0.01                    |
| Security deposits:  |                         |                         |
| To Related Parties  | 1.40                    | 1.27                    |
| To Others   | 0.31                    | 0.39                    |
| <b>Total</b>  | <b>73.73</b>            | <b>63.29</b>            |
| Less : Impairment loss allowance on recoverable from trusts (refer note 43) | (12.89)                 | (7.80)                  |
| <b>Net Total</b>  | <b>60.84</b>            | <b>55.49</b>            |

# Denote amount below ₹50,000

## 11. Current tax assets (net)

(₹ in crore)

| Particulars                          | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| Advance tax paid (net of provisions) | 83.75                   | 44.35                   |
|                                      | <b>83.75</b>            | <b>44.35</b>            |

## 12. Deferred Tax Liability/(Asset)

(₹ in crore)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Measurement of financial instruments at fair value   | (91.54)                 | (56.77)                 |
| Impairment of financial instruments  | (20.10)                 | (17.19)                 |
| Difference between books and tax written down value (WDV) of Property, plant and equipment | (0.26)                  | (0.32)                  |
| Others (43B, 35D, etc. allowances under Income Tax Act, 1961)                              | (1.52)                  | (9.36)                  |
| <b>Total</b>   | <b>(113.42)</b>         | <b>(83.64)</b>          |

### 12.1 Deferred tax recorded in the balance sheet and changes recorded in the income tax expenses:

#### For the year ended March 31, 2024

(₹ in crore)

| Particulars  | Opening balance | Recognised in<br>profit or loss<br>(Expense) / Income | Recognised in OCI | Closing balance |
|--|-----------------|---|-------------------|-----------------|
| Measurement of financial instruments at fair value   | (56.77)         | (34.77)   | -                 | (91.54)         |
| Impairment of financial instruments  | (17.19)         | (2.91)  | -                 | (20.10)         |
| Difference between books and tax written down value (WDV) of Property, plant and equipment | (0.32)          | 0.06  | -                 | (0.26)          |
| Others<br>(43B, 35D, etc. allowances under Income Tax Act, 1961)                           | (9.36)          | 7.92  | (0.08)            | (1.52)          |
| <b>Total DTL/(DTA)</b>   | <b>(83.64)</b>  | <b>(29.70)</b>  | <b>(0.08)</b>     | <b>(113.42)</b> |

**For the year ended March 31, 2023**

(₹ in crore)

| Particulars  | Opening balance | Recognised in profit or loss (Expense) / Income | Recognised in OCI | Closing balance |
|--|-----------------|---|-------------------|-----------------|
| Measurement of financial instruments at fair value   | (17.20)         | (39.57)   | -                 | (56.77)         |
| Impairment of financial instruments  | (14.04)         | (3.15)  | -                 | (17.19)         |
| Difference between books and tax written down value (WDV) of Property, plant and equipment | (0.36)          | 0.04  | -                 | (0.32)          |
| Others (43B, 35D, etc. allowances under Income Tax Act, 1961)                              | (2.26)          | (7.05)  | (0.05)            | (9.36)          |
| <b>Total DTL/(DTA)</b>   | <b>(33.86)</b>  | <b>(49.73)</b>                                  | <b>(0.05)</b>     | <b>(83.64)</b>  |

**13. Property, Plant and Equipment and Intangible assets****As at March 31, 2024****Property, Plant and Equipment**

(₹ in crore)

| Particulars   | Gross Block         |             |               |                      | Accumulated depreciation |             |               | Net Block            |                      |
|---|---------------------|-------------|---------------|----------------------|--------------------------|-------------|---------------|----------------------|----------------------|
|   | As at April 1, 2023 | Additions   | Deductions    | As at March 31, 2024 | As at April 1, 2023      | Additions   | Deductions    | As at March 31, 2024 | As at March 31, 2024 |
| <b>Owned Assets</b>                                   |                     |             |               |                      |                          |             |               |                      |                      |
| Freehold land   | 0.03                | -           | -             | 0.03                 | -                        | -           | -             | -                    | 0.03                 |
| Furniture and Fixtures                                | 0.02                | -           | (0.01)        | 0.01                 | 0.02                     | #           | (0.01)        | 0.01                 | #                    |
| Office Equipments                                     | 0.11                | -           | (0.03)        | 0.08                 | 0.10                     | #           | (0.03)        | 0.07                 | 0.01                 |
| Computers   | 0.72                | 0.36        | (0.01)        | 1.07                 | 0.60                     | 0.07        | (0.01)        | 0.66                 | 0.41                 |
| Leasehold improvements                                | 1.84                | -           | (0.13)        | 1.71                 | 1.53                     | 0.08        | (0.13)        | 1.48                 | 0.23                 |
| <b>Leased Assets</b>                                  |                     |             |               |                      |                          |             |               |                      |                      |
| Office Premises (Right of use assets - refer note 37) | 22.60               | 0.04        | (0.31)        | 22.33                | 9.56                     | 2.34        | (0.22)        | 11.68                | 10.65                |
| Motor Vehicles (refer note 13.1)                      | 0.28                | -           | (0.28)        | -                    | 0.27                     | 0.01        | (0.28)        | -                    | -                    |
| <b>Total</b>  | <b>25.60</b>        | <b>0.40</b> | <b>(0.77)</b> | <b>25.23</b>         | <b>12.08</b>             | <b>2.50</b> | <b>(0.68)</b> | <b>13.90</b>         | <b>11.33</b>         |

# Denote amount below ₹50,000

**Intangible Assets**

(₹ in crore)

| Particulars                | Gross Block         |             |            |                      | Accumulated amortisation |             |            | Net Block            |                      |
|----------------------------|---------------------|-------------|------------|----------------------|--------------------------|-------------|------------|----------------------|----------------------|
|                            | As at April 1, 2023 | Additions   | Deductions | As at March 31, 2024 | As at April 1, 2023      | Additions   | Deductions | As at March 31, 2024 | As at March 31, 2024 |
| Software (refer note 13.2) | 0.44                | 0.15        | -          | 0.59                 | 0.41                     | 0.03        | -          | 0.44                 | 0.15                 |
| <b>Total</b>               | <b>0.44</b>         | <b>0.15</b> | <b>-</b>   | <b>0.59</b>          | <b>0.41</b>              | <b>0.03</b> | <b>-</b>   | <b>0.44</b>          | <b>0.15</b>          |

# Notes

forming part of the Standalone Financial Statements (Contd.)

**As at March 31, 2023**

## Property, Plant and Equipment

(₹ in crore)

| Particulars   | Gross Block          |             |               |                      | Accumulated depreciation |             |               |                      | Net Block            |
|---|----------------------|-------------|---------------|----------------------|--------------------------|-------------|---------------|----------------------|----------------------|
|   | As at April 01, 2022 | Additions   | Deductions    | As at March 31, 2023 | As at April 01, 2022     | Additions   | Deductions    | As at March 31, 2023 | As at March 31, 2023 |
| <b>Owned Assets:</b>                                  |                      |             |               |                      |                          |             |               |                      |                      |
| Freehold land   | 0.03                 | -           | -             | 0.03                 | -                        | -           | -             | -                    | 0.03                 |
| Furniture and Fixtures                                | 0.02                 | -           | -             | 0.02                 | 0.02                     | #           | -             | 0.02                 | #                    |
| Office Equipments                                     | 0.11                 | -           | -             | 0.11                 | 0.10                     | #           | -             | 0.10                 | 0.01                 |
| Computers   | 0.60                 | 0.13        | (0.01)        | 0.72                 | 0.57                     | 0.04        | (0.01)        | 0.60                 | 0.12                 |
| Leasehold improvements                                | 1.84                 | -           | -             | 1.84                 | 1.44                     | 0.09        | -             | 1.53                 | 0.31                 |
| <b>Leased Assets</b>                                  |                      |             |               |                      |                          |             |               |                      |                      |
| Office Premises (Right of use assets - refer note 37) | 24.81                | 0.19        | (2.40)        | 22.60                | 7.89                     | 2.51        | (0.84)        | 9.56                 | 13.04                |
| Motor Vehicles (refer note 13.1)                      | 0.28                 | -           | -             | 0.28                 | 0.22                     | 0.05        | -             | 0.27                 | 0.01                 |
| <b>Total</b>  | <b>27.69</b>         | <b>0.32</b> | <b>(2.41)</b> | <b>25.60</b>         | <b>10.24</b>             | <b>2.69</b> | <b>(0.85)</b> | <b>12.08</b>         | <b>13.52</b>         |

# Denote amount below ₹50,000

## Intangible Assets

(₹ in crore)

| Particulars                | Gross Block          |           |            |                      | Accumulated amortisation |             |            |                      | Net Block            |
|----------------------------|----------------------|-----------|------------|----------------------|--------------------------|-------------|------------|----------------------|----------------------|
|                            | As at April 01, 2022 | Additions | Deductions | As at March 31, 2023 | As at April 01, 2022     | Additions   | Deductions | As at March 31, 2023 | As at March 31, 2023 |
| Software (refer note 13.2) | 0.44                 | -         | -          | 0.44                 | 0.39                     | 0.02        | -          | 0.41                 | 0.03                 |
| <b>Total</b>               | <b>0.44</b>          | <b>-</b>  | <b>-</b>   | <b>0.44</b>          | <b>0.39</b>              | <b>0.02</b> | <b>-</b>   | <b>0.41</b>          | <b>0.03</b>          |

### Note :

13.1 Vendor have a lien over assets taken on lease.

13.2 The intangible assets are other than internally generated.

## 14. Other non-financial Assets

(₹ in crore)

| Particulars  | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Prepaid expenses                                     | 0.79                 | 1.54                 |
| Balances with GST/Service Tax / VAT Authorities etc. | 0.45                 | 0.56                 |
| Other non-financial Assets                           | 0.09                 | 0.16                 |
| <b>Total</b>   | <b>1.33</b>          | <b>2.26</b>          |

## 15. Trade Payable

(₹ in crore)

| Particulars  | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Total outstanding dues of micro enterprises and small enterprises (refer note 15.1)    | 0.14                 | 0.23                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4.69                 | 2.54                 |
| <b>Total</b>   | <b>4.83</b>          | <b>2.77</b>          |

**15.1 Dues payable to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006:**

(₹ in crore)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.   | 0.14                    | 0.23                    |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year   | -                       | -                       |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond appointed day                                   | -                       | -                       |
| (iv) The amount of interest due and payable for the Year  | -                       | -                       |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year.  | -                       | -                       |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid. | -                       | -                       |
| <b>Total</b>  | <b>0.14</b>             | <b>0.23</b>             |

Dues to Small and medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**15.2 Trade payable ageing schedule :**

(₹ in crore)

| Particulars              | Outstanding for following periods from due date of payment |              |              |                      | Total |
|--------------------------|--|--------------|--------------|----------------------|-------|
|                          | Less than<br>1 Year  | 1-2<br>years | 2-3<br>years | More than<br>3 years |       |
| For the year 2023-24     |  |              |              |                      |       |
| (i) MSME - Undisputed    | 0.14   | -            | -            | -                    | 0.14  |
| (ii) Others - Undisputed | 4.69   | -            | -            | -                    | 4.69  |
| Total                    | 4.83   | -            | -            | -                    | 4.83  |
| For the year 2022-23     |  |              |              |                      |       |
| (i) MSME - Undisputed    | 0.23   | -            | -            | -                    | 0.23  |
| (ii) Others - Undisputed | 2.54   | -            | -            | -                    | 2.54  |
| Total                    | 2.77   | -            | -            | -                    | 2.77  |

**16. Debt Securities (Within India)**

(₹ in crore)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>At amortised cost</b>  |                         |                         |
| <b>Secured</b>  |                         |                         |
| Non Convertible Debentures (refer note 16.1, 16.2, 16.3 and 49.1) | 1,588.11                | 1,637.50                |
| Add: Premium/ interest accrued                                    | 109.79                  | 72.30                   |
| <b>Total Secured</b>  | <b>1,697.90</b>         | <b>1,709.80</b>         |
| <b>Unsecured</b>  |                         |                         |
| Optionally Convertible Debentures (refer note 16.4)               | 200.00                  | -                       |
| <b>Total Unsecured</b>  | <b>200.00</b>           | <b>-</b>                |
| <b>Total</b>  | <b>1,897.90</b>         | <b>1,709.80</b>         |

16.1 Non-convertible Debentures secured by way of hypothecation and/ or pledge of certain identified security receipt and/ or priority loans.

# Notes

forming part of the Standalone Financial Statements (Contd.)

## 16.2 Maturity profile and rate of interest of NCDs:

| Particulars   | (₹ in crore)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| 8% Tranche XXXII redeemable in the year 2023-24 <sup>®</sup>    | -                       | 75.00                   |
| 8.5% Tranche XXXIII redeemable in the year 2023-24 <sup>®</sup> | -                       | 50.00                   |
| 8% Tranche XXXIV redeemable in the year 2023-24 <sup>®</sup>    | -                       | 55.00                   |
| 8.25% Tranche XXXV redeemable in the year 2024-25 <sup>®</sup>  | 70.00                   | 70.00                   |
| 8.50% Tranche XXXVI redeemable in the year 2024-25 <sup>®</sup> | 100.00                  | 100.00                  |
| 9% Tranche XXXVII redeemable in the year 2024-25 <sup>®</sup>   | 150.00                  | 150.00                  |
| 9% Tranche XXXVIII redeemable in the year 2024-25 <sup>®</sup>  | 30.00                   | 30.00                   |
| 9.25% Tranche XXXIX redeemable in the year 2024-25 <sup>®</sup> | 125.00                  | 125.00                  |
| 9.60% Tranche A (Series I) redeemable in the year 2024-25       | 75.00                   | 75.00                   |
| 9.60% Tranche A (Series II) redeemable in the year 2024-25      | 50.00                   | 50.00                   |
| 9.60% Tranche A (Series III) redeemable in the year 2025-26     | 75.00                   | 75.00                   |
| 9.60% Tranche A (Series IV) redeemable in the year 2025-26      | 50.00                   | 50.00                   |
| 10.21% Tranche B redeemable in the year 2024-25                 | 400.00                  | 400.00                  |
| 10.20% Tranche C (Series I) redeemable in the year 2025-26      | 175.00                  | 175.00                  |
| 10.20% Tranche C (Series II) redeemable in the year 2025-26     | 175.00                  | 175.00                  |
| 9% Tranche D redeemable in the year 2026-27                     | 30.00                   | -                       |
| 10.20% Tranche E redeemable in the year 2026-27                 | 50.00                   | -                       |
| 10.21% Tranche F redeemable in the year 2025-26                 | 50.00                   | -                       |
| <b>Total</b>  | <b>1,605.00</b>         | <b>1,655.00</b>         |

<sup>®</sup> The interest is linked to IGB 6.10 and 6.54 Government Securities of 10 years.

<sup>^</sup> redeemed during the period ended March 31, 2024.

Maturity profile above is disclosed at face value which excludes cumulative premium amounting to ₹ 0.20 crore (As at March 31, 2023 : ₹ 1.04 crore), cumulative discount of ₹ Nil (As at March 31, 2023 : ₹ 0.57 crore) and cumulative impact of effective interest rate adjustment amounting to ₹ 17.09 crore (As at March 31, 2023 : ₹ 17.97 crore).

16.3 The company has utilized money obtained by way of Non-convertible debentures during the year for the purpose for which they were obtained.

16.4 The company has issued 20,00,000, unlisted, unrated and unsecured Optionally Convertible Debentures (OCD) having face value of ₹ 1,000 each on March 4, 2024 to its shareholder JM Financial Credit Solution Limited. Conversion of said OCD shall be any time at option of the Company (Issuer of OCD). OCD shall be redeemable at any time and redemption shall be mutually decided by Issuer of OCD and Holder of OCD (JM Financial Credit Solution Limited). The company has recognised the OCD as liability in financial statement considering the ability to repay at any time within whole life of said instrument.

## 16.5 Additional disclosure pursuant to Ind AS 7 (Debt Securities Movement during the year)

| Particulars            | (₹ in crore)                         |                                      |
|------------------------|--------------------------------------|--------------------------------------|
|                        | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Opening Balance        | 1,709.80                             | 785.91                               |
| Cash flows             | 16.38                                | 833.77                               |
| Non cash changes*      | 171.72                               | 90.12                                |
| <b>Closing balance</b> | <b>1,897.90</b>                      | <b>1,709.80</b>                      |

\*Non cash changes includes interest on debt securities



**17. Borrowings (other than debt securities)**

(₹ in crore)

| Particulars                                      | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>At amortized cost</b>                         |                         |                         |
| <b>Secured:</b>                                  |                         |                         |
| Term loans from (Refer note 17.1, 17.2 and 17.5) |                         |                         |
| a) Banks   | 151.22                  | 192.45                  |
| b) Others  | 36.02                   | 198.81                  |
| Add: Interest accrued                            | 0.09                    | 0.29                    |
|  | <b>187.33</b>           | <b>391.55</b>           |
| Other loans from banks as (Refer note 17.3)      |                         |                         |
| (a) Working Capital Demand Loans                 | 102.60                  | 45.00                   |
| (b) Cash credit facilities                       | 57.82                   | 50.15                   |
| Add: Interest accrued                            | 0.06                    | -                       |
|  | <b>160.48</b>           | <b>95.15</b>            |
| <b>Unsecured:</b>                                |                         |                         |
| Inter corporate deposits (Refer Note 17.4)       |                         |                         |
| (a) From related party (Refer Note 40)           | 257.00                  | 265.00                  |
| (b) From others                                  | 302.00                  | 592.86                  |
| Add: Interest accrued but not due                | 15.05                   | 63.57                   |
|  | <b>574.05</b>           | <b>921.43</b>           |
| <b>Total</b>                                     | <b>921.86</b>           | <b>1,408.13</b>         |

17.1 Term loans are secured by way of pledge of certain identified security receipts.

17.2 Maturity profile and rate of interest of term loans:

(₹ in crore)

| Residual Maturities                      | Interest range from |               |               |            |
|--|---------------------|---------------|---------------|------------|
|  | 8% to 9%            | 9% to 10%     | 10% to 11%    | 12% to 13% |
| <b>As at March 31, 2024:</b>             |                     |               |               |            |
| Up to one year (April- 24 to March- 25)  | -                   | 5.00          | 100.82        | -          |
| Up to 1-3 years (April- 25 to March- 27) | -                   | -             | 81.42         | -          |
| 3 years and above (April- 27 onwards)    | -                   | -             | -             | -          |
| <b>Total</b>                             | -                   | <b>5.00</b>   | <b>182.24</b> | -          |
| <b>As at March 31, 2023:</b>             |                     |               |               |            |
| Up to one year (April- 23 to March- 24)  | -                   | 80.78         | 181.36        | -          |
| Up to 1-3 years (April- 24 to March- 26) | -                   | 76.99         | 48.61         | -          |
| 3 years and above (April- 26 onwards)    | -                   | 3.52          | -             | -          |
| <b>Total</b>                             | -                   | <b>161.29</b> | <b>229.97</b> | -          |

**Note:**

- Maturity profile shown excluding effective interest rate impact amounting to ₹ 0.09 crore (As at March 31, 2023: ₹ 0.29 crore).
- The rate of interest of above term loans are linked with MCLR, Repo rate and T-Bill of banks and subject to change from time to time. Classification of term loans based on interest rates has been done on interest rate prevalent as on the relevant reporting period ends.

