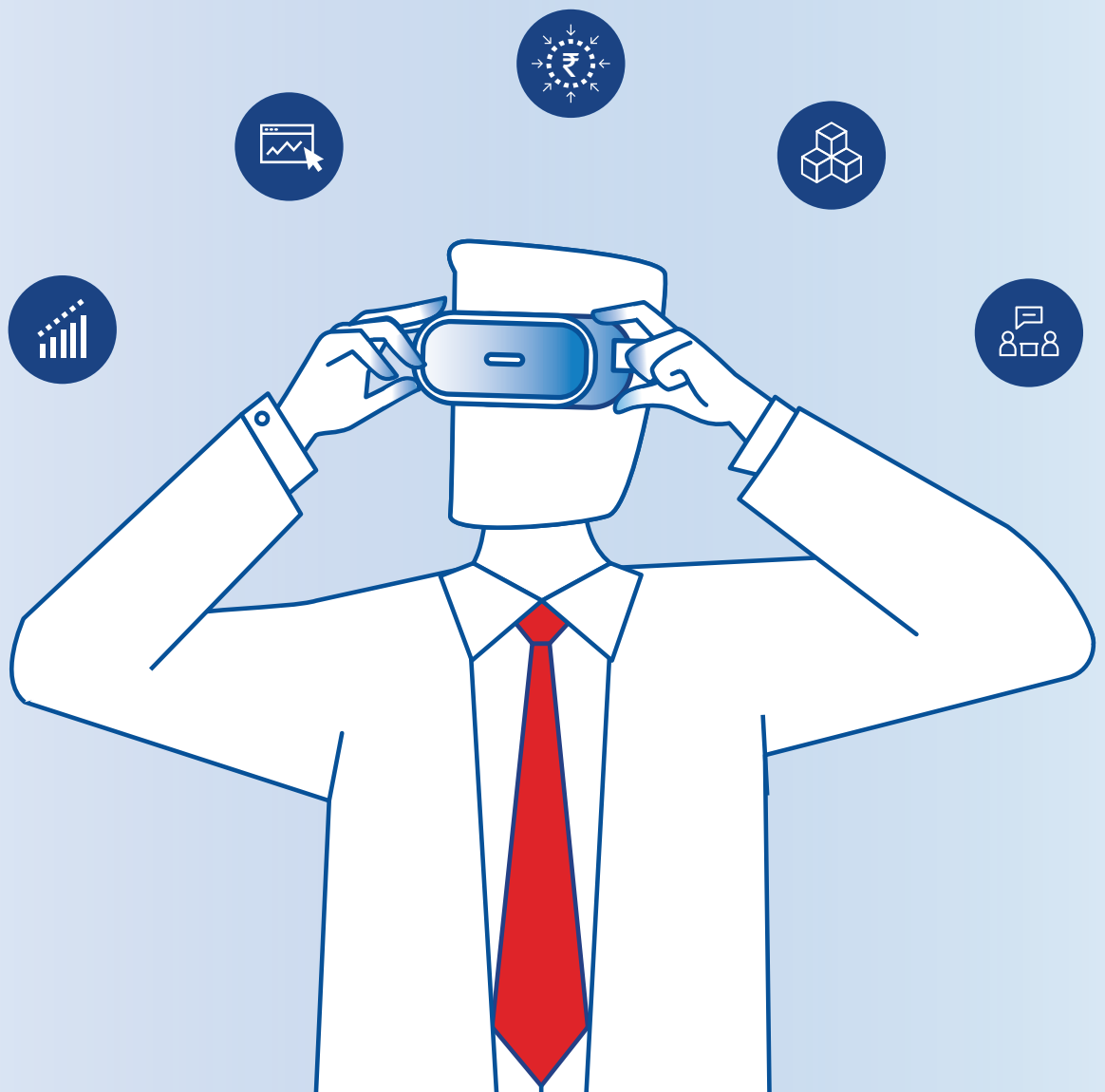


A Legacy of **Excellence** built with **Integrity**

A Future of **Purpose** led by **Innovation**



A Legacy of Excellence Built with Integrity

A Future of Purpose Led by Innovation

As JM Financial Group commemorate its remarkable journey of five decades, we take pride in the group's rich legacy guided by principles and proven time-tested capability to navigate and thrive in the ever-changing financial landscape. In its evolution from a pure-play capital market player to an integrated financial services group, the underlying theme has been our emergence as a comprehensive financial services group catering to the diverse needs of the clients.