**17.3** Other loans from banks in the nature of working capital and cash credit facilities are secured by way of pledge of certain identified security receipts.

**17.4** Inter corporate deposits taken from related party are repayable on call and taken from others are for 22-344 day (previous year : 30 -710 days).

**17.5** The company has utilized money obtained by way of Term loans during the year for the purpose for which they were obtained.

# Notes

forming part of the Standalone Financial Statements (Contd.)

**17.6** The monthly asset cover statement submitted by the company with banks / financial institutions from which borrowing is obtained on the basis of security of investment in security receipts are in agreement with the books of account.

**17.7** All borrowings are made within India.

**17.8** Additional disclosure pursuant to Ind AS 7 (Borrowing Movement during the year)

| (₹ in crore)           |                                      |                                      |
|------------------------|--------------------------------------|--------------------------------------|
| Particulars            | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Opening Balance        | 1,408.13                             | 1,537.40                             |
| Cash flows             | (598.27)                             | (277.78)                             |
| Non cash changes*      | 112.00                               | 148.51                               |
| <b>Closing balance</b> | <b>921.86</b>                        | <b>1,408.13</b>                      |

\*Non cash changes includes interest on borrowings

## 18. Lease liabilities

| (₹ in crore)                              |                         |                         |
|---|-------------------------|-------------------------|
| Particulars                               | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| On Office premises (Refer note 37)        | 14.02                   | 16.07                   |
| On Motor Vehicle (Refer note 18.1 and 37) | -                       | 0.01                    |
|   | <b>14.02</b>            | <b>16.08</b>            |

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

18.2 Additional disclosure pursuant to Ind AS 7 (Lease liability Movement during the year)

| (₹ in crore)           |                                      |                                      |
|------------------------|--------------------------------------|--------------------------------------|
| Particulars            | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| Opening Balance        | 16.08                                | 19.49                                |
| Cash flows             | (3.28)                               | (3.49)                               |
| Non cash changes*      | 1.22                                 | 0.08                                 |
| <b>Closing balance</b> | <b>14.02</b>                         | <b>16.08</b>                         |

\*Non cash changes includes interest on lease and effect of lease modification

## 19. Other financial liabilities

| (₹ in crore)                                  |                         |                         |
|---|-------------------------|-------------------------|
| Particulars                                   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Employee Benefits payable                     | 5.90                    | 5.46                    |
| Amount collected on behalf of trust           | 73.96                   | 10.24                   |
| Provision for CSR Expenditure (Refer note 36) | 2.94                    | 6.20                    |
| <b>Total</b>                                  | <b>82.80</b>            | <b>21.90</b>            |

## 20. Provisions

| (₹ in crore)                                      |                         |                         |
|---|-------------------------|-------------------------|
| Particulars                                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Provision for Gratuity (Refer note 38)            | 1.50                    | 1.44                    |
| Provision for compensated absence (Refer note 38) | 0.25                    | 0.65                    |
| <b>Total</b>                                      | <b>1.75</b>             | <b>2.09</b>             |



## 21. Other non-financial liabilities

(₹ in crore)

| Particulars    | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------|-------------------------|-------------------------|
| Statutory Dues | 12.20                   | 16.93                   |
| Others         | 0.77                    | 0.27                    |
| <b>Total</b>   | <b>12.97</b>            | <b>17.20</b>            |

## 22. Equity share capital

(₹ in crore)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>Authorised</b>  |                         |                         |
| 1,85,00,00,000 (Previous year: 1,85,00,00,000) equity shares of ₹ 10/- each            | 1,850.00                | 1,850.00                |
| 15,00,00,000 (Previous year: 15,00,00,000) redeemable preference shares of ₹ 10/- each | 150.00                  | 150.00                  |
|  | <b>2,000.00</b>         | <b>2,000.00</b>         |
| <b>Issued, Subscribed and Paid-up</b>  |                         |                         |
| 39,83,25,537 (Previous year: 39,83,25,537) equity shares of ₹ 10/- each fully paid-up  | 398.33                  | 398.33                  |
| <b>Total</b>   | <b>398.33</b>           | <b>398.33</b>           |

### 22.1 Terms and rights

The Company has only one class of issued shares referred to as equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

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

### 22.2 Reconciliation of number of shares

| Particulars                                      | Number of equity shares |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Shares outstanding at the beginning of the year  | 39,83,25,537            | 34,46,42,857            |
| Shares issued during the year                    | -                       | 5,36,82,680             |
| <b>Shares outstanding at the end of the year</b> | <b>39,83,25,537</b>     | <b>39,83,25,537</b>     |

### 22.3 Details of shareholding more than 5%

| Particulars                           | As at March 31, 2024 |              | As at March 31, 2023 |              |
|---------------------------------------|----------------------|--------------|----------------------|--------------|
|                                       | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding |
| <b>Equity Shares:</b>                 |                      |              |                      |              |
| JM Financial Limited                  | 21,35,65,599         | 53.62%       | 21,35,65,599         | 53.62%       |
| JM Financial Credit Solutions Limited | 3,97,92,720          | 9.99%        | 3,97,92,720          | 9.99%        |
| Mr. Narotam S Sekhsaria               | 5,68,66,072          | 14.28%       | 5,68,66,072          | 14.28%       |
| Indian Overseas Bank                  | 2,10,00,000          | 5.27%        | 2,10,00,000          | 5.27%        |
| Valiant Mauritius Partners FDI Ltd    | 3,35,50,551          | 8.42%        | 3,35,50,551          | 8.42%        |

# Notes

forming part of the Standalone Financial Statements (Contd.)

## 22.4 Details of shareholding of promoters

| S. No. | Promoter Name        | No. of Shares | Percentage of total shares | Percentage of change during the year |
|--------|----------------------|---------------|----------------------------|--------------------------------------|
| 1      | JM Financial Limited | 21,35,65,599  | 53.62%                     | -                                    |

## 23. Other Equity

| Particulars  | (₹ in crore)         |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2024 | As at March 31, 2023 |
| Securities premium reserve                             | 283.18               | 283.18               |
| Retained earnings                                      | (339.34)             | 719.80               |
| Impairment reserve (Refer note 47(e))                  | 243.73               | 127.19               |
| Employee Stock option outstanding (refer note 23.1(d)) | 6.44                 | 4.59                 |
| <b>Total</b>   | <b>194.01</b>        | <b>1,134.76</b>      |

Refer Statement of Changes in Equity for movement in each reserve and surplus.

### 23.1 Nature of each reserves:

- Securities premium reserve represents premium received on equity shares issued which can be used on accordance with the provisions of the Companies Act, 2013 for specified purposes.
- Retained earnings are the profits that the company has earned till date less any transfers to general reserve, statutory reserve, impairment reserve, dividends or other distributions to the shareholders.
- Impairment reserve represent reserve created as per Income Recognition, Asset Classification and Provisioning (IRACP) provided under RBI/2019-20/170 DOR (NBFC). CC. PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.
- Stock options outstanding account (net of deferred stock option expenses) relates to the stock options granted by the Company to its employees under Employee Stock Option Plan (Refer note 45)

## 24. Interest Income

| Particulars                         | (₹ in crore)                      |                                   |
|-------------------------------------|-----------------------------------|-----------------------------------|
|                                     | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| On loans (at amortised cost)        | 71.26                             | 56.20                             |
| On financial instruments (at FVTPL) | -                                 | 6.99                              |
| On others (at FVTPL)                | 21.82                             | 2.81                              |
| <b>Total</b>                        | <b>93.08</b>                      | <b>66.00</b>                      |

## 25. Fees and incentives

| Particulars              | (₹ in crore)                      |                                   |
|--------------------------|-----------------------------------|-----------------------------------|
|                          | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Management fees          | 245.67                            | 150.62                            |
| Recovery Incentives Fees | 19.62                             | 16.08                             |
| <b>Total</b>             | <b>265.29</b>                     | <b>166.70</b>                     |

**26. Other Income**

(₹ in crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Interest on Fixed Deposit                             | 0.42                                 | 1.42                                 |
| Other interest income                                 | 0.12                                 | 0.12                                 |
| Gain on lease modification                            | 0.03                                 | 0.43                                 |
| Net gain on disposal of property, plant and equipment | 0.01                                 | -                                    |
| Miscellaneous income                                  | #                                    | 0.03                                 |
| <b>Total</b>  | <b>0.58</b>                          | <b>2.00</b>                          |

**27. Finance Cost**

(₹ in crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>At Amortised cost:</b>                           |                                      |                                      |
| Interest on Debt Securities                         | 171.72                               | 90.12                                |
| Interest on Borrowings (Other than Debt Securities) | 112.00                               | 143.17                               |
| Others  | 9.27                                 | 7.00                                 |
| <b>Total</b>  | <b>292.99</b>                        | <b>240.29</b>                        |

27.1 Above interest on debt securities includes interest on compulsory convertible debentures of ₹ Nil (Previous year : ₹ 1.13 crore).

27.2 Interest on others includes interest on lease obligations of ₹ 1.30 crore (Previous year : ₹ 1.66 crore).

**28. Net loss on fair value changes**

(₹ in crore)

| Particulars                                  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| On financial instruments designated at FVTPL |                                      |                                      |
| Security Receipts                            | 103.15                               | 148.29                               |
| Equity instruments                           | (4.18)                               | 2.55                                 |
| Gain on mutual fund                          | #                                    | (1.11)                               |
| <b>Total</b>                                 | <b>98.97</b>                         | <b>149.73</b>                        |

**28.1 Net loss/(gain) on fair value changes:**

(₹ in crore)

| Particulars     | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|-----------------|--------------------------------------|--------------------------------------|
| Realised gain   | (106.84)                             | (19.42)                              |
| Unrealised Loss | 205.81                               | 169.15                               |
| <b>Total</b>    | <b>98.97</b>                         | <b>149.73</b>                        |

**29. Impairment of Financial Instruments**

(₹ in crore)

| Particulars               | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---------------------------|--------------------------------------|--------------------------------------|
| <b>At amortised cost:</b> |                                      |                                      |
| Loans                     | 0.80                                 | (0.56)                               |
| Trade receivable          | 5.66                                 | 14.95                                |
| Financial assets          | 5.09                                 | (1.88)                               |
| <b>Total</b>              | <b>11.55</b>                         | <b>12.51</b>                         |

# Notes

forming part of the Standalone Financial Statements (Contd.)

## 30. Employee Benefits Expense

(₹ in crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Salaries, bonus, other allowances and benefits            | 18.58                                | 17.19                                |
| Contribution to provident and other funds (Refer note 38) | 0.88                                 | 0.81                                 |
| Gratuity (refer note 38)                                  | 0.22                                 | 0.24                                 |
| Share Based Payments to employees (refer note 45)         | 1.91                                 | 2.12                                 |
| Staff welfare expenses                                    | 0.03                                 | 0.01                                 |
| <b>Total</b>  | <b>21.62</b>                         | <b>20.37</b>                         |

## 31. Other Expenses

(₹ in crore)

| Particulars                                     | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Rates & Taxes                                   | 0.34                                 | 0.60                                 |
| Travelling Expenses                             | 0.06                                 | 0.12                                 |
| Repairs and Maintenance                         | 0.04                                 | 0.06                                 |
| Lease rental                                    | 0.14                                 | 0.14                                 |
| Audit Expenses (refer note 31.1)                | 0.14                                 | 0.13                                 |
| Support service charges                         | 6.00                                 | 5.45                                 |
| Insurance Expenses                              | 0.28                                 | 0.22                                 |
| Professional Fees                               | 3.93                                 | 1.32                                 |
| Director's commission & sitting fees            | 0.67                                 | 0.24                                 |
| Electricity Expenses                            | 0.19                                 | 0.19                                 |
| Demat Charges                                   | 0.04                                 | 0.17                                 |
| Conveyance Expense                              | 0.02                                 | 0.03                                 |
| Car Hire Charges                                | #                                    | #                                    |
| Manpower Expenses                               | 0.04                                 | 0.06                                 |
| Communication expenses                          | 0.03                                 | 0.03                                 |
| Membership and Subscription                     | 0.09                                 | 0.09                                 |
| Printing and stationery                         | 0.08                                 | 0.06                                 |
| Information Technology Expenses                 | 0.18                                 | 0.10                                 |
| Donation  | 0.25                                 | 0.25                                 |
| Corporate social responsibility (refer note 36) | 2.83                                 | 4.17                                 |
| Other Expenses                                  | 0.27                                 | 0.33                                 |
| <b>Total</b>                                    | <b>15.62</b>                         | <b>13.76</b>                         |

# denotes amount below ₹ 50,000

### 31.1 Auditors' remuneration (Excluding goods and service tax):

(₹ in crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Audit fees  | 0.08                                 | 0.08                                 |
| In any other manner (Certifications, limited reviews, etc.) | 0.05                                 | 0.04                                 |
| Out of pocket   | 0.01                                 | 0.01                                 |
|   | <b>0.14</b>                          | <b>0.13</b>                          |





### 32. Exceptional items

(₹ in crore)

| Particulars        | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|--------------------|--------------------------------------|--------------------------------------|
| Security receipts  | 767.87                               | -                                    |
| Loans              | 70.35                                | -                                    |
| Equity instruments | 8.64                                 | -                                    |
|                    | <b>846.86</b>                        | <b>-</b>                             |

During the financial year 2023-24, the Company has recognised impairment loss/expected credit loss aggregating ₹ 846.86 crore (excluding tax) on fair valuation of investments in multiple trusts and loans related to one large account/exposure due to a change in resolution strategy/plan and events subsequent to the balance sheet date. The recognition of such impairment loss/ expected credit loss has happened in the normal course of asset reconstruction business of the Company. However, considering other impacts of the same on the financial statements and its materiality, the same has been treated as an Exceptional Item in the Statement of Profit and Loss Account.

### 33. Income tax

(₹ in crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Current tax   | 40.95                                | -                                    |
| Deferred tax  | (29.70)                              | (49.74)                              |
| <b>Total income tax expenses recognised in the current year</b> | <b>11.25</b>                         | <b>(49.74)</b>                       |
| Income tax expense recognised in other comprehensive income     | (0.08)                               | (0.05)                               |
| <b>Total income tax expenses</b>                                | <b>11.17</b>                         | <b>(49.79)</b>                       |

#### 33.1 Reconciliation of total tax charge

(₹ in crore)

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Profit/ (loss) for the year   | (931.19)                             | (204.67)                             |
| Income tax rate   | 25.17%                               | 25.17%                               |
| Income tax expense  | (234.39)                             | (51.50)                              |
| <b>Tax Effect of:</b>   |                                      |                                      |
| Effect of non-deductible expenses                                     | 0.78                                 | 1.11                                 |
| Effect of unrecognised deferred tax assets (net)*                     | 250.63                               | 0.64                                 |
| Deferred tax on Re-measurement of employee defined benefit obligation | (0.08)                               | (0.05)                               |
| Effect of deferred tax on unrecognised tax losses                     | (5.77)                               | -                                    |
| <b>Income tax expense recognised in profit and loss</b>               | <b>11.17</b>                         | <b>(49.79)</b>                       |

\*Includes unrecognised deferred tax for the financial year 2023-24 assets in respect of deductible temporary differences of ₹ 991.32 (including exceptional items) pertaining to impairment Loss/expected credit Loss on fair valuation of investments in multiple trusts and loans due to a change in resolution strategy/plan and events subsequent to the balance sheet date. It is not probable of future taxable profit will be available against which the Group can use the benefits therefrom.

## Notes

forming part of the Standalone Financial Statements (Contd.)

### 34. Earning Per Share :

Earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as under:

| Particulars  | (₹ in crore)                         |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| a) Profit/(Loss) for the year attributable to equity shareholders - Basic EPS (₹ in crore.)                              | (942.44)                             | (154.93)                             |
| b) Profit/(Loss) for the year attributable to equity shareholders - Diluted EPS (₹ in crore)                             | (942.44)                             | (154.93)                             |
| c) Weighted average number of equity shares outstanding during the year for calculating basic earning per share (Nos.)   | 39,83,25,537                         | 39,83,25,537                         |
| d) Add : Effect of stock option scheme (Nos.)*   | -                                    | 2,78,566                             |
| e) Weighted average number of equity shares outstanding during the year for calculating diluted earning per share (Nos.) | 39,83,25,537                         | 39,86,04,103                         |
| Basic earnings per share (₹) (a/c)   | (23.66)                              | (3.89)                               |
| Dilutive earning per share (₹) (b/e)   | (23.66)                              | (3.89)                               |
| Nominal value per share (₹)  | 10                                   | 10                                   |

\* Includes shares issued under ESOS are anti-dilutive and therefore considered as Nil.

### 35. Segment Reporting

The company operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Ind AS- 108 on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker.

The Company has one geographical segment identified based on its location of customers which is within India.

### 36. Corporate Social Responsibility

Details of expenses towards corporate social responsibility as per section 135 of the Act, 2013 read with schedule VII there to:

| Particulars   | (₹ in crore)                         |                                      |
|---|--------------------------------------|--------------------------------------|
|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| a) Gross amount required to be spent by the company during the year | 2.83                                 | 4.17                                 |
| b) Amount spent   | 0.63                                 | 0.43                                 |
| Amount provided for on-going projects                               | 2.20                                 | 3.74                                 |
| <b>Total</b>  | <b>2.83</b>                          | <b>4.17</b>                          |
| c) Short fall at the end of the year                                | -                                    | -                                    |
| d) Total Previous years shortfall                                   | -                                    | -                                    |
| e) Reason for shortfall   | -                                    | -                                    |
| f) Amount contributed to a trust controlled by the Group            | -                                    | -                                    |
| g) Nature of CSR Activities   |                                      |                                      |
| (i) Construction / acquisition of any asset                         | -                                    | -                                    |
| (ii) On purposes other than (i) above                               | 2.83                                 | 4.17                                 |
| <b>Total</b>  | <b>2.83</b>                          | <b>4.17</b>                          |



### Details of unspent obligations

In case of section 135(5) of the Companies Act, 2013 (on-going projects)

(₹ in crore)

| Opening balance as on April 1, 2023 |                                 | Amount required to be spent during the year | Amount spent during the year |                                   | Closing balance as on March 31, 2024 |                                 |
|-------------------------------------|---------------------------------|---|------------------------------|-----------------------------------|--------------------------------------|---------------------------------|
| With Company                        | In separate CSR Unspent account |   | From Company's bank account  | From separate CSR unspent account | With Company                         | In separate CSR Unspent account |
| 3.74                                | 2.46                            | 2.83  | 0.63                         | 5.46                              | 2.20                                 | 0.74                            |

(₹ in crore)

| Opening balance as on April 1, 2022 |                                 | Amount required to be spent during the year | Amount spent during the year |                                   | Closing balance as on March 31, 2023 |                                 |
|-------------------------------------|---------------------------------|---|------------------------------|-----------------------------------|--------------------------------------|---------------------------------|
| With Company                        | In separate CSR Unspent account |   | From Company's bank account  | From separate CSR unspent account | With Company                         | In separate CSR Unspent account |
| 3.24                                | 2.55                            | 4.17  | 0.43                         | 3.33                              | 3.74                                 | 2.46                            |

### 37. Leasing

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2024 :

(₹ in crore)

| Category of leased asset | Gross Block         |           |           |                      | Accumulated Depreciation |           |           |                      | Net block            |
|--------------------------|---------------------|-----------|-----------|----------------------|--------------------------|-----------|-----------|----------------------|----------------------|
|                          | As at April 1, 2023 | Additions | Deletions | As at March 31, 2024 | As at April 1, 2023      | Additions | Deletions | As at March 31, 2024 | As at March 31, 2024 |
| Office Premises*         | 22.60               | 0.04      | (0.31)    | 22.33                | 9.56                     | 2.34      | (0.22)    | 11.68                | 10.65                |
| Motor Vehicle            | 0.28                | -         | (0.28)    | -                    | 0.27                     | 0.01      | (0.28)    | -                    | -                    |

\* addition and deletion is as result of lease modification - decrease in lease area and rent

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2023 :

(₹ in crore)

| Category of leased asset | Gross Block         |           |           |                      | Accumulated Depreciation |           |           |                      | Net block            |
|--------------------------|---------------------|-----------|-----------|----------------------|--------------------------|-----------|-----------|----------------------|----------------------|
|                          | As at April 1, 2022 | Additions | Deletions | As at March 31, 2023 | As at April 1, 2022      | Additions | Deletions | As at March 31, 2023 | As at March 31, 2023 |
| Office Premises*         | 24.81               | 0.19      | (2.40)    | 22.60                | 7.89                     | 2.51      | (0.84)    | 9.56                 | 13.04                |
| Motor Vehicle            | 0.28                | -         | -         | 0.28                 | 0.22                     | 0.05      | -         | 0.27                 | 0.01                 |

\* addition and deletion is as result of lease modification - decrease in lease area and rent

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023:

#### On Office Premises:

(₹ in crore)

| Particulars                  | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------|----------------------|----------------------|
| Opening balance              | 16.07                | 19.42                |
| Lease Modification           | (0.08)               | (1.60)               |
| Finance cost during the year | 1.30                 | 1.61                 |
| Payment of lease liabilities | (3.27)               | (3.36)               |
| Closing balance              | 14.02                | 16.07                |

# Notes

forming part of the Standalone Financial Statements (Contd.)

## On Motor Vehicle

| Particulars                  | (₹ in crore)            |                         |
|------------------------------|-------------------------|-------------------------|
|                              | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Opening balance              | 0.01                    | 0.07                    |
| Additions during the year    | -                       | 0.02                    |
| Finance cost during the year | #                       | 0.05                    |
| Payment of lease liabilities | (0.01)                  | (0.13)                  |
| <b>Closing balance</b>       | <b>-</b>                | <b>0.01</b>             |

Table showing contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis:

## On Office Premises:

| Particulars                                       | (₹ in crore)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Not later than one year                           | 3.42                    | 3.33                    |
| Later than one year and not later than five years | 13.96                   | 13.85                   |
| Later than five years                             | -                       | 3.47                    |

## On Motor Vehicle

| Particulars             | (₹ in crore)            |                         |
|-------------------------|-------------------------|-------------------------|
|                         | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Not later than one year | -                       | 0.01                    |
| <b>Total</b>            | <b>-</b>                | <b>0.01</b>             |

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## 38. Employee Benefits

### a) Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating ₹ 0.69 crore (Previous year ₹ 0.66 crore) has been recognized in the Statement of Profit and Loss under the head Employee Benefits Expense.

### b) Defined benefit obligation

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of independent 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.

### The principal assumptions used for the purposes of the actuarial valuations:

| Particulars                      | As at<br>March 31, 2024                                   | As at<br>March 31, 2023                                   |
|----------------------------------|---|---|
| Discount rate                    | 7.15%   | 7.45%   |
| Expected rate of salary increase | 7.00%   | 7.00%   |
| Mortality rate                   | Indian Assured<br>Lives Mortality<br>(2012-14) Ult table. | Indian Assured<br>Lives Mortality<br>(2012-14) Ult table. |

### Amount recognized in statement of profit and loss in respect of these defined benefit obligation

| Particulars   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Current service cost  | 0.12                                 | 0.15                                 |
| Past service cost   | -                                    | -                                    |
| Net interest cost   | 0.10                                 | 0.09                                 |
| <b>Components of defined benefits costs recognised in profit or loss.</b> | <b>0.22</b>                          | <b>0.24</b>                          |
| Remeasurements on the net defined benefit liability :                     |                                      |                                      |
| - Return on plan assets, excl. amount included in interest exp. (income)  | -                                    | -                                    |
| - Actuarial (gain)/loss from change in demographic assumptions            | 0.13                                 | -                                    |
| - Actuarial (gain)/loss from change in financial assumptions              | 0.03                                 | (0.03)                               |
| - Actuarial (gain)/loss from change in experience adjustments             | 0.14                                 | 0.23                                 |
| <b>Total amount recognised in OCI</b>                                     | <b>0.30</b>                          | <b>0.20</b>                          |
| <b>Total</b>  | <b>0.52</b>                          | <b>0.44</b>                          |

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

### The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan is as follows:

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Present value of funded defined benefit obligation       | 1.50                    | 1.44                    |
| Fair value of plan assets                                | -                       | -                       |
| <b>Net asset arising from defined benefit obligation</b> | <b>1.50</b>             | <b>1.44</b>             |

# Notes

forming part of the Standalone Financial Statements (Contd.)

## Movement in the present value of the defined benefit obligation are as follows:

(₹ in crore)

| Particulars  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Opening defined benefit obligation                             | 1.44                    | 1.37                    |
| Current service cost   | 0.12                    | 0.15                    |
| Interest cost  | 0.10                    | 0.09                    |
| Past service cost  | -                       | -                       |
| Remeasurements (gains)/losses:                                 |                         |                         |
| - Actuarial (gain)/loss from change in demographic assumptions | 0.13                    | -                       |
| - Actuarial (gain)/loss from change in financial assumptions   | 0.03                    | (0.03)                  |
| - Actuarial (gain)/loss from change in experience adjustments  | 0.14                    | 0.23                    |
| Benefits paid  | (0.46)                  | (0.36)                  |
| Liabilities extinguished on settlements                        | -                       | (0.01)                  |
| <b>Closing defined benefit obligation</b>                      | <b>1.50</b>             | <b>1.44</b>             |

## A reconciliation of the plan assets during the inter-valuation period is given below

(₹ in crore)

| Particulars   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| <b>Opening balance of fair value of plan assets</b>                                 | -                       | -                       |
| Employer contribution   | 0.46                    | 0.36                    |
| Interest on plan assets   | -                       | -                       |
| Administrative Expenses   | -                       | -                       |
| <b>Remeasurement due to :</b>   |                         |                         |
| Actual return on plan assets less interest on plan assets                           | -                       | -                       |
| Benefit paid  | (0.46)                  | (0.36)                  |
| Asset acquired/(settled) on account of business combination or inter group transfer | -                       | -                       |
| Asset distributed on settlements  | -                       | -                       |
| <b>Closing balance of fair value of plan assets</b>                                 | <b>-</b>                | <b>-</b>                |

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is as follows:

(₹ in crore)

| Particulars                       | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| Defined benefit obligation (base) | 1.50                    | 1.44                    |

| Particulars                                      | As at March 31, 2024 |                        | As at March 31, 2023 |                        |
|--|----------------------|------------------------|----------------------|------------------------|
|  | Discount Rate        | Salary Escalation Rate | Discount Rate        | Salary Escalation Rate |
| Defined benefit obligation on increase in 50 bps | 1.46                 | 1.53                   | 1.38                 | 1.48                   |
| Impact of increase in 50 bps on DBO              | (2.93%)              | 2.13%                  | (4.00%)              | 2.84%                  |
| Defined benefit obligation on decrease in 50 bps | 1.55                 | 1.47                   | 1.50                 | 1.40                   |
| Impact of decrease in 50 bps on DBO              | 3.09%                | (2.09%)                | 4.35%                | (2.74%)                |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer above.





Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognized in the balance sheet.

Projected benefits payable:

| Particulars                             | (₹ in crore)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Expected benefits for year 1            | 0.20                    | 0.26                    |
| Expected benefits for year 2            | 0.19                    | 0.25                    |
| Expected benefits for year 3            | 0.18                    | 0.06                    |
| Expected benefits for year 4            | 0.32                    | 0.05                    |
| Expected benefits for year 5            | 0.14                    | 0.26                    |
| Expected benefits for year 6            | 0.22                    | 0.05                    |
| Expected benefits for year 7            | 0.13                    | 0.21                    |
| Expected benefits for year 8            | 0.10                    | 0.07                    |
| Expected benefits for year 9            | 0.10                    | 0.04                    |
| Expected benefits for year 10 and above | 0.97                    | 2.16                    |

### Compensated absences

As per Company's policy, provision of ₹ 0.25 crore (Previous year ₹ 0.65 crore) has been made towards compensated absences, determined on the basis of independent actuarial valuation made at the end of each financial year using the projected unit credit method. (Previous year : calculated on the basis of unutilized leave as on the last day of the financial year)

### c) Code on Social Security, 2020

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

## 39. Foreign Currency Exposure and Un-hedged Foreign Currency Exposure

| Sr. No.   | Particulars                                    | Amount in foreign Currency (Equivl. To USD in Million) | Amount in INR (₹ in crore) |
|-----------|--|--|----------------------------|
| <b>I.</b> | <b>Details of Foreign Currency Exposure</b>    |  |                            |
|           | (A) Receivables                                | NIL  | NIL                        |
|           | (i) Export of goods                            |  |                            |
|           | (ii) Services Rendered / Other Income          |  |                            |
|           | (B) Payables                                   | NIL  | NIL                        |
|           | (i) Import of Goods                            |  |                            |
|           | (ii) Services utilised / Other Expenses        |  |                            |
|           | (C) Non-Trade Items                            | NIL  | NIL                        |
|           | (i) Foreign Currency Loans (ECBs, FCTLs, etc.) |  |                            |
|           | (a) Principal Payments                         |  |                            |
|           | (b) Interest                                   |  |                            |
|           | (ii) Foreign Currency Investments              |  |                            |
|           | <b>Total Foreign Currency Exposure</b>         | <b>NIL</b>   | <b>NIL</b>                 |

# Notes

forming part of the Standalone Financial Statements (Contd.)

| Sr. No.     | Particulars   | Amount in foreign Currency (Equivl. To USD in Million) | Amount in INR (₹ in crore) |
|-------------|---|--|----------------------------|
| <b>II</b>   | <b>Details of Hedgings</b>  |  |                            |
|             | (A) Natural Hedges  | NIL  | NIL                        |
|             | (B) Financial Hedges  | NIL  | NIL                        |
|             | (i) Forward Contracts Booked:                                       |  |                            |
|             | (a) For Export and other Receivables                                |  |                            |
|             | (b) For Import and other Payables                                   |  |                            |
|             | (ii) Swaps  |  |                            |
|             | (a) Principal amount Swaps  |  |                            |
|             | (b) Interest Rate Swaps   |  |                            |
|             | (iii) Other Financial Derivative Hedging Instruments                |  |                            |
|             | <b>Total Hedging of Foreign Currency Exposure</b>                   | <b>NIL</b>   | <b>NIL</b>                 |
| <b>III.</b> | <b>Amount of Unhedged Foreign Currency Exposure</b>                 | NIL  | NIL                        |
| <b>IV.</b>  | <b>Realised / Recognised Amount of Foreign Currency Loss / Gain</b> | NIL  | NIL                        |
| <b>V.</b>   | <b>EBID</b>   |  | (646.78)                   |
| <b>VI.</b>  | <b>Total Banking Exposure of the company</b>                        |  |                            |
|             | (i) Term Loans Exposure (Outstanding amounts + Undisbursed )        |  | 151.22                     |
|             | (ii) Working Capital Exposure (Limit sanctioned & accepted)         |  | 171.00                     |

## Note

- EBID is computed as per the definition contained in footnote 3 to paragraph 2 (c ) of the RBI Circular No. RBI/ 2013-14/ 448 DBOD.No.BP.BC. 85 /21.06.200/2013-14 dated January 15, 2014 i.e. Profit After Tax + Depreciation + Interest on Debt + Lease Rentals, if any.
- Total banking exposure of the company excludes sanction facilities against fixed deposits.

## 40. Disclosure of related party

### a) Name and relationship with related parties:

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

##### Holding company

JM Financial Limited

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

##### (A) Holding company

JM Financial Limited

##### (B) Fellow Subsidiaries

JM Financial Institutional Securities Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

JM Financial Home Loans Limited

JM Financial Services Limited

JM Financial Capital Limited (merged with JM Financial Services Limited w.e.f. May 18, 2023 - refer note 40(g))



JM Financial Credit Solutions Limited

JM Financial Asset Management Limited

Astute Investments

CR Retail Malls (India) Limited

### (C) Key managerial personnel

#### Whole time director or Chief Executive Office

Mr. Srinivasan Viswanathan - Chief Executive Officer (appointed w.e.f. June 22, 2023)

Mr. Anil Bhatia - Chief Executive Officer (ceased w.e.f. closs of business hours of May 15, 2023)

#### Non-Executive Directors

Mr. V. P. Shetty

Mr. Narotam Sekhsaria

Mr. Pulkit Sekhsaria

Mr. Adi Patel

Mr. Vishal Kampani

#### Independent Directors

Ms. Rupa Vora

Dr. Vijay Kelkar

Mr. Ameet Desai

Mr. Satish Chand Mathur

Mr. Munesh Khanna

#### Key managerial personnel of Holding company

Mr. Nimesh Kampani (NNK)

Mr. Vishal Kampani (VNK)

Mr. Atul Mehra (ASM) (ceased to be related party of the Company with effect from March 28, 2024)

Mr. Adi Patel (ARP)

Ms. Jagi Mangat Panda (JMP)

Mr. P S Jayakumar (PSJ)

Ms. Roshini Bakshi (RHB)

Mr. Navroz Udwadia (NDU)

Mr. Pradip Kanakia (PMK)

Mr. Sumit Bose (SB)

#### Close member of Key managerial personnel of Holding company

Mrs. Suvidha Mehra (ceased to be related party of the Company with effect from March 28, 2024)

# Notes

forming part of the Standalone Financial Statements (Contd.)

**(D) Entity controlled or jointly controlled or significantly influenced by key management personnel of a parent of the reporting entity**

J.M.Financial & Investment Consultancy Services Private Limited

**(E) All subsidiary trusts of the company**

| Name of entity                                | Country of incorporation | Proportion of ownership interest and voting power held by the Company |                      |
|---|--------------------------|---|----------------------|
|   |                          | As at March 31, 2024  | As at March 31, 2023 |
| <b>Subsidiary Trusts in India</b>             |                          | (%)   | (%)                  |
| JMFARC - DB-ICICI Trust <sup>^</sup>          | India                    | -   | 100%                 |
| JMFARC - DB SBI Trust <sup>^</sup>            | India                    | -   | 100%                 |
| JMFARC - DB DCB Trust <sup>^</sup>            | India                    | -   | 100%                 |
| JMFARC - Jord SUUTI Trust <sup>^</sup>        | India                    | -   | 100%                 |
| JMFARC - Pasupati SASF Trust                  | India                    | 100%  | 100%                 |
| JMFARC - Central Bank Tube Trust <sup>^</sup> | India                    | -   | 100%                 |
| JMFARC - UTI Tube Trust <sup>^</sup>          | India                    | -   | 100%                 |
| JMFARC - SASF Tube Trust <sup>^</sup>         | India                    | -   | 100%                 |
| JMFARC - UCO Bank March 2011 Trust            | India                    | 100%  | 100%                 |
| JMFARC - Corp Apparel 2013 Trust              | India                    | 100%  | 100%                 |
| JMFARC - Central India 2013 Trust             | India                    | 100%  | 100%                 |
| JMFARC - Dena Bank March 2014 Trust           | India                    | 100%  | 100%                 |
| JMFARC - Gelatine March 2014 Trust            | India                    | 100%  | 100%                 |
| JMFARC - ICICI Bank July 2014 Trust           | India                    | 100%  | 100%                 |
| JMFARC - Axis Bank Cement March 2015 Trust    | India                    | 100%  | 100%                 |
| JMFARC - ICICI Bank Cement June 2015 Trust    | India                    | 100%  | 100%                 |
| JMFARC - United Bank Cement Sept 2015 Trust   | India                    | 100%  | 100%                 |
| JMFARC - ICICI Geometric Trust                | India                    | 15%   | 15%                  |
| JMFARC - Axis Bank February 2016 Trust        | India                    | 100%  | 100%                 |
| JMFARC - OBC Cement March 2016 Trust          | India                    | 100%  | 100%                 |
| JMFARC - Axis Iris II March 2016 Trust        | India                    | 100%  | 100%                 |
| JMFARC - SBI Geometric October 2016 Trust     | India                    | 100%  | 100%                 |
| JMFARC - IRIS Cash 2016 Trust                 | India                    | 100%  | 100%                 |
| JMFARC - Tata Capital December 2016 Trust     | India                    | 100%  | 100%                 |
| JMFARC - IDBI March 2017 Trust                | India                    | 100%  | 100%                 |
| JMFARC - BOB 2008 Trust                       | India                    | 100%  | 100%                 |
| JMFARC - SME Retail 2011 Trust                | India                    | 100%  | 100%                 |
| JMFARC - IOB II March 2011 Trust              | India                    | 40%   | 50%                  |
| JMFARC - Corp I 2013 Trust                    | India                    | 100%  | 100%                 |
| JMFARC - Corp II 2013 Trust                   | India                    | 100%  | 100%                 |
| JMFARC - Retail June 2011 Trust               | India                    | 100%  | 100%                 |
| JMFARC - Retail Aug 2011 Trust                | India                    | 100%  | 100%                 |
| JMFARC - IRIS IIFL May 2017 Trust             | India                    | 100%  | 100%                 |
| JMFARC - ALHB Bank Textile June 2017 Trust    | India                    | 100%  | 100%                 |
| JMFARC - ALHB Bank June 2017 Trust            | India                    | 100%  | 100%                 |
| JMFARC - Federal Bank June 2017 Trust         | India                    | 100%  | 100%                 |
| JMFARC - IRIS Cash July 2017 Trust            | India                    | 100%  | 100%                 |
| JMFARC - Woods October 2017 Trust             | India                    | 100%  | 100%                 |
| JMFARC - Fabrics August 2018 I Trust          | India                    | 100%  | 100%                 |
| JMFARC - IRIS Cash March 2018 Trust           | India                    | 100%  | 100%                 |
| JMFARC - Metallica July 2018 Trust            | India                    | 100%  | 100%                 |
| JMFARC - Federal Bank March 2013 Trust        | India                    | 100%  | 100%                 |
| JMFARC - Fabrics March 2019 I Trust           | India                    | 100%  | 100%                 |
| JMFARC - Fabrics September 2018 I Trust       | India                    | 100%  | 100%                 |



| Name of entity                             | Country of incorporation | Proportion of ownership interest and voting power held by the Company |                      |
|--|--------------------------|---|----------------------|
|  |                          | As at March 31, 2024  | As at March 31, 2023 |
| JMFARC - Fabrics September 2018 II Trust   | India                    | 100%  | 100%                 |
| JMFARC - PNB IRIS II September 2018 Trust  | India                    | 100%  | 100%                 |
| JMFARC - Fabrics June 2018 Trust           | India                    | 100%  | 100%                 |
| JMFARC - Fabrics June 2019 II Trust        | India                    | 100%  | 100%                 |
| JMFARC - Fabrics June 2019 III Trust       | India                    | 100%  | 100%                 |
| JMFARC - Fabrics December 2019 I Trust     | India                    | 100%  | 100%                 |
| JMFARC - March 2018 Trust                  | India                    | 60%   | 60%                  |
| JMFARC - Fabrics September 2020 Trust      | India                    | 100%  | 100%                 |
| JMFARC - Fabrics November 2020 Trust       | India                    | 100%  | 100%                 |
| JMFARC - Metallica February 2018 Trust     | India                    | 92%   | 92%                  |
| JMFARC - Metallica November 2018 Trust     | India                    | 95%   | 95%                  |
| JMFARC - Metallica December 2018 Trust     | India                    | 94%   | 94%                  |
| JMFARC - KTK Metallica December 2018 Trust | India                    | 94%   | 94%                  |
| JMFARC - Coated February 2021 Trust        | India                    | 89%   | 89%                  |
| Deccan 2021 Trust                          | India                    | 100%  | 100%                 |
| Deccan June 2022 Trust                     | India                    | 100%  | 100%                 |
| Textile 2022 Trust                         | India                    | 100%  | 100%                 |
| Retail June 2022 Trust*                    | India                    | -   | 54%                  |
| Deccan January 2023 Trust                  | India                    | 100%  | 100%                 |
| Real Estate May 2023 Trust <sup>@</sup>    | India                    | 59%   | -                    |
| Deccan September 2023 Trust <sup>@</sup>   | India                    | 100%  | -                    |