The pursuit of excellence, the mainstay of our journey, rests on a foundation of strong corporate governance, deep-rooted values and visionary leadership. An enabling culture that we have carefully nurtured over the years, permeates every organisational and functional aspect. It's the powerful thread of synchronised actions, which drives us to deliver on our commitments while upholding the highest standards of ethics.

As we progress towards a future full of purpose and immense possibilities, we adopt a forward-thinking approach, leveraging new-age technologies across our organisation to enhance efficiency, elevate stakeholder experiences and unlock new avenues for innovation.

With our range of varied solutions, a robust culture of integrity and an unwavering focus on building technological prowess, we are poised to unearth new growth avenues in a dynamic business landscape, deliver exceptional and sustainable value to our stakeholders and contribute to India's growth story.

The Red Tie Man leaps into the future of fintech and digitisation using the VR glasses

The Red Tie Man gains access to a virtual world that provides insights into the future of finance. The VR experience signifies the innovative and immersive nature of technology, while also showcasing JM Financial's preparedness for digital transformation.

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 (appointed w.e.f. September 27, 2022)

CHIEF EXECUTIVE OFFICER

Mr. Anil Bhatia (ceased w.e.f. close of business hours of May 15, 2023)
Mr. Srinivasan Viswanathan (appointed w.e.f. June 22, 2023)

CHIEF OPERATING OFFICER

Mr. Vivek Grover

CHIEF FINANCIAL OFFICER

Mr. Sabyasachi Ray

COMPANY SECRETARY

Mr. Vineet Singh

REGISTERED OFFICE

JM Financial Asset Reconstruction Company Limited

7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Tel: 91-22-66303030 Fax: 91-22-66303223
Email ID: vineet.singh@jmfl.com
Website: www.jmfinancialarc.com

CIN: U67190MH2007PLC174287

OUR OFFICES

Mumbai Office

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

Kolkata Office

8th Floor, Kankaria Estate, 6,
Little Russell Street, Kolkata - 700 071.

BANKERS

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

STATUTORY AUDITORS

M/s. Sharp & Tannan Associates

REGISTRAR & SHARE TRANSFER AGENTS

KFin Technologies Limited

Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad - 500 032
Telephone: + 91 040 6716 2222
Fax: (040) 2343 1551
Email ID: venu.sp@kfintech.com
Website: www.kfintech.com

DEBENTURE TRUSTEE

SBICAP Trustee Company Limited

4th Floor, Mistry Bhavan,
122, Dinshaw Vachha Road,
Churchgate, Mumbai 400 020.
Tel: + 91 22 4302 5555; Fax No: + 91 22 22040465
E-mail ID: corporate@sbicaptrustee.com
Website: www.sbicaptrustee.com

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.

Notice

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH (16TH) ANNUAL GENERAL MEETING (THE “AGM”) OF THE MEMBERS OF JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED (THE “COMPANY”) WILL BE HELD ON FRIDAY, JULY 28, 2023 AT 4:00 P.M. (IST) AT 7TH 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, 2023, the statement of profit and loss, cash flow statement and statement of changes in equity for the year ended on that date and the explanatory notes annexed to, and forming part of, any of the said documents together with the 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, 2023, the statement of profit and loss, cash flow statement and statement of changes in equity for the year ended on that date and the explanatory notes annexed to, and forming part of, any of the said documents together with the report of the Auditors thereon.
3. To appoint a director in place of Mr. Narotam Sekhsaria (DIN: 00276351), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, offers his candidature for re-appointment.

Special Business

4. **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 the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and the applicable provisions of the Section 188 of the Companies Act, 2013 (the **“Act”**), and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 approval and recommendation of the Audit Committee/Board of Directors, consent of the members of the Company be and is hereby accorded 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 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 loan(s)/inter corporate borrowings from, and/or guarantee(s) or issuing securities and/or selling of any securities to JM Financial Limited and/or availing/providing of any services by the Company from/to JM Financial Limited, on such terms and conditions as the Board (which term shall include any of the committees thereof), in its absolute discretion, may deem fit **PROVIDED HOWEVER THAT** the aggregate value of all such material related party transactions/ contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.”