<sup>@</sup> Trusts addition during the year

<sup>^</sup> Trusts closed during the financial year 2022-23

\* Subsidiary till July 31, 2023

## b) Transactions with related parties :

| Name of the Related Party                                    | Nature of relationship | (₹ in crore)                      |                                   |
|--|------------------------|-----------------------------------|-----------------------------------|
|  |                        | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| <b>JM Financial Limited (JMFL)</b>                           | (A)                    |                                   |                                   |
| Inter Corporate Deposit taken                                |                        | 541.00                            | 647.00                            |
| Inter Corporate Deposit paid                                 |                        | 806.00                            | 821.70                            |
| Interest on Inter Corporate Deposits                         |                        | 38.37                             | 37.18                             |
| Rating Support Fees  |                        | 7.28                              | 4.89                              |
| Support Service Charges                                      |                        | 3.00                              | 2.50                              |
| Recovery of expenses   |                        | 0.03                              | 0.02                              |
| Reimbursement of Expenses                                    |                        | 0.26                              | 0.25                              |
| Interest on Compulsory Convertible Debenture                 |                        | -                                 | 1.86                              |
| <b>JM Financial Properties and Holdings Limited (JMFPHL)</b> | (B)                    |                                   |                                   |
| Space and other related cost                                 |                        | 2.72                              | 2.77                              |
| Security Deposit received                                    |                        | -                                 | 0.54                              |
| Reimbursement of Expenses                                    |                        | 0.43                              | 0.46                              |
| <b>JM Financial Home Loans Limited (JMFHL)</b>               | (B)                    |                                   |                                   |
| Reimbursement of Expenses                                    |                        | #                                 | #                                 |
| <b>JM Financial Products Limited (JMFPPL)</b>                | (B)                    |                                   |                                   |
| Inter Corporate Deposit taken                                |                        | 257.00                            | 200.00                            |
| Inter Corporate Deposit paid                                 |                        | -                                 | 200.00                            |
| Management Fees received                                     |                        | 1.89                              | 1.89                              |
| Interest on Inter Corporate Deposits paid                    |                        | 0.31                              | 2.94                              |

# Notes

forming part of the Standalone Financial Statements (Contd.)

| (₹ in crore)   |                        |                                   |                                   |
|--|------------------------|-----------------------------------|-----------------------------------|
| Name of the Related Party  | Nature of relationship | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Support Service Charges  |                        | 2.50                              | 2.50                              |
| Reimbursement of Expenses  |                        | 0.03                              | 0.03                              |
| <b>JM Financial Services Limited (JMFSL)</b>   | (B)                    |                                   |                                   |
| Market linked Non Convertible Debentures issued  |                        | -                                 | 320.00                            |
| Transfer of gratuity   |                        | -                                 | 0.01                              |
| Arranger fees paid   |                        | -                                 | 6.61                              |
| Brokerage paid   |                        | 0.01                              | -                                 |
| <b>JM Financial Credit Solutions Ltd (JMFCSL)</b>  | (B)                    |                                   |                                   |
| Issue of Optionally Convertible Debenture  |                        | 200.00                            | -                                 |
| Interest on Compulsory Convertible Debenture   |                        | -                                 | 7.91                              |
| Management Fees received   |                        | 4.94                              | 4.94                              |
| <b>JM Financial Asset Management Limited (JMFAMC)</b>  | (B)                    |                                   |                                   |
| Interest on Inter Corporate Deposits   |                        | -                                 | 0.13                              |
| Inter Corporate Deposit taken  |                        | -                                 | 20.00                             |
| Inter Corporate Deposit paid   |                        | -                                 | 20.00                             |
| <b>Subsidiary trusts - managed by the Company as trustee</b>   | (E)                    |                                   |                                   |
| <b>Management fees and incentives</b>  |                        |                                   |                                   |
| Retail June 2022 - Trust*  |                        | 3.70                              | 0.50                              |
| JMFARC Coated February 2021 Trust  |                        | 3.92                              | 15.67                             |
| Real Estate May 2023 Trust   |                        | 7.43                              | -                                 |
| <b>Net gain/(loss) on fair value changes - Additional realization of assets over Net Asset Value (NAV)</b> |                        |                                   |                                   |
| JMFARC - Allahabad Bank June 2017 Trust  |                        | -                                 | 0.22                              |
| JMFARC - Allahabad Bank Textile June 2017 Trust  |                        | 1.22                              | 1.20                              |
| JMFARC - Federal Bank June 2017 Trust  |                        | 24.27                             | 4.48                              |
| JMFARC - Federal Bank March 2013 Trust   |                        | 8.43                              | -                                 |
| JMFARC - Axis Bank February 2016 Trust   |                        | -                                 | 0.79                              |
| JMFARC Coated February 2021 Trust  |                        | 127.38                            | -                                 |
| JMFARC-SME Retail 2011-Trust   |                        | 0.25                              | -                                 |
| JMFARC - Woods October 2017 Trust  |                        | 0.26                              | -                                 |
| <b>Interest Income</b>   |                        |                                   |                                   |
| JMFARC Coated February 2021 Trust  |                        | 0.30                              | -                                 |
| Real Estate May 2023 Trust   |                        | 0.17                              | -                                 |
| Textile 2022 Trust   |                        | -                                 | 6.99                              |
| <b>Investment in security receipts</b>   |                        |                                   |                                   |
| Deccan September 2023 Trust  |                        | 107.27                            | -                                 |
| Deccan June 2022 - Trust   |                        | -                                 | 20.00                             |
| Retail June 2022 - Trust*  |                        | 37.75                             | 154.50                            |
| Textile 2022 - Trust   |                        | -                                 | 142.82                            |
| Deccan January 2023 Trust  |                        | -                                 | 94.67                             |
| Real Estate May 2023 Trust   |                        | 198.00                            | -                                 |
| <b>Redemption of security receipts</b>   |                        |                                   |                                   |
| Retail June 2022 - Trust*  |                        | 80.90                             | 50.98                             |
| Deccan June 2022 - Trust   |                        | -                                 | 16.97                             |
| Textile 2022 - Trust   |                        | -                                 | 3.01                              |
| JMFARC - ICICI Bank Cement June 2015 - Trust   |                        | -                                 | 2.29                              |
| JMFARC -United Bank Cement Sept 2015-Trust   |                        | -                                 | 3.52                              |
| JMFARC - Dena Bank March 2014-Trust  |                        | -                                 | 4.86                              |
| Real Estate May 2023 Trust   |                        | 48.28                             | -                                 |
| JMFARC Federal Bank June 2017 Trust  |                        | 24.27                             | 4.48                              |
| JMFARC Federal Bank March 2013 Trust   |                        | 8.43                              | -                                 |





(₹ in crore)

| Name of the Related Party                      | Nature of relationship | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|------------------------|-----------------------------------|-----------------------------------|
| JMFARC Coated February 2021 Trust              |                        | 517.97                            | -                                 |
| JMFARC - Woods October 2017 Trust              |                        | 0.26                              | -                                 |
| JMFARC Gelatine March 2014 Trust               |                        | -                                 | 2.62                              |
| JMFARC ALHB Bank Textile June 2017 Trust       |                        | 1.22                              | 1.20                              |
| Others   |                        | 0.25                              | 8.32                              |
| <b>Loans and advances given/(repaid) (net)</b> |                        |                                   |                                   |
| JMFARC Gelatine March 2014 Trust               |                        | 0.39                              | 0.06                              |
| JMFARC Fabrics August 2018 I Trust             |                        | 0.56                              | 0.65                              |
| JMFARC Central India 2013 Trust                |                        | 0.10                              | 0.30                              |
| JMFARC Corp I 2013 Trust                       |                        | 0.67                              | 0.14                              |
| JMFARC Federal Bank March 2013 Trust           |                        | (0.40)                            | 0.50                              |
| JMFARC Coated February 2021 Trust              |                        | (1.51)                            | 0.50                              |
| Others   |                        | 2.53                              | 0.90                              |
| <b>Key Managerial Personnel</b>                | (C)                    |                                   |                                   |
| Remuneration (refer note (d) )                 |                        | 2.94                              | 1.67                              |

## c) Closing balances

(₹ in crore)

| Name of the Related Party                             | Nature of relationship | As at March 31, 2024 | As at March 31, 2023 |
|---|------------------------|----------------------|----------------------|
| <b>Inter Corporate Deposit payable</b>                |                        |                      |                      |
| JM Financial Limited (JMFL)                           | (A)                    | -                    | 265.00               |
| JM Financial Products Limited (JMFPL)                 | (B)                    | 257.00               | -                    |
| <b>Security Deposit Receivable</b>                    |                        |                      |                      |
| JM Financial Properties and Holdings Limited (JMFPHL) | (B)                    | 2.21                 | 2.21                 |
| <b>Market Linked Non-Convertible Debenture</b>        |                        |                      |                      |
| JM Financial Services Ltd (JMFSL)                     | (B)                    | 0.20                 | 0.20                 |
| JM Financial Capital Ltd (JMFCL)                      | (B)                    | -                    | 1.60                 |
| Dr.Vijay Kelkar                                       | (C)                    | 0.20                 | 0.20                 |
| Mr. V P Shetty  | (C)                    | -                    | 2.00                 |
| Mrs. Suvidha Mehra                                    | (C)                    | -                    | 1.10                 |
| <b>Optionally Convertible Debenture</b>               |                        |                      |                      |
| JM Financial Credit Solutions Ltd (JMFCSL)            | (B)                    | 200.00               | -                    |
| <b>Trade Payable</b>                                  |                        |                      |                      |
| JM Financial Limited (JMFL)                           | (A)                    | 1.88                 | 1.88                 |
| <b>Trade receivables/loans and advances(net)</b>      |                        |                      |                      |
| JM Financial Products Limited (JMFPL)                 | (B)                    | -                    | 0.03                 |
| <b>Subsidiaries trust</b>                             | (E)                    |                      |                      |
| JMFARC Fabrics August 2018 I Trust                    |                        | 4.32                 | 3.73                 |
| JMFARC Coated February 2021 Trust                     |                        | (1.17)               | 32.75                |
| Others  |                        | (2.94)               | 9.54                 |
| <b>Key Managerial Personnel</b>                       | (C)                    | 1.45                 | 0.20                 |

# Denotes amount below ₹50,000/-

\* Subsidiary trust upto July 31, 2023

# Notes

forming part of the Standalone Financial Statements (Contd.)

## d) Remuneration to KMP were as follows

| Particulars                      | (₹ in crore)                         |                                      |
|----------------------------------|--------------------------------------|--------------------------------------|
|                                  | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
| (a) Short term employee benefits | 2.02                                 | 1.33                                 |
| (b) Post employment benefits;    | 0.25                                 | 0.10                                 |
| (c) Other benefits*              | 0.67                                 | 0.24                                 |
| <b>Total</b>                     | <b>2.94</b>                          | <b>1.67</b>                          |

\* Other benefits includes directors sitting fees and commissions.

- e) Remuneration excludes provision for gratuity and compensated absences as the incremental liability has been accounted for company as a whole.
- f) There are no provisions for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.
- g) Pursuant to the NCLT order approving the Scheme of Arrangement (the "Scheme") on April 20, 2023 with the appointed date being April 1, 2023, JM Financial Capital Limited has been merged with JM Financial Services Limited.
- h) The transactions disclosed above are exclusive of GST.

### Note

The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

## 41. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimization of the debt and equity balance. (also refer note no 49.1)

The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company monitors capital using debt to equity ratio.

| Particulars   | (₹ in crore)            |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
| Borrowings (Debt securities and borrowing other than debt securities) | 2,819.76                | 3,117.93                |
| Less - Cash and cash equivalents                                      | (84.75)                 | (39.20)                 |
| <b>Net Debt</b>   | <b>2,735.01</b>         | <b>3,078.73</b>         |
| Total equity  | 592.34                  | 1,533.09                |
| Net Debt to equity ratio  | 4.62                    | 2.01                    |

## 42. Fair value measurement

### a) Fair value hierarchy and method of valuation:

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognized and measured at fair value and b) measured at amortized cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 fair value measurements are those derived from quoted prices of equity instruments.



Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The input factors considered are estimated cash flows, collateral values, other assumptions, etc.

#### b) Categories of Financial Instruments:

**As at March 31, 2024**

(₹ in crore)

| Particulars                       | Carrying amount |          |                 |                 | Fair value  |          |                 |                 |
|-----------------------------------|-----------------|----------|-----------------|-----------------|-------------|----------|-----------------|-----------------|
|                                   | FVTPL           | FVTOCI   | Amortised Cost  | Total           | Level 1     | Level 2  | Level 3         | Total           |
| <b>Financial assets</b>           |                 |          |                 |                 |             |          |                 |                 |
| Cash and cash equivalents         | -               | -        | 84.75           | 84.75           | -           | -        | -               | -               |
| Other bank balances               | -               | -        | 0.99            | 0.99            | -           | -        | -               | -               |
| Trade receivables (net)           | -               | -        | 201.53          | 201.53          | -           | -        | -               | -               |
| Loans (net)                       | -               | -        | 499.12          | 499.12          | -           | -        | -               | -               |
| Investments                       | 2,471.26        | -        | -               | 2,471.26        | 4.28        | -        | 2,466.98        | 2,471.26        |
| Other financial assets (net)      | -               | -        | 60.84           | 60.84           | -           | -        | -               | -               |
| <b>Total</b>                      | <b>2,471.26</b> | <b>-</b> | <b>847.23</b>   | <b>3,318.49</b> | <b>4.28</b> | <b>-</b> | <b>2,466.98</b> | <b>2,471.26</b> |
| <b>Financial liabilities</b>      |                 |          |                 |                 |             |          |                 |                 |
| Trade payables                    | -               | -        | 4.83            | 4.83            | -           | -        | -               | -               |
| Debt securities                   | -               | -        | 1,897.90        | 1,897.90        | -           | -        | -               | -               |
| Borrowing (other debt securities) | -               | -        | 921.86          | 921.86          | -           | -        | -               | -               |
| Lease liabilities                 | -               | -        | 14.02           | 14.02           | -           | -        | -               | -               |
| Other financial liabilities       | -               | -        | 82.80           | 82.80           | -           | -        | -               | -               |
| <b>Total</b>                      | <b>-</b>        | <b>-</b> | <b>2,921.41</b> | <b>2,921.41</b> | <b>-</b>    | <b>-</b> | <b>-</b>        | <b>-</b>        |

**As at March 31, 2023**

(₹ in crore)

| Particulars                       | Carrying amount |          |                 |                 | Fair value   |          |                 |                 |
|-----------------------------------|-----------------|----------|-----------------|-----------------|--------------|----------|-----------------|-----------------|
|                                   | FVTPL           | FVTOCI   | Amortised Cost  | Total           | Level 1      | Level 2  | Level 3         | Total           |
| <b>Financial assets</b>           |                 |          |                 |                 |              |          |                 |                 |
| Cash and cash equivalents         | -               | -        | 39.20           | 39.20           | -            | -        | -               | -               |
| Other Bank balances               | -               | -        | 2.73            | 2.73            | -            | -        | -               | -               |
| Trade receivables (net)           | -               | -        | 304.23          | 304.23          | -            | -        | -               | -               |
| Loans (net)                       | -               | -        | 543.28          | 543.28          | -            | -        | -               | -               |
| Investments                       | 3,622.33        | -        | -               | 3,622.33        | 13.23        | -        | 3,609.10        | 3,622.33        |
| Other financial assets (net)      | -               | -        | 55.49           | 55.49           | -            | -        | -               | -               |
| <b>Total</b>                      | <b>3,622.33</b> | <b>-</b> | <b>944.93</b>   | <b>4,567.26</b> | <b>13.23</b> | <b>-</b> | <b>3,609.10</b> | <b>3,622.33</b> |
| <b>Financial liabilities</b>      |                 |          |                 |                 |              |          |                 |                 |
| Trade payables                    | -               | -        | 2.77            | 2.77            | -            | -        | -               | -               |
| Debt securities                   | -               | -        | 1,709.80        | 1,709.80        | -            | -        | -               | -               |
| Borrowing (other debt securities) | -               | -        | 1,408.13        | 1,408.13        | -            | -        | -               | -               |
| Lease liabilities                 | -               | -        | 16.08           | 16.08           | -            | -        | -               | -               |
| Other financial liabilities       | -               | -        | 21.90           | 21.90           | -            | -        | -               | -               |
| <b>Total</b>                      | <b>-</b>        | <b>-</b> | <b>3,158.68</b> | <b>3,158.68</b> | <b>-</b>     | <b>-</b> | <b>-</b>        | <b>-</b>        |

# Notes

forming part of the Standalone Financial Statements (Contd.)

## Notes

- 1 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, 2024 | 1,153.65       | 1,144.19   |
| As at March 31, 2023 | 1,011.34       | 1,117.92   |

- 2 Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognized in the financial statements approximate their fair values.
- 3 For financial assets that are measured at amortized cost, the carrying amounts are equal to the fair values.

### c) Valuation techniques used to determine the fair values:

- i) For level 1- Listed equity instruments are fair valued using quoted prices;
- ii) For level 2- fair value measurements are derived from quoted prices of equity instruments; and
- iii) For Level 3 fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Company. Further, necessary and appropriate adjustments (adequate provisions for contingencies/appropriate discounting of the cash flows) have been made by considering credit risk, uncertainties associated with prevailing economic condition, timing of the recoveries, strategy which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners and the value at which the collaterals are expected to be recovered for determination of fair value of the financial assets.

### d) Fair value measurements use significant unobservable inputs (Level-3):

The following table presents the changes in level 3 items for the year ended March 31, 2024 and March 31, 2023

(₹ in crore)

| Particulars                    | Investment in Security Receipts |
|--------------------------------|---------------------------------|
| <b>As at April 1, 2022</b>     | <b>3,052.65</b>                 |
| Acquisitions made              | 881.86                          |
| (Realisations) made            | (190.23)                        |
| Net Gain on fair value changes | (148.29)                        |
| <b>As at March 31, 2023</b>    | <b>3,595.99</b>                 |
| Acquisitions made              | 603.58                          |
| (Realisations) made            | (866.04)                        |
| Net Gain on fair value changes | (871.02)                        |
| <b>As at March 31, 2024</b>    | <b>2,462.51</b>                 |

### e) Sensitivity for instruments

(₹ in crore)

| Nature of the instrument        | Fair Value As at March 31, 2024 | Fair Value As at March 31, 2023 | Significant unobservable inputs*                                    | Increase / Decrease in the unobservable input | Sensitivity Impact for the year ended March 31, 2024* |             | Sensitivity Impact for the year ended March 31, 2023* |             |
|---------------------------------|---------------------------------|---------------------------------|---|---|---|-------------|---|-------------|
|                                 |                                 |                                 |   |   | FV Increase   | FV Decrease | FV Increase   | FV Decrease |
| Investment in Security receipts | 2,462.51                        | 3,595.99                        | Estimated cash flow based on realisation of collaterals value, etc. | 5%  | 189.44  | (189.44)    | 193.09  | (193.09)    |

\* above sensitivity is determined at percentage of outstanding security receipts at cost considering the normal course of business excluding exceptional item disclosed in note 32



f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

### 43. Financial risk management

The Company's activities expose it to credit risks, liquidity risks and market risks.

Risk management forms an integral part of the business and as it being into distressed credit business it exposed to several risks related to stress assets i.e. non-performing assets (NPA) acquired from banks and financial institutions. The Company has a robust account monitoring system which ensures early detection of risks whereby timely action can be taken to surmount any avoidable slippages. The Company has an effective mechanism of driving business through policies and committees. The Company has well balance and experienced team of resources to drive its business.

The Company has established Risk Management Committee and Asset Acquisition Committee, responsible for identifying, developing, monitoring and mitigating all the risks related to its business. The committees reports to the board of directors on regular basis.

#### i) Credit risk

Credit risk is the risk of loss that may occur from the failure of party to abide by the terms and conditions of any financial contract, principally the failure to make the required payments. In order to minimize credit risk, the Company has adopted a policy of acquisition of asset in a transparent manner and at a fair price in a well-informed market, and the transactions are executed at arm's length in exercise of due diligence and adopt an industry / sector neutral and geography neutral approach in targeting financial assets for acquisition. Credit risk management is achieved by considering the factors like cash flow, collateral values, etc.

In order to minimize credit risk, the Company has tasked its Risk Management Committee and Asset Acquisition Committee to develop and maintain the Company's credit risk grading's.

Company has classified its receivables in to following categories:

- a) Loans given (in the nature of restructuring loans, additional funding for working capital, etc.); and
- b) Other receivables under distress credit business.

#### Provision for expected credit loss

##### 1 For loans:

Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company's current credit risk rating and grading framework comprises the following categories:

For stage-1 performing assets- 12 months Expected Credit Loss (ECL); and

For stage-2- under-performing assets- lifetime ECL (on default occurred); and

For stage-3-credit impaired assets-based on expected cash flows

# Notes

forming part of the Standalone Financial Statements (Contd.)

## (i) Movement of gross carrying amount in loans given:

**As at March 31, 2024**

(₹ in crore)

| Particulars  | As at March 31, 2024 |          |               |               |
|--|----------------------|----------|---------------|---------------|
|  | Stage 1              | Stage 2  | Stage 3       | Total         |
| <b>Gross carrying amount-opening balance</b>         | <b>135.78</b>        | <b>-</b> | <b>429.43</b> | <b>565.21</b> |
| New assets originated or purchased                   | 83.82                | -        | 34.76         | 118.58        |
| Assets derecognised or repaid (excluding write offs) | (56.83)              | -        | (34.76)       | (91.59)       |
| <b>Gross carrying amount- closing balance</b>        | <b>162.77</b>        | <b>-</b> | <b>429.43</b> | <b>592.20</b> |

**As at March 31, 2023**

(₹ in crore)

| Particulars  | As at March 31, 2023 |          |               |               |
|--|----------------------|----------|---------------|---------------|
|  | Stage 1              | Stage 2  | Stage 3       | Total         |
| <b>Gross carrying amount-opening balance</b>         | <b>148.29</b>        | <b>-</b> | <b>472.40</b> | <b>620.69</b> |
| New assets originated or purchased                   | 33.61                | -        | -             | 33.61         |
| Assets derecognised or repaid (excluding write offs) | (46.12)              | -        | (42.97)       | (89.09)       |
| <b>Gross carrying amount- closing balance</b>        | <b>135.78</b>        | <b>-</b> | <b>429.43</b> | <b>565.21</b> |

## (ii) Movement of provision for impairment (ECL):

**As at March 31, 2024**

(₹ in crore)

| Particulars  | As at March 31, 2024 |          |              |              |
|--|----------------------|----------|--------------|--------------|
|  | Stage 1              | Stage 2  | Stage 3      | Total        |
| <b>ECL allowance - opening balance</b>               | <b>2.23</b>          | <b>-</b> | <b>19.70</b> | <b>21.93</b> |
| New assets originated or purchased                   | 0.54                 | -        | 70.71        | 71.25        |
| Assets derecognised or repaid (excluding write offs) | (0.10)               | -        | -            | (0.10)       |
| <b>ECL allowance - closing balance</b>               | <b>2.67</b>          | <b>-</b> | <b>90.41</b> | <b>93.08</b> |

**As at March 31, 2023**

(₹ in crore)

| Particulars  | As at March 31, 2023 |          |              |              |
|--|----------------------|----------|--------------|--------------|
|  | Stage 1              | Stage 2  | Stage 3      | Total        |
| <b>ECL allowance - opening balance</b>               | <b>2.44</b>          | <b>-</b> | <b>20.05</b> | <b>22.49</b> |
| New assets originated or purchased                   | 0.10                 | -        | -            | 0.10         |
| Assets derecognised or repaid (excluding write offs) | (0.31)               | -        | (0.35)       | (0.66)       |
| <b>ECL allowance - closing balance</b>               | <b>2.23</b>          | <b>-</b> | <b>19.70</b> | <b>21.93</b> |

## 2 For other receivables under distressed credit business:

For the purpose of measuring the expected credit loss, including the lifetime expected credit loss allowances for other receivables under distress credit business, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. ECL rates are based on actual credit loss experience over the past six years and the ECL rate is calculated by averaging loss rates over past six years.

There is no credit period defined for other receivables and amount is due on the date of invoice/ debit note. Interest is charged on overdue amount as per terms agreed.



**Movement of provision for impairment****As at March 31, 2024**

(₹ in crore)

| Particulars                            | As at March 31, 2024 |                        |              |
|--|----------------------|------------------------|--------------|
|  | Trade receivables    | Other financial assets | Total        |
| <b>ECL allowance - opening balance</b> | <b>38.58</b>         | <b>7.80</b>            | <b>46.38</b> |
| Addition                               | 5.66                 | 5.09                   | 10.75        |
| <b>Closing balance</b>                 | <b>44.24</b>         | <b>12.89</b>           | <b>57.13</b> |

**As at March 31, 2023**

(₹ in crore)

| Particulars                            | As at March 31, 2023 |                        |              |
|--|----------------------|------------------------|--------------|
|  | Trade receivables    | Other financial assets | Total        |
| <b>ECL allowance - opening balance</b> | <b>23.63</b>         | <b>9.68</b>            | <b>33.31</b> |
| Addition                               | 14.95                | (1.88)                 | 13.07        |
| <b>Closing balance</b>                 | <b>38.58</b>         | <b>7.80</b>            | <b>46.38</b> |

**The ageing of trade receivables :**

(₹ in crore)

| Particulars         | As at March 31, 2024 | As at March 31, 2023 |
|---------------------|----------------------|----------------------|
| Past due 1–180 days | 22.11                | 69.31                |
| More than 180 days  | 223.66               | 273.50               |
|                     | <b>245.77</b>        | <b>342.81</b>        |

**b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

Ultimate responsibility for liquidity risk rest with the management, which has established an appropriate liquidity risk framework for the management of the Company's short term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company has undrawn lines of credit of ₹ 10.58 crore and ₹ 69.01 crore as of March 31, 2024 and March 31, 2023 respectively, from its bankers for working capital requirements. The Company also has Bank balances of ₹ 84.75 crore as on March 31, 2024. The company is in process of raising of equity which would also be used for repayment of its obligation

**Exposure to liquidity risk**

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross and undiscounted.

# Notes

forming part of the Standalone Financial Statements (Contd.)

## As at March 31, 2024

(₹ in crore)

| Particulars                    | Contractual cash flows |                 |                 |                 |               |                   |
|--------------------------------|------------------------|-----------------|-----------------|-----------------|---------------|-------------------|
|                                | Carrying amount        | Total           | 0-1 year        | 1-3 years       | 3-5 years     | More than 5 years |
| <b>Financial Liabilities</b>   |                        |                 |                 |                 |               |                   |
| Borrowings and debt securities | 2,819.76               | 2,819.76        | 1,940.01        | 879.75          | -             | -                 |
| Trade payables                 | 4.83                   | 4.83            | 4.83            | -               | -             | -                 |
| Lease liabilities              | 14.02                  | 14.02           | 2.23            | 5.44            | 6.35          | -                 |
| Other financial liabilities    | 82.80                  | 82.80           | 81.60           | 1.20            | -             | -                 |
| <b>Total</b>                   | <b>2,921.41</b>        | <b>2,921.41</b> | <b>2,028.67</b> | <b>886.39</b>   | <b>6.35</b>   | <b>-</b>          |
| <b>Financial Assets</b>        |                        |                 |                 |                 |               |                   |
| Cash and cash equivalents      | 84.75                  | 84.75           | 84.75           | -               | -             | -                 |
| Other Bank balances            | 0.99                   | 0.99            | 0.99            | -               | -             | -                 |
| Trade receivables (net)        | 201.53                 | 201.53          | 55.56           | 145.97          | -             | -                 |
| Loans (net)                    | 499.12                 | 499.12          | 286.58          | 212.54          | -             | -                 |
| Investment                     | 2,471.26               | 2,471.26        | 1,043.69        | 1,013.25        | 406.77        | 7.55              |
| Other Financial Assets (net)   | 60.84                  | 60.84           | 34.56           | 24.69           | 1.59          | -                 |
| <b>Total</b>                   | <b>3,318.47</b>        | <b>3,318.47</b> | <b>1,506.11</b> | <b>1,396.45</b> | <b>408.36</b> | <b>7.55</b>       |

## As at March 31, 2023

(₹ in crore)

| Particulars                    | Contractual cash flows |                 |                 |                 |               |                   |
|--------------------------------|------------------------|-----------------|-----------------|-----------------|---------------|-------------------|
|                                | Carrying amount        | Total           | 0-1 year        | 1-3 years       | 3-5 years     | More than 5 years |
| <b>Financial Liabilities</b>   |                        |                 |                 |                 |               |                   |
| Borrowings and debt securities | 3,117.93               | 3,117.93        | 1,398.14        | 1,716.36        | 3.43          | -                 |
| Trade payables                 | 2.77                   | 2.77            | 2.77            | -               | -             | -                 |
| Lease liabilities              | 16.08                  | 16.08           | 2.03            | 4.78            | 5.95          | 3.32              |
| Other financial liabilities    | 21.90                  | 21.90           | 21.31           | 0.59            | -             | -                 |
| <b>Total</b>                   | <b>3,158.68</b>        | <b>3,158.68</b> | <b>1,424.25</b> | <b>1,721.73</b> | <b>9.38</b>   | <b>3.32</b>       |
| <b>Financial Assets</b>        |                        |                 |                 |                 |               |                   |
| Cash and cash equivalents      | 39.20                  | 39.20           | 39.20           | -               | -             | -                 |
| Other Bank balances            | 2.73                   | 2.73            | 2.48            | 0.25            | -             | -                 |
| Trade receivables (net)        | 304.23                 | 304.23          | 92.18           | 135.19          | 76.86         | -                 |
| Loans (net)                    | 543.28                 | 543.28          | 537.72          | 5.56            | -             | -                 |
| Investment                     | 3,622.33               | 3,622.33        | 1,705.05        | 1,686.97        | 222.80        | 7.51              |
| Other Financial Assets (net)   | 55.49                  | 55.49           | 17.11           | 32.52           | 1.99          | 3.87              |
| <b>Total</b>                   | <b>4,567.24</b>        | <b>4,567.24</b> | <b>2,393.72</b> | <b>1,860.49</b> | <b>301.65</b> | <b>11.38</b>      |

## Note

- The maturities of non-derivative financial liabilities are based on the earliest date on which the Company may be required to pay.
- The maturities of the financial assets are based on the management's estimation on realization.
- The liquidity gap between 0-1 year for the financial year 2023-24 would be met by refinancing through bank facilities /other refinancing options. The liquidity gap includes inter corporate deposit payable to related party which are payable on call and also Bank working capital balances which are annually renewable. The company would also have equity available from fresh infusion to repay its obligation.



The following are the details of Company remaining contractual maturities of financial liabilities based on undiscounted cash flows:

### As at March 31, 2024

(₹ in crore)

| Particulars                    | Contractual cash flows |                 |                 |                 |             |                   |
|--------------------------------|------------------------|-----------------|-----------------|-----------------|-------------|-------------------|
|                                | Carrying amount        | Total           | 0-1 year        | 1-3 years       | 3-5 years   | More than 5 years |
| <b>Financial Liabilities</b>   |                        |                 |                 |                 |             |                   |
| Borrowings and debt securities | 2,819.76               | 2,836.64        | 1,725.22        | 1,111.42        | -           | -                 |
| Trade payables                 | 4.83                   | 4.83            | 4.83            | -               | -           | -                 |
| Lease liabilities              | 14.02                  | 17.38           | 3.42            | 7.03            | 6.93        | -                 |
| Other financial liabilities    | 82.80                  | 82.80           | 81.60           | 1.20            | -           | -                 |
| <b>Total</b>                   | <b>2,921.41</b>        | <b>2,941.65</b> | <b>1,815.07</b> | <b>1,119.65</b> | <b>6.93</b> | <b>-</b>          |

### As at March 31, 2023

(₹ in crore)

| Particulars                    | Contractual cash flows |                 |                 |                 |              |                   |
|--------------------------------|------------------------|-----------------|-----------------|-----------------|--------------|-------------------|
|                                | Carrying amount        | Total           | 0-1 year        | 1-3 years       | 3-5 years    | More than 5 years |
| <b>Financial Liabilities</b>   |                        |                 |                 |                 |              |                   |
| Borrowings and debt securities | 3,117.93               | 3,135.43        | 1,399.64        | 1,732.36        | 3.43         | -                 |
| Trade payables                 | 2.77                   | 2.77            | 2.77            | -               | -            | -                 |
| Lease liabilities              | 16.08                  | 20.66           | 3.34            | 6.80            | 7.05         | 3.47              |
| Other financial liabilities    | 21.90                  | 21.90           | 21.31           | 0.59            | -            | -                 |
| <b>Total</b>                   | <b>3,158.68</b>        | <b>3,180.76</b> | <b>1,427.06</b> | <b>1,739.75</b> | <b>10.48</b> | <b>3.47</b>       |

### c) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

#### 1. Currency risk

The functional currency of the Company is Indian Rupee (₹). The Company has not undertaken any transactions denominated in foreign currencies and therefore is not exposure to exchange rate fluctuations. Company has not taken derivative contracts during the year.

#### 2. Interest rate risk

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk and provide appropriate guidelines to the Treasury to manage such risk. The ALCO reviews the interest rate risk on periodic basis and decides on the appropriate funding mix.

#### Exposure to interest rate risk

The exposure of the Company's borrowings to the interest rates risk at the end of the reporting period is:

(₹ in crore)

| Borrowings:              | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Fixed rate borrowings    | 1,916.45                | 2,049.00                |
| Floating rate borrowings | 778.32                  | 932.77                  |
| <b>Total</b>             | <b>2,694.77</b>         | <b>2,981.77</b>         |

# Notes

forming part of the Standalone Financial Statements (Contd.)

## Interest rate Sensitivity analysis:

The sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates.

If floating rate of interest had been 100 basis points higher/ lower, the Company's profit for the year ended March 31, 2024 would decrease/ increase by ₹ 7.78 crore (Previous year: decrease/ increase by ₹ 9.33 crore).

## 3 Equity Price Risk

Equity price risk is related to the change in market reference price of the instruments in quoted and unquoted securities. The fair value of the Company's investments exposes to company to equity price risks. In general, these securities are not held for trading purposes.

## Equity Price Sensitivity analysis:

The fair value of equity instruments as at March 31, 2024 aggregate to ₹ 4.28 crore (Previous year ₹ 13.23 crore). If price of equity instruments decrease/ increase by 5%, the Company's profit for the year ended March 31, 2024 would be decrease/ increase by ₹ 0.21 crore (Previous year: decrease/ increase by ₹ 0.66 crore).