“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 powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”

5. **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 the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and the applicable provisions of the Section 188 of the Companies Act, 2013 (the **“Act”**), and other applicable provisions of the Act read with the Companies (Meetings



of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 approval and recommendation of the Audit Committee/Board of Directors, consent of the members of the Company be and is hereby accorded 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 loan(s)/inter corporate borrowings from, and/or guarantee(s) or issuing securities and/or selling of any securities to JM Financial Products and/or availing/providing of any services by the Company from/to JM Financial Products, on such terms and conditions as the Board (which term shall include any of the committees thereof), in its absolute discretion, may deem fit **PROVIDED HOWEVER THAT** the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 750 Crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25."

"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 powers herein conferred to, without being required to seek any further consent/approval from the members of the Company."

6. **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 the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, (the "**SEBI Listing Regulation**") and the applicable provisions of the Section 188 of the Companies Act, 2013 (the "**Act**"), and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 approval and recommendation of the Audit Committee/Board of Directors, consent of the members of the Company be and is hereby accorded 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 loan(s)/inter corporate borrowings from, and/or guarantee(s) or issuing securities and/or selling of any securities to JM Financial Credit Solutions and/or availing/providing of any services by the Company from/to JM Financial Credit Solutions, on such terms and conditions as the Board (which term shall include any of the committees thereof), in its absolute discretion, may deem fit **PROVIDED HOWEVER THAT** the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 1,000 Crore (Rupees One Thousand Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25."

"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 powers herein conferred to, without being required to seek any further consent/approval from the members of the Company."

Notice (Contd.)

7. **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 the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and the applicable provisions of the Section 188 of the Companies Act, 2013 (the **“Act”**), and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 approval and recommendation of the Audit Committee/Board of Directors, consent of the members of the Company be and is hereby accorded 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 loan(s)/inter corporate borrowings from, and/or guarantee(s) or issuing securities and/or selling of any securities to JM Financial Services and/or availing/providing of any services by the Company from/to JM Financial Services, on such terms and conditions as the Board (which term shall include any of the committees thereof), in its absolute discretion, may deem fit **PROVIDED HOWEVER THAT** the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 550 Crore (Rupees Five Hundred and Fifty Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.”

“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 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 Home Loans Limited**

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

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the **“SEBI Listing Regulations”**) and the applicable provisions of the Section 188 of the Companies Act, 2013 (the **“Act”**), and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 approval and recommendation of the Audit Committee/Board of Directors, consent of the members of the Company be and is hereby accorded 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 loan(s)/inter corporate borrowings from, and/or guarantee(s) or issuing securities and/or selling of any securities to JM Financial Home Loans and/or availing/providing of any services by the Company from/to JM Financial Home Loans, on such terms and conditions as the Board (which term shall include any of the committees thereof), in its absolute discretion, may deem fit **PROVIDED HOWEVER THAT** the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 100 Crore (Rupees One Hundred Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.”

“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 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 Properties and Holdings Limited**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “**SEBI Listing Regulations**”) and the applicable provisions of the Section 188 of the Companies Act, 2013 (the “**Act**”), and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 approval and recommendation of the Audit Committee/Board of Directors, consent of the members of the Company be and is hereby accorded 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 loan(s)/inter corporate borrowings from, and/or guarantee(s) or issuing securities and/or selling of any securities to JM Financial Properties and Holdings 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 (which term shall include any of the committees thereof), in its absolute discretion, may deem fit **PROVIDED HOWEVER THAT** the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 200 Crore (Rupees Two Hundred Crore only) during the financial year 2023-24 including and up to the annual

general meeting of the Company to be held in the financial year 2024-25.”

“**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 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 Asset Management Limited**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “**SEBI Listing Regulations**”) and the applicable provisions of the Section 188 of the Companies Act, 2013 (the “**Act**”), and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 approval and recommendation of the Audit Committee/Board of Directors, consent of the members of the Company be and is hereby accorded 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 loan(s)/inter corporate borrowings from, and/or guarantee(s) or issuing securities and/or selling of any securities to JM Financial Asset Management and/or availing/providing of any services by the Company from/to JM Financial Asset Management, on such terms and conditions as the Board (which term shall include any of the committees thereof), in its absolute discretion, may

Notice (Contd.)

deem fit **PROVIDED HOWEVER THAT** the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 200 Crore (Rupees Two Hundred Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.”

“**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 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 CR Retail Malls (India) Limited**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “**SEBI Listing Regulations**”) and the applicable provisions of the Section 188 of the Companies Act, 2013 (the “**Act**”), and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 approval and recommendation of the Audit Committee/Board of Directors, consent of the members of the Company be and is hereby accorded 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 loan(s)/inter corporate borrowings from, and/or guarantee(s) or issuing securities and/or selling of any securities to CR Retail and/or availing/providing

of any services by the Company from/to CR Retail, on such terms and conditions as the Board (which term shall include any of the committees thereof), in its absolute discretion, may deem fit **PROVIDED HOWEVER THAT** the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 100 Crore (Rupees One Hundred Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.”

“**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 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 Astute Investments**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the “**SEBI Listing Regulations**”) and the applicable provisions of the Section 188 of the Companies Act, 2013 (the “**Act**”), and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) and/or re-enactment(s) 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 approval and recommendation of the Audit Committee/Board of Directors, consent of the members of the Company be and is hereby accorded 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 fellow subsidiary of the Company and a ‘related party’ as defined in Regulation 2(1)(zb) of the SEBI Listing Regulations, inter alia, relating to



availing of loan(s)/inter corporate borrowings from, and/or guarantee(s) or issuing securities and/or selling of any securities to Astute Investments and/or availing/providing of any services by the Company from/to Astute Investments, on such terms and conditions as the Board (which term shall include any of the committees thereof), in its absolute discretion, may deem fit **PROVIDED HOWEVER THAT** the aggregate value of all such material related party transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 550 Crore (Rupees Five Hundred Fifty Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.”

“**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 powers herein conferred to, without being required to seek any further consent/approval from the members of the Company.”

13. **Approval for alteration of Articles of Association of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 (the “**Act**”) read with the applicable rules framed thereunder and pursuant to Regulation 23 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force), all other applicable laws, acts, rules, regulations, guidelines, circulars, directions and notifications and subject to such other consent(s)/permission(s)/sanction(s), as may be required, consent of the members of the Company be and is hereby accorded to adopt the draft of the revised Articles of Association of the Company, pursuant to the modification of the following clause:

Article no. 129: The Board shall have the power, on receipt of the nomination by the Debenture Trustee to appoint a Nominee Director on the Board of the Company, in the following circumstances:

- a. 2 (two) consecutive defaults in payment of interest to the debenture holders; or
- b. default in creation of security; or
- c. default in redemption of the debentures.

Such Nominee Director may neither be liable to retire by rotation nor be required to hold any qualification shares.

The Debenture Trustee may have the right to remove such Nominee Director so appointed and also in the case of death or resignation or vacancy for any reasons whatsoever in the Nominee Director’s so appointed, at any time nominate any other person as Nominee Director. Such nomination or removal shall be made in writing to the Company.”

“**RESOLVED FURTHER THAT** all other existing provisions of Articles of Association shall remain unchanged unless otherwise modified by the Board of Directors of the Company.”

“**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 full effect to the above resolution and matters connected therewith or incidental thereto and to settle any questions/doubts/queries/difficulties that may arise in this regard.”

14. **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

Notice (Contd.)

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 amendment(s), statutory modification(s) and/or re-enactment(s) 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 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 (which term shall include any of the committees thereof) may, from time to time, determine and consider proper and beneficial to the Company, provided that the borrowings including by way of NCDs will be within the overall limit of borrowing approved by the members of the Company from time to time."

"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."