## 44. Maturity Analysis of Assets and Liabilities

(₹ in crore)

| Sr. No. | Particulars                             | As at March 31, 2024 |                 |                 | As at March 31, 2023 |                 |                 |
|---------|---|----------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
|         |   | Within 12 months     | After 12 months | Total           | Within 12 months     | After 12 months | Total           |
|         | <b>ASSETS</b>                           |                      |                 |                 |                      |                 |                 |
| (1)     | <b>Financial Assets</b>                 |                      |                 |                 |                      |                 |                 |
| (a)     | Cash and cash equivalents               | 84.75                | -               | 84.75           | 39.20                | -               | 39.20           |
| (b)     | Other bank balances                     | 0.99                 | -               | 0.99            | 2.48                 | 0.25            | 2.73            |
| (c)     | Trade Receivables                       | 55.56                | 145.97          | 201.53          | 92.18                | 212.05          | 304.23          |
| (d)     | Loans                                   | 286.58               | 212.54          | 499.12          | 537.72               | 5.56            | 543.28          |
| (e)     | Investments                             | 1,043.70             | 1,427.56        | 2,471.26        | 1,705.06             | 1,917.27        | 3,622.33        |
| (f)     | Other Financial assets                  | 34.56                | 26.28           | 60.84           | 17.11                | 38.38           | 55.49           |
|         | <b>Total Financial Assets</b>           | <b>1,506.14</b>      | <b>1,812.35</b> | <b>3,318.49</b> | <b>2,393.75</b>      | <b>2,173.51</b> | <b>4,567.26</b> |
| (2)     | <b>Non-financial Assets</b>             |                      |                 |                 |                      |                 |                 |
| (a)     | Current tax Assets (Net)                | -                    | 83.75           | 83.75           | -                    | 44.35           | 44.35           |
| (b)     | Deferred tax Assets (Net)               | -                    | 113.42          | 113.42          | -                    | 83.64           | 83.64           |
| (c)     | Property, Plant and Equipment           | -                    | 11.33           | 11.33           | -                    | 13.52           | 13.52           |
| (d)     | Other Intangible assets                 | -                    | 0.15            | 0.15            | -                    | 0.03            | 0.03            |
| (e)     | Other non-financial assets              | 1.33                 | -               | 1.33            | 2.26                 | -               | 2.26            |
|         | <b>Total Non -financial Assets</b>      | <b>1.33</b>          | <b>208.65</b>   | <b>209.98</b>   | <b>2.26</b>          | <b>141.54</b>   | <b>143.80</b>   |
|         | <b>Total Assets</b>                     | <b>1,507.47</b>      | <b>2,021.00</b> | <b>3,528.47</b> | <b>2,396.01</b>      | <b>2,315.05</b> | <b>4,711.06</b> |
|         | <b>LIABILITIES AND EQUITY</b>           |                      |                 |                 |                      |                 |                 |
|         | <b>LIABILITIES</b>                      |                      |                 |                 |                      |                 |                 |
| (1)     | <b>Financial Liabilities</b>            |                      |                 |                 |                      |                 |                 |
| (a)     | Trade Payables                          | 4.83                 | -               | 4.83            | 2.77                 | -               | 2.77            |
| (b)     | Debt Securities                         | 1,099.58             | 798.32          | 1,897.90        | 221.43               | 1,488.37        | 1,709.80        |
| (c)     | Borrowings (Other than Debt Securities) | 840.43               | 81.43           | 921.86          | 1,176.71             | 231.42          | 1,408.13        |
| (d)     | Lease liabilities                       | 2.23                 | 11.79           | 14.02           | 2.03                 | 14.05           | 16.08           |
| (e)     | Other financial liabilities             | 81.60                | 1.20            | 82.80           | 21.31                | 0.59            | 21.90           |
|         | <b>Total Financial Liabilities</b>      | <b>2,028.67</b>      | <b>892.74</b>   | <b>2,921.41</b> | <b>1,424.25</b>      | <b>1,734.43</b> | <b>3,158.68</b> |



(₹ in crore)

| Sr. No. | Particulars                            | As at March 31, 2024 |                 |                 | As at March 31, 2023 |                 |                 |
|---------|--|----------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
|         |  | Within 12 months     | After 12 months | Total           | Within 12 months     | After 12 months | Total           |
| (2)     | <b>Non-Financial Liabilities</b>       |                      |                 |                 |                      |                 |                 |
| (a)     | Provisions                             | 0.45                 | 1.30            | 1.75            | 0.91                 | 1.18            | 2.09            |
| (b)     | Other non-financial liabilities        | 12.97                | -               | 12.97           | 17.20                | -               | 17.20           |
|         | <b>Total Non-Financial Liabilities</b> | <b>13.42</b>         | <b>1.30</b>     | <b>14.72</b>    | <b>18.11</b>         | <b>1.18</b>     | <b>19.29</b>    |
|         | <b>Total Liabilities</b>               | <b>2,042.10</b>      | <b>894.04</b>   | <b>2,936.13</b> | <b>1,442.36</b>      | <b>1,735.61</b> | <b>3,177.97</b> |
|         | <b>Net (A-B)</b>                       | <b>(534.63)</b>      | <b>1,126.96</b> | <b>592.34</b>   | <b>953.65</b>        | <b>579.44</b>   | <b>1,533.09</b> |

**Note :** Maturity Analysis of Assets and Liabilities- within 12 months of current year is negative on account of ICDs payables to related parties which are payable on call and working capital demand loans/ cash credit facilities which are annually renewals. The shortfall will be balanced through refinancing/ others modes of borrowings and fresh infusion of equity.

#### 45. Employee Stock Option Scheme

The Employee Stock Option Scheme (the “Scheme”) provides for grant of stock options to the eligible employees and/or directors (“the Employees”) of the Company. The Stock Options are granted at an exercise price, which is either equal to the fair market price or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee of the Board of the Company.

During the financial year 2023-24, the Nomination and Remuneration Committee has granted Nil options (previous year 19,60,749 options) at an exercise price of ₹ Nil per option (previous year ₹ 33.63 per option) to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

| Particulars                                | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Outstanding at the beginning of the year   | 34,99,797               | 20,08,819               |
| Add: Granted during the year               | -                       | 19,60,749               |
| Less: Forfeited/cancelled during the year  | (27,423)                | (4,69,771)              |
| Less: Lapsed/not exercised during the year | (30,183)                | -                       |
| Outstanding at end of the year             | 34,42,191               | 34,99,797               |
| Exercisable at end of the year             | 9,73,347                | 3,95,361                |

The Company follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Details of options granted during the current and previous financial year based on the graded vesting and fair value of the options are as under:

| Tranches  | % of Options to be vested | No. of options granted |               | Vesting date |               | Fair value per option (₹) |               |
|-----------|---------------------------|------------------------|---------------|--------------|---------------|---------------------------|---------------|
|           |                           | Current year           | Previous year | Current year | Previous year | Current year              | Previous year |
| Tranche 1 | 33.33%                    | -                      | 6,53,583      | -            | 19-04-2024    | -                         | 22.14         |
| Tranche 2 | 33.33%                    | -                      | 6,53,583      | -            | 19-04-2025    | -                         | 24.33         |
| Tranche 3 | 33.34%                    | -                      | 6,53,583      | -            | 19-04-2026    | -                         | 26.23         |

# Notes

forming part of the Standalone Financial Statements (Contd.)

The following table summarizes the assumptions used in calculating the grant date fair value:

| Tranches  | Life of the Option (in years) |               | Risk-free interest rate |               | Volatility   |               | Dividend Yield* |               |
|-----------|-------------------------------|---------------|-------------------------|---------------|--------------|---------------|-----------------|---------------|
|           | Current year                  | Previous year | Current year            | Previous year | Current year | Previous year | Current year    | Previous year |
| Tranche 1 | -                             | 3.50          | -                       | 6.85%         | -            | 0.5004        | -               | -             |
| Tranche 2 | -                             | 4.50          | -                       | 7.12%         | -            | 0.4940        | -               | -             |
| Tranche 3 | -                             | 5.50          | -                       | 7.32%         | -            | 0.4897        | -               | -             |

\* Dividend Yield is Nil as the Company has not declared and paid any dividend in previous years and no dividend is expected to be paid.

Details of options granted under various series are as under :

| Particulars                                      | Series I   | Series II  | Series III   |
|--|--|--|--|
| Grant date                                       | 16 April 2020  | 19 April 2021  | 04 May 2022  |
| Options granted                                  | 15,81,444  | 9,09,549   | 19,60,749  |
| Options forfeited/cancelled till March 31, 2024  | (4,06,344)   | (2,87,562)   | (2,85,462)   |
| Options lapsed/not exercised till March 31, 2024 | (21,963)   | (8,220)  | -  |
| Outstanding at end of year                       | 11,53,137  | 6,13,767   | 16,75,287  |
| Exercisable at end of year                       | 7,68,758   | 2,04,589   | -  |
| Vesting of options                               | 1/3rd Options each on completion of first, second and third year from the date of grant of options | 1/3rd Options each on completion of first, second and third year from the date of grant of options | 1/3rd Options each on completion of first, second and third year from the date of grant of options |
| Exercise period                                  | Within 3 years from the date of vesting  | Within 3 years from the date of vesting  | Within 3 years from the date of vesting  |
| Exercise price                                   | ₹ 28.46  | ₹ 29.69  | ₹ 33.63  |
| Pricing formula                                  | As was determined by the Nomination and Remuneration Committee                                     | As was determined by the Nomination and Remuneration Committee                                     | As was determined by the Nomination and Remuneration Committee                                     |

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 1.91 crore (Previous year: ₹ 2.12 crore).

## 46. Schedule of security receipts

(₹ in crore)

| Name of Trust                               | As at March 31, 2024 |        | As at March 31, 2023 |        |
|---|----------------------|--------|----------------------|--------|
|   | No. of SRs           | Amount | No. of SRs           | Amount |
| <b>A) Subsidiary Trusts (at fair value)</b> |                      |        |                      |        |
| JMFARC - DB-ICICI - Trust &                 | -                    | -      | 1,15,000             | -      |
| JMFARC - DB-SBI - Trust &                   | -                    | -      | 61,000               | -      |
| JMFARC - DB-DCB - Trust &                   | -                    | -      | 7,500                | -      |
| JMFARC - JORD-SUUTI - Trust &               | -                    | -      | 8,000                | -      |
| JMFARC - Pasupati- SASF - Trust             | 2,50,000             | -      | 2,50,000             | -      |
| JMFARC - Central bank - Tube - Trust &      | -                    | -      | 50,000               | -      |
| JMFARC - UTI - Tube - Trust &               | -                    | -      | 6,000                | -      |
| JMFARC - SASF Tube - Trust &                | -                    | -      | 62,000               | -      |
| JMFARC - UCO Bank March 2011 - Trust        | 16,500               | -      | 16,500               | -      |
| JMFARC - Corp Apparel 2013 -Trust           | 1,20,000             | 0.01   | 1,20,000             | 0.01   |
| JMFARC - Central India 2013 - Trust         | 2,89,360             | 28.07  | 2,89,360             | 28.07  |
| JMFARC - Dena Bank March 2014 - Trust       | 67,000               | 1.38   | 67,000               | 1.38   |
| JMFARC - Gelatine March 2014 - Trust        | 6,28,672             | 6.34   | 6,28,672             | 6.34   |





(₹ in crore)

| Name of Trust                                      | As at March 31, 2024 |        | As at March 31, 2023 |        |
|--|----------------------|--------|----------------------|--------|
|  | No. of SRs           | Amount | No. of SRs           | Amount |
| JMFARC - ICICI Bank July 2014 - Trust              | 20,000               | #      | 20,000               | #      |
| JMFARC - Axis Bank Cement March 2015 - Trust       | 2,30,000             | 13.80  | 2,30,000             | 23.01  |
| JMFARC - ICICI Bank Cement June 2015 - Trust       | 1,70,500             | 10.11  | 1,70,500             | 17.66  |
| JMFARC - United Bank Cement September 2015 - Trust | 1,80,000             | 18.34  | 1,80,000             | 18.34  |
| JMFARC - ICICI Geometric - Trust                   | 61,500               | -      | 61,500               | -      |
| JMFARC - Axis Bank February 2016 - Trust           | 87,500               | -      | 87,500               | -      |
| JMFARC - OBC Cement March 2016 - Trust             | 49,700               | 1.62   | 49,700               | 2.91   |
| JMFARC - Axis Iris II March 2016 - Trust           | 60,000               | 6.00   | 60,000               | 6.00   |
| JMFARC - SBI Geometric October 2016 - Trust        | 4,53,000             | -      | 4,53,000             | -      |
| JMFARC - IRIS Cash 2016 - Trust                    | 4,26,200             | 58.63  | 4,26,200             | 89.66  |
| JMFARC - Tata Capital December 2016 - Trust        | 1,30,000             | 43.39  | 1,30,000             | 9.87   |
| JMFARC - IDBI March 2017 - Trust                   | 30,000               | 2.34   | 30,000               | 2.34   |
| JMFARC - IRIS IIFL May 2017 - Trust                | 27,500               | 3.00   | 27,500               | 4.65   |
| JMFARC - IRIS Cash July 2017 - Trust               | 2,64,000             | 13.83  | 2,64,000             | 24.52  |
| JMFARC - Woods October 2017 - Trust                | 1,87,500             | 9.81   | 1,87,500             | 14.72  |
| JMFARC - IRIS Cash March 2018 - Trust              | 78,500               | 3.47   | 78,500               | 5.30   |
| JMFARC - Fabrics June 2018 - Trust                 | 8,30,000             | 22.07  | 8,30,000             | 70.32  |
| JMFARC - Metallica July 2018 - Trust               | 1,66,500             | -      | 1,66,500             | -      |
| JMFARC - Fabrics August 2018 I - Trust             | 80,20,000            | 237.80 | 80,20,000            | 749.58 |
| JMFARC - Fabrics September 2018 I - Trust          | 7,53,500             | 22.46  | 7,53,500             | 71.58  |
| JMFARC - Fabrics September 2018 II - Trust         | 5,35,300             | 16.01  | 5,35,300             | 50.84  |
| JMFARC - PNB IRIS II September 2018 - Trust        | 11,510               | 1.15   | 11,510               | 1.15   |
| JMFARC - Fabrics March 2019 I - Trust              | 3,37,800             | 10.08  | 3,37,800             | 32.09  |
| JMFARC - BOB 2008 - Trust                          | 1,11,600             | -      | 1,11,600             | -      |
| JMFARC - SME Retail 2011 - Trust                   | 13,365               | #      | 13,365               | #      |
| JMFARC - IOB II March 2011 - Trust Class A         | 1,04,200             | -      | 1,04,200             | -      |
| JMFARC - IOB II March 2011 - Trust Class B         | 5,800                | -      | 5,800                | -      |
| JMFARC - Federal Bank March 2013 - Trust           | 10,00,000            | 17.43  | 10,00,000            | 19.11  |
| JMFARC - Corp I 2013 - Trust                       | 93,000               | 4.05   | 93,000               | 4.05   |
| JMFARC - Corp II 2013 - Trust                      | 58,800               | 0.01   | 58,800               | 0.01   |
| JMFARC - Allahabad Bank June 2017 - Trust          | 36,000               | 0.01   | 36,000               | 0.01   |
| JMFARC - Allahabad Bank Textile June 2017 - Trust  | 69,000               | 0.01   | 69,000               | 0.01   |
| JMFARC - Federal Bank June 2017 - Trust            | 15,72,000            | -      | 15,72,000            | 3.50   |
| JMFARC - Metallica February 2018 - Trust           | 12,21,809            | -      | 12,21,809            | -      |
| JMFARC - Metallica November 2018 - Trust           | 6,56,405             | -      | 6,56,405             | -      |
| JMFARC - Metallica December 2018 - Trust           | 6,75,629             | -      | 6,75,629             | -      |
| JMFARC - KTK Metallica December 2018 - Trust       | 3,47,199             | -      | 3,47,199             | -      |
| JMFARC - Retail June 2011 - Trust                  | 4,69,884             | 0.05   | 4,69,884             | 0.05   |
| JMFARC - Retail Aug 2011 - Trust                   | 7,039                | #      | 7,039                | #      |
| JMFARC - Fabrics June 2019 II - Trust              | 7,07,500             | 21.20  | 7,07,500             | 67.21  |
| JMFARC - Fabrics June 2019 III - Trust             | 1,83,100             | 5.49   | 1,83,100             | 17.39  |
| JMFARC - Fabrics December 2019 I - Trust           | 49,100               | 1.44   | 49,100               | 4.66   |
| JMFARC - March 2018 - Trust                        | 12,00,000            | 93.85  | 12,00,000            | 93.85  |
| JMFARC - Fabrics September 2020 - Trust            | 1,00,900             | 3.02   | 1,00,900             | 9.59   |
| JMFARC - Fabrics November 2020 - Trust             | 5,08,000             | 15.41  | 5,08,000             | 48.26  |
| JMFARC - Coated February 2021 - Trust              | 39,05,900            | -      | 39,05,900            | 474.57 |
| Deccan 2021 Trust                                  | 6,94,900             | 9.51   | 6,94,900             | 9.51   |
| Deccan June 2022 - Trust                           | 2,00,000             | 3.03   | 2,00,000             | 3.03   |

# Notes

forming part of the Standalone Financial Statements (Contd.)

(₹ in crore)

| Name of Trust                                       | As at March 31, 2024 |                 | As at March 31, 2023 |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | No. of SRs           | Amount          | No. of SRs           | Amount          |
| Deccan January 2023 Trust                           | 9,46,700             | 94.67           | 9,46,700             | 94.67           |
| Textile 2022 - Trust                                | 14,28,228            | 164.81          | 14,28,228            | 139.81          |
| Retail June 2022 - Trust*                           | -                    | -               | 19,03,040            | 139.33          |
| Real Estate May 2023 Trust®                         | 19,80,000            | 149.72          | -                    | -               |
| Deccan September 2023 Trust®                        | 10,72,700            | 107.27          | -                    | -               |
| <b>Total</b>  |                      | <b>1,220.69</b> |                      | <b>2,358.96</b> |
| <b>B) Non Subsidiary Trusts (at fair value)</b>     |                      |                 |                      |                 |
| JMFARC - BOI 2009 - Trust                           | 48,600               | -               | 48,600               | -               |
| JMFARC - Swarna 2011 - Trust                        | 72,199               | 0.98            | 72,199               | 0.98            |
| JMFARC - Swarna II 2012 - Trust Class A             | 66,200               | 1.58            | 66,200               | 1.58            |
| JMFARC - Swarna II 2012 - Trust Class B             | 12,500               | 0.31            | 12,500               | 0.31            |
| JMFARC - OBC March 2014 - Trust                     | 34,500               | -               | 34,500               | -               |
| JMFARC - Fed Gelatine March 2014 - Trust            | 17,500               | -               | 17,500               | -               |
| JMFARC - OBC March 2014 II - Trust                  | 4,760                | 0.29            | 4,760                | 0.29            |
| JMFARC - UBOI March 2014 - Trust                    | 66,750               | 0.73            | 66,750               | 1.72            |
| JMFARC - SBI Ceramics June 2014 - Trust             | 1,56,000             | 1.54            | 1,56,000             | 3.68            |
| JMFARC - Indian Bank June 2014 - Trust              | 32,200               | 0.38            | 32,200               | 0.91            |
| JMFARC - Vijaya Bank June 2014 - Trust              | 25,360               | 0.10            | 25,360               | 0.76            |
| JMFARC - Hotels June 2014 - Trust Class A           | 3,29,099             | -               | 3,29,099             | -               |
| JMFARC - Hotels June 2014 - Trust Class B           | 20,71,631            | -               | 20,71,631            | -               |
| JMFARC - Central Bank of India June 2014 - Trust    | 32,000               | -               | 32,000               | -               |
| JMFARC - CSB Ceramics September 2014 - Trust        | 32,625               | 1.21            | 32,625               | 2.45            |
| JMFARC - LVB Ceramics September 2014 - Trust        | 27,900               | 0.77            | 27,900               | 1.56            |
| JMFARC - SBOP Ceramics December 2014 - Trust        | 11,850               | 0.62            | 11,850               | 0.89            |
| JMFARC - SBH Ceramics December 2014 - Trust         | 60,000               | 3.08            | 60,000               | 4.32            |
| JMFARC - SBT Ceramics March 2015 - Trust            | 23,250               | 1.11            | 23,250               | 1.74            |
| JMFARC - SBI Steel March 2015 - Trust               | 93,150               | -               | 93,150               | -               |
| JMFARC - SBM Ceramics March 2015 - Trust            | 12,750               | 0.78            | 12,750               | 0.94            |
| JMFARC - Karnataka Bank Cement March 2015 - Trust   | 49,500               | 1.78            | 49,500               | 3.61            |
| JMFARC - Vijaya Bank Ceramics March 2015 - Trust    | 27,000               | 0.79            | 27,000               | 1.49            |
| JMFARC - SBH Cement June 2015 - Trust               | 66,000               | 2.44            | 66,000               | 4.95            |
| JMFARC - United Bank Textile September 2015 - Trust | 27,075               | 0.64            | 27,075               | 0.69            |
| JMFARC - PNB Ceramics November 2015 - Trust         | 4,01,640             | 14.82           | 4,01,640             | 27.46           |
| JMFARC - Corp Bank Ceramics September 2015 - Trust  | 46,065               | 2.54            | 46,065               | 3.59            |
| JMFARC - SBOP Geometric - Trust                     | 61,560               | -               | 61,560               | -               |
| JMFARC - Dena Ceramics January 2016 - Trust         | 15,750               | 0.52            | 15,750               | 1.04            |
| JMFARC - UBOI Steel March 2016 - Trust              | 63,000               | -               | 63,000               | -               |
| JMFARC - IDBI Ceramics March 2016 - Trust           | 57,180               | 3.05            | 57,180               | 3.66            |
| JMFARC - EXIM Ceramics March 2016 - Trust           | 17,101               | 0.91            | 17,101               | 1.30            |
| JMFARC - UCO Geometric March 2016 - Trust           | 88,965               | -               | 88,965               | -               |
| JMFARC - KVB Iris II March 2016 - Trust             | 37,500               | 5.63            | 37,500               | 5.63            |
| JMFARC - Indian Bank March 2016 - Trust             | 97,515               | -               | 97,515               | 0.09            |
| JMFARC - ICICI Bank September 2016 - Trust          | 8,55,495             | 15.16           | 8,55,495             | 15.62           |
| JMFARC - IOB March 2016 - Trust                     | 50,250               | 1.27            | 50,250               | 1.42            |
| JMFARC - Iris March 2016 - Trust                    | 10,00,165            | 35.84           | 10,00,165            | 104.15          |
| JMFARC - Exim Iris March 2016 - Trust               | 60,000               | 1.66            | 60,000               | 5.22            |
| JMFARC - Axis Iris March 2016 - Trust               | 1,50,000             | 6.36            | 1,50,000             | 19.20           |
| JMFARC - KB Metals September 2016 - Trust           | 22,500               | #               | 22,500               | #               |
| JMFARC - Andhra Resin September 2016 - Trust        | 37,605               | #               | 37,605               | #               |
| JMFARC - Dena SEZ September 2016 - Trust            | 7,335                | 0.37            | 7,335                | 0.55            |
| JMFARC - IDBI Geometric Dec 2016 - Trust            | 41,250               | -               | 41,250               | -               |