By Order of the Board

Vineet Singh
Company Secretary

Place: Mumbai
Date: April 28, 2023

Registered Office:
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025
(CIN: U67190MH2007PLC174287)
Website: www.jmfinancialarc.com
Email: vineet.singh@jmfl.com

**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.

1. Pursuant to the 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 50 (fifty) in number and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Proxies submitted on behalf of the Companies, must be supported by an appropriate resolution/authority, as applicable. A member holding more than 10% (ten percent) 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.
2. The relevant statement to be annexed to the Notice pursuant to Section 102 of the Act setting out the details concerning the special business in respect of item nos. 4 to 14 is annexed hereto and forms part of the Notice.
3. The body corporate/institutional investors, who are members of the Company, are encouraged to attend the meeting and vote and are also requested to send scanned copy (PDF/JPG format) of their board or governing body resolution/ authorisation, permitting their representative(s) to attend the AGM on their behalf and vote. The said resolution/authorisation shall be emailed, through its registered email address to the Company Secretary at vineet.singh@jmfl.com.
4. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the AGM. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers in the attendance slip for attending the AGM.
5. In compliance with the applicable circulars, the Annual Report for the financial year 2022-23 including the Notice of the AGM is being sent by the Company in electronic

mode to those members/debenture holders whose email addresses 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 addresses or have not registered their email addresses so far, are requested to promptly intimate the same to their respective DPs or to the Company/its RTA, as the case may be.

6. During the period beginning 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.
7. 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.
8. Notice convening the Sixteenth (16th) AGM along with the Annual Report for the financial year 2022-23 will also be available on the Company’s website at www.jmfinancialarc.com and on the website of the stock exchange i.e., BSE Limited (the “BSE”) at www.bseindia.com.
9. The Company has paid the annual listing fees to BSE for the financial year 2023-24.
10. Any document in connection with any of the items to be transacted in the Notice and the explanatory statement are open for inspection at the registered office of the Company on all working days (Monday to Friday) between 2:00 p.m. and 4:00 p.m. upto the date of the 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.
11. 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.
12. The route map showing directions to reach the venue of the Sixteenth (16th) AGM forms part of this Notice.

Notice (Contd.)

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

Item nos. 4 - 12

The applicable provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”), mandates prior approval of shareholders of a listed entity 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.

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 2022-23 is ₹ 216.55 Crore. Accordingly, any transaction(s) by the Company with its related party exceeding ₹ 21.65 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 on an arm's length basis and in the ordinary course of business.

The aggregate value of transactions, to be entered into by the Company with each of the related parties during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial 2024-25 is expected to exceed the applicable materiality threshold mentioned in the SEBI Listing Regulations. Considering this, approval of the members of the Company 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. 4 to 12 of the accompanying Notice.

The aggregate value of all the proposed transactions/contracts/arrangements remaining outstanding during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25, 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
5.	JM Financial Home Loans Limited	Fellow Subsidiary Company	₹ 100 Crore
6.	JM Financial Properties and Holdings Limited	Fellow Subsidiary Company	₹ 200 Crore
7.	JM Financial Asset Management Limited	Fellow Subsidiary Company	₹ 200 Crore
8.	CR Retail Malls (India) Limited	Fellow Subsidiary Company	₹ 100 Crore
9.	Astute Investments	Fellow Subsidiary	₹ 550 Crore

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

Justification for the transactions with the related parties is stated below

a. Availing of loans including Inter Corporate Borrowings:

The Company borrows moneys through Inter Corporate Borrowings (ICBs) from the holding company and fellow subsidiaries, on a need basis.

The tenure of loans including ICBs is on short term basis, mainly to meet the short term fund requirements, if any and to the extent required.

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 & 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. For this purpose, the rating support fees is being charged by the holding company.

- g. **Acquisition/transfer of fixed assets/liabilities of an employee transferred to/from the Company or holding company or fellow subsidiaries:**

In case any of the employees 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 are transferred at the book value appearing in the books of the Company or holding company or fellow subsidiaries. These are charged at actuals.

- 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 and expenses incurred by the holding company in respect of these grants including the cost of difference between the fair value on the day of grant of options and exercise price shall be paid by the Company to 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 Company 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 disclosed 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. 4 to 12.

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

The Board commends passing of the ordinary resolutions set out at item nos. 4 to 12 of the Notice.

None of the directors, key managerial personnel of the Company other than as disclosed above or their relatives are, in any way concerned or interested, financially or otherwise, in the ordinary resolutions proposed at item nos. 4 to 12 of the Notice.

Notice (Contd.)

Item no. 13

SEBI has issued a notification dated February 2, 2023 which has amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. As per the said notification, all entities whose Non-Convertible Debentures (“NCDs”) are listed are required to include a specific provision in their Articles of Association (“AoA”). The provision states that in case the company has defaulted on 2 (two) consecutive payments of interest to the debenture holders or creation of security for debentures or redemption of debentures, the Company shall appoint a person nominated by the Debenture Trustee. The said provision must be inserted in the AoA on or before September 30, 2023.

In view of the above, it is proposed to alter the existing AoA of the Company by modifying Article No. 129 to include the above provision.

The Board of Directors of the Company at its meeting held on April 28, 2023 approved alteration to the existing AOA of the Company, subject to the approval of the members of the Company.

As per the provisions of Section 14 of the Companies Act, 2013, any alteration in the AoA requires approval of the members of the Company by means of a special resolution.

A copy of the draft altered AOA shall be available for inspection by the members of the Company.

The Board recommends the resolution as set out at item no. 13 of the Notice for the approval of the members, by way of special resolution.

None of the directors, key managerial personnel of the Company or their relatives are, in any way concerned or interested, financially or otherwise in the special resolution proposed at item no. 13 of the Notice.

Item no. 14

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 Obligations and Disclosure Requirements) Regulations, 2015, 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 a Company by a special resolution.

As at March 31, 2023, the Company had outstanding Non-Convertible Debentures (“NCDs”) aggregating ₹ 1,655 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 ₹ 7000 Crore (Rupees Seven Thousand Crore Only), on private placement basis and/or through public offer, on such terms and conditions as the Board may, from time to time, determine.

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. 14 of the 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. 14 of the Notice.

By Order of the Board

Vineet Singh
Company Secretary

Place: Mumbai
Date: April 28, 2023

Registered Office:
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025
(CIN: U67190MH2007PLC174287)
Website: www.jmfinancialarc.com
Email: vineet.singh@jmfl.com



ADDITIONAL INFORMATION OF DIRECTOR SEEKING RE-APPOINTMENT AT THE SIXTEENTH (16TH) 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

Name of the Director	Mr. Narotam Sekhsaria (DIN: 00276351)
Date of birth	September 21, 1949 (Age: 73 years)
Date of original appointment on the Board	April 10, 2008
Qualification(s)	Bachelor's Degree with honor's and distinction in Chemical Engineering
Brief profile	<ul style="list-style-type: none"> Mr. Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. As the Principal-Founder and Promoter of Ambuja Cements, he built Ambuja Cements into the most efficient and profitable cement Company in India. In a career spanning over 4 decades, 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 1,000 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.
Terms and conditions of 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.
Shares held in the Company along with the % of shareholding as on March 31, 2023	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)	Mr. Pulkit Sekhsaria, Non-Executive Director of the Company is relative (son) of Mr. Narotam Sekhsaria.
No. of board meetings attended during the year	2 out of 4 board meetings
Directorships held in other bodies corporate	<ul style="list-style-type: none"> Radha Madhav Investments Private Limited Ambuja Cement Foundation Narotam Sekhsaria Foundation
Membership/Chairmanships of Committees in other companies (only audit and stakeholders' relationship committee has been considered)	None
Details of remuneration paid during the financial year 2022-23	Sitting Fees: ₹ 1,00,000
Remuneration sought to be paid	Sitting Fees and Commission, if any

Notice (Contd.)

Annexure A to Notice

DISCLOSURE OF THE DETAILS OF THE PROPOSED TRANSACTIONS WITH RELATED PARTIES AS REQUIRED UNDER SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2021/662 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/Issuance of securities b) Fees for advisory services c) Support Services fees d) Rating Support fees e) Reimbursement of expenses f) Reimbursement of stock options g) Recovery of cost in relation to use of office h) Acquisition/transfer of fixed assets/liabilities at the value appearing in the books of account
5.	Nature, material terms and particulars of transactions/ contracts/arrangements	As mentioned in the justification paragraph in the explanatory statement.
6.	Tenure of the 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 value of all such transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 750 crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.
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 2022-23)	346%
9.	Percentage calculated on the basis of the JMFL's annual turnover on a consolidated basis (Based on turnover of financial year 2022-23)	23%
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 explanatory statement.