(₹ in crore)

| Name of Trust  | As at March 31, 2024 |        | As at March 31, 2023 |        |
|--|----------------------|--------|----------------------|--------|
|  | No. of SRs           | Amount | No. of SRs           | Amount |
| JMFARC - IRIS December 2016 - Trust                        | 31,110               | 2.21   | 31,110               | 4.67   |
| JMFARC - IRIS UBOI December 2016 - Trust                   | 16,005               | 0.86   | 16,005               | 2.30   |
| JMFARC - IRIS PNB January 2017 - Trust                     | 41,550               | 2.02   | 41,550               | 5.90   |
| JMFARC - IOB CHN March 2017 - Trust                        | 37,500               | 3.49   | 37,500               | 3.56   |
| JMFARC - IOB Ceramics March 2017 - Trust                   | 33,000               | 1.25   | 33,000               | 2.18   |
| JMFARC - IRIS United March 2017 - Trust                    | 66,900               | 0.49   | 66,900               | 4.36   |
| JMFARC - SBP March 2017 - Trust                            | 31,665               | 1.68   | 31,665               | 2.28   |
| JMFARC - IRIS UCO March 2017 - Trust                       | 38,310               | 1.39   | 38,310               | 4.61   |
| JMFARC - SBP Retreat March 2017 - Trust                    | 77,600               | 5.42   | 77,600               | 7.23   |
| JMFARC - SBI Retreat March 2017 - Trust                    | 1,66,800             | 11.65  | 1,66,800             | 15.53  |
| JMFARC - SBI Tollways March 2017 - Trust                   | 1,53,000             | 2.70   | 1,53,000             | 4.32   |
| JMFARC - Karnataka Bank September 2017 - Trust             | 20,310               | 1.07   | 20,310               | 1.47   |
| JMFARC - Syndicate Ceramics September 2017 - Trust         | 1,25,250             | 4.35   | 1,25,250             | 6.76   |
| JMFARC - Allahabad Bank December 2017 - Trust              | 76,275               | 5.49   | 76,275               | 7.02   |
| JMFARC - Motors December 2017 - Trust                      | 94,500               | 5.39   | 94,500               | 5.39   |
| JMFARC - IOB Metallica February 2018 - Trust               | 3,60,000             | -      | 3,60,000             | -      |
| JMFARC - Township February 2018 - Trust                    | 4,80,000             | 8.47   | 4,80,000             | 36.00  |
| JMFARC - IRIS Canara March 2018 - Trust                    | 18,225               | 1.22   | 18,225               | 2.15   |
| JMFARC - Alphahealth 2018 - Trust                          | 17,80,700            | 190.53 | 17,80,700            | 190.88 |
| JMFARC - Fabrics August 2018 II - Trust                    | 3,80,000             | 29.64  | 3,80,000             | 36.10  |
| JMFARC - Fabrics September 2018 III - Trust                | 40,200               | 2.12   | 40,200               | 3.82   |
| JMFARC - IRIS SIDBI December 2018 - Trust                  | 33,000               | 2.43   | 33,000               | 4.77   |
| JMFARC - Infra March 2019 - Trust                          | 60,000               | 4.50   | 60,000               | 4.50   |
| JMFARC - IOB March 2011 - Trust Class A                    | 2,80,000             | -      | 2,80,000             | -      |
| JMFARC - IOB March 2011 - Trust Class B                    | 96,500               | -      | 96,500               | -      |
| JMFARC - UCO Bank March 2014 - Trust                       | 4,62,500             | 6.09   | 4,62,500             | 6.44   |
| JMFARC - SBI March 2014 I - Trust                          | 1,73,750             | 4.78   | 1,73,750             | 5.17   |
| JMFARC - SBI March 2014 II - Trust                         | 45,250               | 1.52   | 45,250               | 1.52   |
| JMFARC - Cosmos March 2014 - Trust                         | 1,54,500             | 1.32   | 1,54,500             | 1.47   |
| JMFARC - Indian Bank March 2014 - Trust                    | 44,500               | -      | 44,500               | -      |
| JMFARC - BOI March 2014 II - Trust                         | 2,15,750             | -      | 2,15,750             | -      |
| JMFARC - OBC June 2014 - Trust                             | 8,915                | -      | 8,915                | -      |
| JMFARC - Karnataka Bank December 2014 - Trust              | 1,72,500             | 3.13   | 1,72,500             | 3.43   |
| JMFARC - CSB September 2015 - Trust                        | 63,000               | 0.01   | 63,000               | 0.01   |
| JMFARC - SBH December 2015 - Trust                         | 73,380               | -      | 73,380               | -      |
| JMFARC - KVB March 2016 - Trust                            | 3,55,095             | 5.52   | 3,55,095             | 10.11  |
| JMFARC - Federal Bank March 2016 - Trust                   | 73,350               | 3.77   | 73,350               | 3.77   |
| JMFARC - PAN INDIA 2016 - Trust                            | 15,46,908            | 139.22 | 15,46,908            | 139.22 |
| JMFARC - PNB March 2017 - Trust                            | 2,22,075             | 7.65   | 2,22,075             | 8.09   |
| JMFARC - SBT March 2017 - Trust                            | 55,875               | 2.40   | 55,875               | 3.63   |
| JMFARC - LTF June 2017 - Trust                             | 6,00,000             | 3.93   | 6,00,000             | 11.99  |
| JMFARC - Central Bank Retail 2011 - Trust                  | 88,872               | -      | 88,872               | -      |
| JMFARC - Fabrics June 2019 I - Trust Class A <sup>\$</sup> | 1,71,800             | 11.82  | 50,400               | 4.79   |
| JMFARC - Fabrics June 2019 I - Trust Class B               | 1,51,200             | -      | 1,51,200             | 3.78   |
| JMFARC - Textile Gama I - Trust                            | 48,000               | -      | 48,000               | 3.32   |
| JMFARC - Textile Gama II - Trust                           | 33,390               | -      | 33,390               | 0.05   |
| Victory Real Estate 2021 Trust                             | 60,000               | 6.00   | 60,000               | 6.00   |
| Realty March 2022 Trust                                    | 6,07,500             | 60.75  | 6,07,500             | 60.75  |

# Notes

forming part of the Standalone Financial Statements (Contd.)

(₹ in crore)

| Name of Trust                         | As at March 31, 2024 |                 | As at March 31, 2023 |                 |
|---------------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                       | No. of SRs           | Amount          | No. of SRs           | Amount          |
| Sapphire RE Trust 2022 <sup>^</sup>   | -                    | -               | 65,504               | 0.98            |
| Retail June 2022 - Trust <sup>*</sup> | 24,90,540            | 47.78           | -                    | -               |
| Textile Gama III - Trust              | 9,150                | -               | 9,150                | 0.92            |
| Textile Gama IV - Trust               | 14,850               | -               | 14,850               | 1.49            |
| Textile Gama V - Trust <sup>@</sup>   | -                    | -               | -                    | -               |
| Aranya - Trust <sup>@</sup>           | 60,05,000            | 540.50          | 38,25,000            | 382.50          |
| <b>Total</b>                          |                      | <b>1,241.82</b> |                      | <b>1,237.03</b> |

# Denotes amount less than ₹50,000

@ trusts added during the year or additional investment made in security receipts of existing trust

<sup>^</sup> trusts closed during the year

<sup>\$</sup> includes security receipts bought back during the year

<sup>\*</sup> subsidiary upto July 31, 2023

<sup>&</sup> trusts closed during financial year 2022-23

## 47. Additional disclosure;

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

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

| Name of the selling bank/ financial institution / NBFC | Address  | Acquisition cost ₹ in crore | % to total   |
|--|--|-----------------------------|--------------|
| <b>Sponsor</b>   |  |                             |              |
| Indian Overseas Bank                                   | 763, Anna Salai, Chennai   | 827.91                      | 3.46%        |
| <b>Sponsor Total</b>                                   |  | <b>827.91</b>               | <b>3.46%</b> |
| <b>Non- Sponsors</b>                                   |  |                             |              |
| Piramal Capital & Housing Finance Limited              | 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp Fire Station, LBS Marg, Kurla (West) Mumbai – 400 070 | 4,219.00                    | 17.63%       |
| State Bank of India (SBI & erstwhile Associate Bank's) | State Bank Bhavan, Corporate Centre, Madame Cama Marg, Mumbai, Maharashtra – 400 021   | 3,709.89                    | 15.51%       |
| Bank of India  | Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051   | 1,362.75                    | 5.70%        |
| Canara Bank  | 112 J. C. Road, Bangalore  | 1,118.06                    | 4.67%        |
| UCO Bank   | Biplabi Trailokya Maharaj Sarani, Kolkata - 700001   | 1,066.49                    | 4.46%        |
| Union Bank of India                                    | Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai -400021  | 1,065.75                    | 4.45%        |
| Punjab National Bank                                   | 7, Bhikhaji Cama Place, New Delhi  | 1,062.09                    | 4.44%        |
| ICICI Bank   | ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051  | 884.65                      | 3.70%        |
| HDFC Limited   | Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020  | 863.89                      | 3.61%        |
| JM Financial Credit Solution Limited                   | 7th Floor, Chergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025  | 695.00                      | 2.90%        |
| Bank of Baroda   | Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400023  | 631.67                      | 2.64%        |
| Axis Bank  | Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400005  | 612.76                      | 2.56%        |
| Poonawalla Fincorp Limited                             | 601, 6th Floor, Zero One IT Park, Survey no 79/1, Ghorpadi, Mundhwa Road, Pune - 411036  | 558.36                      | 2.33%        |
| Central Bank of India                                  | Chandermukhi, Nariman Point, Mumbai 400021   | 513.63                      | 2.15%        |
| EXIM Bank  | Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005   | 464.21                      | 1.94%        |
| Indian Overseas Bank                                   | 763, Anna Salai, Chennai   | 423.48                      | 1.77%        |
| Federal bank   | Federal Towers, Aluva, Ernakulum, Kerala - 683101  | 402.00                      | 1.68%        |
| Indian Bank  | 254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014  | 355.01                      | 1.48%        |



| Name of the selling bank/ financial institution / NBFC | Address   | Acquisition cost ₹ in crore | % to total |
|--|---|-----------------------------|------------|
| Yes Bank   | 9th floor Nehru Centre, Worli, Mumbai - 400018  | 338.51                      | 1.41%      |
| Cosmos Co-operative Bank Ltd                           | Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030  | 309.00                      | 1.29%      |
| L&T Infrastructure Finance Company Limited             | 3rd Floor, Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400 098                        | 308.43                      | 1.29%      |
| Karur Vysya Bank                                       | Erode Road, Karur - 639002  | 296.41                      | 1.24%      |
| JM Financial Products Limited                          | 5th Floor Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025  | 263.67                      | 1.10%      |
| Diwan Housing Finance                                  | 3rd Floor, DHFL House, 19 Sahar Road, Vile Parle (East), Mumbai - 400 099                                     | 240.00                      | 1.00%      |
| IDBI Bank  | IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005  | 232.32                      | 0.97%      |
| Karnataka Bank   | Mahavira Circle, Kankanadi, Mangalore - 575002  | 220.39                      | 0.92%      |
| L&T Finance Limited                                    | City 2, Plot No. 177, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai 400 098                       | 92.38                       | 0.39%      |
| Standard Chartered Bank                                | 23, Narain Manzil, Barakhamba Road, New Delhi- 110001   | 89.84                       | 0.38%      |
| Sicom Ltd  | Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400093         | 84.65                       | 0.35%      |
| South Indian Bank                                      | SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680001  | 79.33                       | 0.33%      |
| Catholic Syrian Bank                                   | CSB Bhavan, St. Mary's College Road, Thrissur,  | 63.75                       | 0.27%      |
| Bank of Maharashtra                                    | "Lokmangal" 1501, Shivajinagar, Pune 411005   | 59.33                       | 0.25%      |
| Lakshmi Vilas Bank                                     | LVB House, 4/1, Sardar Patel Road, guindy, Chennai - 600032. Tamil Nadu                                       | 51.32                       | 0.21%      |
| HSBC   | 52/60, M. G. Road, Fort, Mumbai - 400001  | 49.03                       | 0.20%      |
| VSJ Investments Pvt. Ltd                               | G-12, Raheja Centre, 214 Fress Press Journal Marg, Nariman Point, Mumbai 400 021.                             | 43.67                       | 0.18%      |
| Stressed Assets Stabilisation Fund                     | IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai 400005  | 31.20                       | 0.13%      |
| Ratnakar Bank  | One India Bulls Center, Tower 2 , 6th Floor, 841, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013         | 25.00                       | 0.10%      |
| Tata Capital Financial Services Limited                | One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400001  | 24.50                       | 0.10%      |
| Assets Care & Reconstruction Enterprise Ltd (ACRE)     | 13, 2nd Floor, Mohandev Building, Tolstoy Marg, New Delhi, Delhi 110001                                       | 22.70                       | 0.09%      |
| HUDCO  | HUDCO Bhawan, Core-7-A, India Habitat Centre, Lodhi Road, New Delhi - 110 003                                 | 21.34                       | 0.09%      |
| Bank of Bahrain & Kuwait B.S.C                         | Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400021  | 19.19                       | 0.08%      |
| Deutsche bank  | DB House, Hazarimal Somani Marg, Fort, Mumbai 400001  | 18.35                       | 0.08%      |
| Small Industries Development Bank of India             | Samruddhi Venture Park, Upper Ground Floor, MIDC Road, Marol, Andheri East. Mumbai - 400 093                  | 15.13                       | 0.06%      |
| Kotak Mahindra Bank Limited                            | 27 BKC, Plat No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051                           | 8.37                        | 0.03%      |
| Life Insurance Corporation of India                    | Yogakshema, Jeevan Bima Marg, Mumbai - 400021   | 7.39                        | 0.03%      |
| Specified Undertaking of UTI                           | UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051                                      | 7.30                        | 0.03%      |
| Barclays PLC   | 801, Ceejay House, Annie Besant Road, Worli, Mumbai 400 018   | 7.22                        | 0.03%      |
| KKR India Financial Services Pvt. Ltd.                 | Regus CitiCentre, Level 6, 10/11, Dr. Radhakrishna Salai, Tamil Nadu, Chennai 600 004                         | 6.75                        | 0.03%      |
| Phoenix ARC Private Limited                            | 158, 5th Floor, Dani Corporate Park, CST Road, MMRDA Area, Kalina, Santacruz East, Mumbai, Maharashtra 400098 | 6.13                        | 0.03%      |
| Rupee Co-operative Bank                                | 2062, Sadashiv Peth, Astang Ayurved Building, Pune- 411030  | 6.00                        | 0.03%      |
| IFCI Ltd   | Earnest House, 9th Floor., NCPA Marg, Nariman Point, Mumbai 400021  | 5.12                        | 0.02%      |
| SBI Global Factors Limited                             | 6th Floor, Metropolitan Building, Bandra Kurla Complex, Bandra (East), Mumbai 400 051                         | 4.50                        | 0.02%      |
| BNP Paribas  | Unit No 203, Sakar II, Ellisbridge, Ahmedabad 380006  | 3.39                        | 0.01%      |
| SBM Bank (Mauritius) Limited                           | 101, Raheja Centre, Nariman Point, Mumbai 400 021   | 3.27                        | 0.01%      |
| IFCI Factors Limited                                   | 10Th Floor, IFCI Tower, 61 Nehru Place, New Delhi 110 019   | 3.13                        | 0.01%      |
| Pegasus Assets Reconstruction Private Limited          | 507, Dalamal House, Nariman Point, Mumbai 400 021   | 3.10                        | 0.01%      |



## Notes

forming part of the Standalone Financial Statements (Contd.)

| Name of the selling bank/ financial institution / NBFC | Address   | Acquisition cost ₹ in crore | % to total     |
|--|---|-----------------------------|----------------|
| India Infoline Finance Limited (IIFL)                  | 12A-10, 13th Floor, Parinee Crescenzo, C-38 & C-39, G Block, Behind MCA, Bankdra Kurla Complex, Bandra (East), Mumbai 400 051 | 2.75                        | 0.01%          |
| IL & FS Financial Services Limited                     | IL & FS Financial Centre, Plat C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051                               | 2.27                        | 0.01%          |
| The Saraswat Co-op Bank Ltd                            | Mittal Court 'A' Wing 1st Floor, Nariman Point, Mumbai - 400004   | 2.19                        | 0.01%          |
| NKGSB Co-Operative Bank Ltd.                           | Laxmi Sadan, 361, V. P. Road, Mumbai 400 004  | 2.10                        | 0.01%          |
| CTBC Bank Co Limited                                   | UGF, Birla Tower, 25, Barakhamba Raod, New Delhi - 110 001  | 2.02                        | 0.01%          |
| Dhanalakshmi Bank                                      | Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680001  | 1.59                        | 0.01%          |
| The Nashik Road Deolali Vyapari Sahakari Bank Ltd      | Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422101  | 1.50                        | 0.01%          |
| Omkara Asset Reconstruction Pvt Ltd.                   | C/515, Kanakia Zillion, Junction of L.B.S Road & CST Road B.K.C Annexe Near Equinox, Kurla West, Mumbai 400070                | 1.07                        | 0.00%          |
| UTI Mutual Fund  | UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051   | 0.60                        | 0.00%          |
| Barclays Bank PLC                                      | 801-808 Ceejay House, Shivsagar Estate Dr Annie Besant Road, Worli, Mumbai - 400018   | 0.42                        | 0.00%          |
| Industrial & Commercial Bank of China                  | 2, G Block Rd, G Block BKC, Bandra Kurla Complex, Bandra East, Mumbai 400051  | 0.41                        | 0.00%          |
| Dombivli Nagari Sahkari Bank Limited                   | "Madhukunj" P-52, M.I.D.C. Kalyan Shil Road, Sonarpada, Dombivli (East) - 421 204.  | 0.16                        | 0.00%          |
| <b>Non Sponsors Total</b>                              |   | <b>23,096.88</b>            | <b>96.54%</b>  |
| <b>Grand Total</b>                                     |   | <b>23,924.79</b>            | <b>100.00%</b> |

### Note :

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

### Value of financial assets acquired from following banks has combined into financial assets of merged entity.

- With effect from April 1, 2017 State Bank of Mysore, State Bank of Travancore, State Bank of Patiala, State Bank of Bikaner and Jaipur and State bank of Hyderabad are merged with State Bank of India.
- With effect from April, 2019 Vijaya Bank and Dena Bank are merged with Bank of Baroda
- With effects from April 1, 2020 United Bank of India and Oriental Bank of Commerce are merged with Punjab National Bank. Allahabad Bank is merged with Indian Bank and Syndicate Bank merged with Canara Bank.
- L & T Fincorp Limited is added in L&T Finance Limited.
- Andhra Bank & Corporation Bank are added in Union Bank of India.
- Dispersion of various assets industry wise.

| Industry        | Acquisition Price ₹ in crore | % to total |
|-----------------|------------------------------|------------|
| Hospitality     | 4,853.32                     | 20.29%     |
| Real Estate     | 4,700.96                     | 19.65%     |
| Retail          | 3,345.56                     | 13.98%     |
| Textiles        | 2,984.55                     | 12.47%     |
| Iron & Steel    | 1,561.31                     | 6.53%      |
| Pharmaceuticals | 1,425.19                     | 5.96%      |
| Ceramics        | 886.56                       | 3.71%      |
| Healthcare      | 626.43                       | 2.62%      |
| Infrastructure  | 363.69                       | 1.52%      |
| Chemicals       | 297.43                       | 1.24%      |





| Industry               | Acquisition Price<br>₹ in crore | % to total     |
|------------------------|---------------------------------|----------------|
| Plywood/ laminates     | 276.51                          | 1.16%          |
| Airlines               | 238.75                          | 1.00%          |
| Power                  | 217.40                          | 0.91%          |
| Shipping               | 195.00                          | 0.82%          |
| Cement                 | 171.52                          | 0.72%          |
| Information Technology | 146.33                          | 0.61%          |
| Media                  | 139.71                          | 0.58%          |
| Trading                | 130.83                          | 0.55%          |
| Metals                 | 125.54                          | 0.52%          |
| Leather                | 107.15                          | 0.45%          |
| Coal                   | 101.80                          | 0.43%          |
| Plastics               | 92.79                           | 0.39%          |
| Packaging              | 92.79                           | 0.39%          |
| Food Products          | 87.82                           | 0.37%          |
| Others                 | 755.86                          | 3.16%          |
| <b>Total</b>           | <b>23,924.80</b>                | <b>100.00%</b> |

- i) The above table (b) has been prepared by management based on the information and relevant documents available with the Company which has been relied upon by the auditors.
- ii) The acquisition price in the tables (a) and (b) above includes financial assets acquired till March 31, 2024 including financial assets resolved till date.
- iii) The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.
- c) Details of related parties as per the accounting standards and the amounts due to and from them : Refer note 40
- d) Additional disclosure as per RBI Notification No. DBNS. PD (SC/RC). 8/ CGM (ASR) dated April 21, 2010 and RBI/DOR/2024-25/116 DoR.FIN.REC.16/26.03.001/2024-25 dated April 24, 2024

| Particulars   | ₹ in crore<br>(face value) |
|---|----------------------------|
| Value of financial assets acquired during the financial year either in its own books or in the books of the trust   | 2,245.17                   |
| Value of financial assets realized during the financial year*   | 2,333.96                   |
| Value of financial assets outstanding for realization as at the end of the financial year   | 12,135.10                  |
| Value of Security Receipts redeemed partly during the financial year  | 749.26                     |
| Value of Security Receipts redeemed fully during the financial year (including writeoffs)   | 553.95                     |
| Value of Security Receipts pending for redemption as at the end of the financial year   | 14,499.58                  |
| Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization company or Reconstruction company under Paragraph 7(6)(ii) or 7(6)(iii) and under Paragraph 10.2 or 10.3 as per Master direction dated April 24, 2024 | 4,719.49                   |
| Value of land and/or building acquired in ordinary course of business of reconstruction of assets   | -                          |

\* Value of financial assets realised during the financial year includes the amount of ₹ Nil of financial asset written-off due to trust closure.

# Notes

forming part of the Standalone Financial Statements (Contd.)

e) 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

| Asset Classification as per RBI Norms   | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|--|-------------------------------------|---|---------------------|--|--|
| 1   | 2                                      | 3                                   | 4   | (5) = (3)-(4)       | 6                                      | (7) = (4)-(6)  |
| <b>Performing Assets</b>  |  |                                     |   |                     |  |  |
| Standard  | Stage 1                                | 389.95                              | 6.39  | 383.56              | 227.18                                 | (220.79)   |
|   | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>   |  | <b>389.95</b>                       | <b>6.39</b>   | <b>383.56</b>       | <b>227.18</b>                          | <b>(220.79)</b>  |
| <b>Non-Performing Assets (NPA)</b>  |  |                                     |   |                     |  |  |
| Substandard   | Stage 3                                | 185.25                              | 74.10   | 111.15              | 92.63                                  | (18.53)  |
| <b>Doubtful</b>   |  |                                     |   |                     |  |  |
| Up to 1 year  | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| 1 to 3 years  | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| More than 3 years   | Stage 3                                | 17.00                               | 12.59   | 4.41                | 17.00                                  | (4.41)   |
| <b>Subtotal for doubtful</b>  |  | <b>202.25</b>                       | <b>86.69</b>  | <b>115.56</b>       | <b>109.63</b>                          | <b>(22.94)</b>   |
| Loss  | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal for NPA</b>   |  | <b>-</b>                            | <b>-</b>  | <b>-</b>            | <b>-</b>                               | <b>-</b>   |
| 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                                | -                                   | -   | -                   | -                                      | -  |
|   | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
|   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>   |  | <b>-</b>                            | <b>-</b>  | <b>-</b>            | <b>-</b>                               | <b>-</b>   |
| <b>Total</b>  | Stage 1                                | <b>389.95</b>                       | <b>6.39</b>   | <b>383.56</b>       | <b>227.18</b>                          | <b>(220.79)</b>  |
|   | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
|   | Stage 3                                | <b>202.25</b>                       | <b>86.69</b>  | <b>115.56</b>       | <b>109.63</b>                          | <b>(22.94)</b>   |
|   | <b>Total</b>                           | <b>592.20</b>                       | <b>93.08</b>  | <b>499.12</b>       | <b>336.81</b>                          | <b>(243.73)</b>  |

The above disclosure is not applicable for management fees accrual as the same is considered to be governed by income recognition for the purpose of RBI guidelines and disclosures.

Restructuring Loan disbursed to one borrower amounting to ₹ 185.25 crore, has been classified as non- performing asset during the previous financial year and during the current financial year the asset has migrated from Substandard to Doubtful.

The Honorable Supreme Court vide orders dated October 30, 2017, November 20, 2017, April 09, 2018 and January 20, 2020 has directed that “No Coercive Action” can be taken against one of the borrower group of company, until further directions are being issued in this regard. As per recent judicial precedence, classification of an account as Non-Performing Account can also be considered as a “Coercive Action”. Total provision as required under the extant RBI guidelines for Non - Performing Advances is ₹ 243.73 crore

As at March 31, 2024, two loan accounts belonging to the same borrower group have outstanding interest which has not been serviced for more than 180 days.

In consideration to the aforesaid orders issued by the Honourable Supreme Court of India, the said accounts are classified as Standard Assets. However, the provision as required under the extant RBI guidelines for Non - Performing Advances amounting to ₹ 227.18 crore is carried for these borrower accounts. Of the provisions made ₹ 220.79 crore is made by transfer to the impairment reserve.



In February 2024, the Adjudicating Authority (Under the Prevention of Money Laundering Act, 2002) (The Act) issued an order attaching certain properties held by the Company as one of the collaterals against loans acquired in trust (as a trustee) and additional loan given to the borrower group as referred to above ('borrower group'). The above order was pursuant to the action initiated by the Enforcement Directorate against the borrower group under the above Act. The Company has appealed against the aforesaid order in appropriate forum. The Company views these legal proceedings as arising in the normal course of Asset Reconstruction business. Considering the total security against the loans acquired of the borrower group and the expected cashflows to the Company as per the documented waterfall, the Company believes that the above proceedings do not have a material impact on the financial position of the Company.

**i) Additional disclosure as per RBI Notification No. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated August 5, 2014 (for acquisitions made after August 5, 2014):**

a) None of the assets have been acquired during the year at a price higher than the book value (value of assets declared by seller bank in the auction)

b) Assets (i.e. total purchase consideration paid at the trust level) have been disposed off during the financial year at a discount of more than 20% of its valuation as on the previous year end

(₹ in crore)

| Name of Trust                       | Acquisition price | O/s SRs | NAV as on March 31, 2024 | NAV as on March 31, 2023 |
|-------------------------------------|-------------------|---------|--------------------------|--------------------------|
| JMFARC - Woods October 2017 Trust * | 18.75             | 9.81    | 100%                     | 126%                     |

\* SRs of the captioned trust are been redeemed in April 2024.

c) Trusts where the value of the SRs (i.e. Net Asset Value) have declined more than 20% below the acquisition value during the year.

| Name of Trust   | Acquisition price<br>(₹ in crore) | SRs outstanding<br>(₹ in crore) | NAV % as on<br>March 31, 2024 |
|---|-----------------------------------|---------------------------------|-------------------------------|
| JMFARC-Iris March 2016-Trust                          | 666.76                            | 655.03                          | 25%                           |
| JMFARC – Axis Iris March 2016 Trust                   | 100.00                            | 100.00                          | 25%                           |
| JMFARC - IRIS United March 2017 - Trust               | 44.60                             | 43.34                           | 11%                           |
| JMFARC-Exim Iris March 2016-Trust                     | 40.00                             | 40.00                           | 25%                           |
| JMFARC - IRIS PNB January 2017 - Trust                | 27.70                             | 27.49                           | 60%                           |
| JMFARC - IRIS UCO March 2017 - Trust                  | 25.54                             | 25.38                           | 46%                           |
| JMFARC - IRIS December 2016 - Trust                   | 20.74                             | 20.74                           | 75%                           |
| JMFARC IRIS Canara March 2018 Trust                   | 12.15                             | 12.15                           | 75%                           |
| JMFARC - IRIS UBOI December 2016 - Trust              | 10.67                             | 10.67                           | 65%                           |
| JMFARC – Axis Iris II March 2016 Trust                | 6.00                              | 6.00                            | 25%                           |
| JMFARC - KVB Iris II March 2016- Trust                | 25.00                             | 25.00                           | 25%                           |
| JMFARC-SBH Cement June 2015-Trust                     | 44.00                             | 44.00                           | 50%                           |
| JMFARC- Karnataka Bank Cement March 2015-Trust        | 33.00                             | 33.00                           | 50%                           |
| JMFARC- Axis Bank Cement March 2015-Trust             | 23.00                             | 18.40                           | 75%                           |
| JMFARC – SBI Retreat March 2017 – Trust               | 83.40                             | 77.66                           | 75%                           |
| JMFARC - SBP Retreat March 2017 - Trust               | 38.80                             | 36.16                           | 75%                           |
| JMFARC - Township February 2018 Trust                 | 240.00                            | 240.00                          | 0%                            |
| JMFARC-PNB Ceramics November 2015-Trust               | 267.76                            | 265.30                          | 0%                            |
| JMFARC - Syndicate Bank Ceramics September 2017 Trust | 83.50                             | 83.50                           | 25%                           |
| JMFARC - IDBI Ceramics March 2016 - Trust             | 38.12                             | 38.12                           | 25%                           |
| JMFARC-Corp Bank Ceramics September 2015-Trust        | 30.71                             | 30.71                           | 0%                            |
| JMFARC - IOB Ceramics March 2017 - Trust              | 22.00                             | 22.00                           | 32%                           |
| JMFARC- Vijaya Bank Ceramics March 2015-Trust         | 18.00                             | 18.00                           | 0%                            |
| JMFARC- SBT Ceramics March 2015-Trust                 | 15.50                             | 15.50                           | 0%                            |
| JMFARC - EXIM Ceramics March 2016 – Trust             | 11.40                             | 11.40                           | 25%                           |
| JMFARC -Dena Ceramics January 2016-Trust              | 10.50                             | 10.50                           | 25%                           |
| JMFARC- SBM Ceramics March 2015-Trust                 | 8.50                              | 8.50                            | 0%                            |
| JMFARC - Allahabad Bank December 2017 Trust           | 50.85                             | 50.85                           | 72%                           |

# Notes

forming part of the Standalone Financial Statements (Contd.)

| Name of Trust                                | Acquisition price<br>(₹ in crore) | SRs outstanding<br>(₹ in crore) | NAV % as on<br>March 31, 2024 |
|--|-----------------------------------|---------------------------------|-------------------------------|
| JMFARC - SBT March 2017 - Trust              | 37.25                             | 37.25                           | 43%                           |
| JMFARC - SBP March 2017 - Trust              | 21.11                             | 21.11                           | 53%                           |
| JMFARC - Dena SEZ September 2016 - Trust     | 4.89                              | 4.89                            | 50%                           |
| JMFARC - Fabrics June 2018 - Trust *         | 83.00                             | 74.02                           | 30%                           |
| JMFARC - Fabrics August 2018 I - Trust *     | 802.00                            | 789.04                          | 30%                           |
| JMFARC - Fabrics September 2018 I - Trust *  | 75.35                             | 75.35                           | 30%                           |
| JMFARC - Fabrics September 2018 II - Trust * | 53.53                             | 53.51                           | 30%                           |
| JMFARC - Fabrics March 2019 I - Trust *      | 33.78                             | 33.78                           | 30%                           |
| JMFARC - Fabrics June 2019 II - Trust *      | 70.75                             | 70.75                           | 30%                           |
| JMFARC - Fabrics June 2019 III - Trust *     | 18.31                             | 18.31                           | 30%                           |
| JMFARC - Fabrics December 2019 I - Trust *   | 4.91                              | 4.91                            | 29%                           |
| JMFARC - Fabrics September 2020 - Trust *    | 10.09                             | 10.09                           | 30%                           |
| JMFARC - Fabrics November 2020 - Trust *     | 50.80                             | 50.80                           | 30%                           |

\* This is as per management estimate as on March 31, 2024. Net Asset Value of these trusts are as per last NAV declaration, there is no movement of more than 20%

d) There was no outsourced agency, which was owned/ controlled by a director of the ARC

e) Assets acquired under IBC - type and value of assets acquired under IBC, the sector-wise distribution based on business of the corporate debtor.

| (₹ in crore)        |                             |   |                           |
|---------------------|-----------------------------|---|---------------------------|
| Year of Acquisition | Type                        | Value of assets<br>acquired<br>(acquisition cost) | Sector of the<br>business |
| FY 2019-20          | Debts of textile<br>company | 200.00  | Textiles                  |

f) Implementation status of the resolution plans approved by the Adjudicating Authority on a quarterly basis :

The Resolution Plan approved by NCLT has been implemented. The board of Alok Industries Ltd oversees the operations of the Company. There is a team of qualified and experienced professionals who are managing the day to day operations under the supervision and guidance of the Board.

g) Information on the ageing of the unrealised management fee recognised in their books as a part of the Notes to Accounts in the annual financial statements : Refer Note 7.2

**48.** Pursuant to notification issued by the Ministry of Corporate Affairs (MCA) dated August 16, 2019, on Companies (Share Capital and Debentures) Rules, 2014, ('Rules') the Company is not required to create DRR and as per MCA notification dated 5th June, 2020, the Company is also exempted to invest or deposit a sum which shall not be less than 15% of the amount of the Debentures issued and maturing during the financial year.

## 49. Disclosure of ratios:

| Sr. No. | Ratio  | Numerator<br>(₹ in crore) | Denominator<br>(₹ in crore) | As at<br>March 31,<br>2024 | Numerator<br>(₹ in crore) | Denominator<br>(₹ in crore) | As at<br>March 31,<br>2023 |
|---------|--|---------------------------|-----------------------------|----------------------------|---------------------------|-----------------------------|----------------------------|
| a)      | Capital to risk-weighted assets ratio (CRAR) | 3,329.56                  | 96.99                       | 2.91%                      | 4,586.86                  | 1,131.46                    | 24.67%                     |
| b)      | Tier I CRAR*                                 | NA                        | NA                          | NA                         | NA                        | NA                          | NA                         |
| c)      | Tier II CRAR*                                | NA                        | NA                          | NA                         | NA                        | NA                          | NA                         |
| d)      | Liquidity Coverage Ratio*                    | NA                        | NA                          | NA                         | NA                        | NA                          | NA                         |

\* not applicable considering the nature of company's business.



**49.1** Pursuant to note no 32 of exceptional item, there is decrease in the Company's net worth and regulatory capital including regulatory ratios required to be maintained as per the applicable RBI guidelines as on March 31, 2024. To comply with the regulatory requirements, the Company is in the process of raising funds of ₹ 525 crore or such higher amounts through equity infusion from its Holding Company/Existing shareholders/Group entities/New investors and the same has been approved by the Board at its meeting held on May 16, 2024 subject to the necessary regulatory and other approvals as may be necessary. The Company is confident about meeting its obligations considering the above equity infusion and realisation from its existing assets. Considering the above, there would be no impact on Going concern principle on the Company in the foreseeable future and the Company would continue to operate its business in the normal course. The impact of these developments, if any shall be assessed and given effect in the respective future periods. Summary of the impact on regulatory ratios is given as under:

|                                  | Pre Impact of exceptional item | Post Impact of exceptional item (Pre equity infusion) | Post Equity Infusion |
|----------------------------------|--------------------------------|---|----------------------|
| Net Worth (₹ in crore)           | 1,439.20                       | 592.34  | 1,117.34             |
| Debt Equity Ratio (No of times)* | 1.96                           | 4.76  | 2.05                 |
| CRAR                             | 22.60%                         | 2.91%   | 18.68%               |

\* debt equity ratio (Total debt/Net worth) of post equity infusion after considering utilisation of proceed of said equity infusion for repayment of debts

## 50. Contingent liabilities

| Particulars   | (₹ in crore)         |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2024 | As at March 31, 2023 |
| <b>Income tax matter under dispute*:</b>  |                      |                      |
| Primarily relates to demand received from income tax authorities on account of disallowance of donation u/s 80G of Income Tax Act, 1961 | 0.41                 | 0.41                 |

\*In respect of above disputed demand, the company has filed appeal before appellate authority and has sufficient tax credit to pay the above demand in case the same materialises.

## 51. Additional Regulatory Information

- (i) The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.
- (ii) The Company has no transactions with the companies struck off under the Companies Act, 2013.
- (iii) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vi) (A) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

## Notes

forming part of the Standalone Financial Statements (Contd.)

- (B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (viii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (ix) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- (x) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**52.** The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.

**53.** The standalone financial statements are approved for issue by the Board of Directors at its meeting held on : May 16, 2024 .

### For and on behalf of the Board of Directors

**Adi Patel**  
Director  
(DIN - 02307863)

**Rupa Vora**  
Chairperson -  
Audit Committee  
(DIN - 01831916)

**Srinivasan Viswanathan**  
Chief Executive Officer

**Vineet Singh**  
Company Secretary

**Sabyasachi Ray**  
Chief Financial Officer

Place : Mumbai  
Date : May 16, 2024





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