2. JM Financial Products Limited

Sr. No.	Description	Particulars
1.	Name of the related party	JM Financial Products Limited (the “ JMFPL ”)
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/Issuance of securities b) Receipt of Management fees c) Support Service fees d) Acquisition/transfer of fixed assets/liabilities at the value appearing in the books of account e) Reimbursement of expenses f) Charges in relation to common services
5.	Nature, material terms and particulars of transactions/ contracts/arrangements	As mentioned in the justification paragraph in the explanatory statement.
6.	Tenure of the 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 value of all such transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 750 crore (Rupees Seven Hundred and Fifty Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.
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 2022-23)	346%
9.	Percentage calculated on the basis of the JMFPL's annual turnover on a consolidated basis (Based on turnover of financial year 2022-23)	75%
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 explanatory statement.

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/Issuance of securities b) Receipt of Management fees c) Acquisition/transfer of fixed assets/liabilities at the value appearing in the books of account
5.	Nature, material terms and particulars of transactions/ contracts/arrangements	As mentioned in the justification paragraph in the explanatory statement.
6.	Tenure of the transactions/contracts/arrangements	Will be decided at the time of entering into the transaction(s).

Notice (Contd.)

Sr. No.	Description	Particulars
7.	Value of the proposed transactions/contracts/arrangements	The aggregate value of all such transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 1,000 crore (Rupees One Thousand Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.
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 2022-23)	462%
9.	Percentage calculated on the basis of the JMFCSL's annual turnover on a standalone basis (Based on turnover of financial year 2022-23)	85%
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 explanatory statement.

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 b) Availing of loans including Inter Corporate Borrowings/Issuance of securities c) Providing/availing of any services d) Placement/Arranger fees e) Acquisition/transfer of fixed assets/liabilities at the value appearing in the books of account
5.	Nature, material terms and particulars of transactions/contracts/arrangements	As mentioned in the justification paragraph in the explanatory statement.
6.	Tenure of the 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 value of all such transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 550 crore (Rupees Five Hundred and Fifty Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.
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 2022-23)	254%
9.	Percentage calculated on the basis of the JMFSL's annual turnover on a standalone basis (Based on turnover of financial year 2022-23)	100%



Sr. No.	Description	Particulars
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 explanatory statement.

5. JM Financial Home Loans Limited

Sr. No.	Description	Particulars
1.	Name of the related party	JM Financial Home Loans Limited (the “JMFHL”)
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/Issuance of securities b) Recovery of expenses
5.	Nature, material terms and particulars of transactions/ contracts/arrangements	As mentioned in the justification paragraph in the explanatory statement.
6.	Tenure of the 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 value of all such transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 100 crore (Rupees One Hundred Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.
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 2022-23)	46%
9.	Percentage calculated on the basis of the JMFHL's annual turnover on a standalone basis (Based on turnover of financial year 2022-23)	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 explanatory statement.

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/Issuance of securities b) Rent for the use of office premises c) Reimbursement of expenses

Notice (Contd.)

5.	Nature, material terms and particulars of transactions/contracts/arrangements	As mentioned in the justification paragraph in the explanatory statement.
6.	Tenure of the 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 value of all such transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 200 crore (Rupees Two Hundred Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.
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 2022-23)	92%
9.	Percentage calculated on the basis of the JMFPPL's annual turnover on a standalone basis (Based on turnover of financial year 2022-23)	365%
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 explanatory statement.

7. JM Financial Asset Management Limited

Sr. No.	Description	Particulars
1.	Name of the related party	JM Financial Asset Management Limited (the "JMFAML")
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	Availing of loans including Inter Corporate Borrowings/Issuance of securities
5.	Nature, material terms and particulars of transactions/contracts/arrangements	As mentioned in the justification paragraph in the explanatory statement.
6.	Tenure of the 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 value of all such transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 200 crore (Rupees Two Hundred Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.
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 2022-23)	92%
9.	Percentage calculated on the basis of the JMFAML's annual turnover on a standalone basis (Based on turnover of financial year 2022-23)	2,027%
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



Sr. No.	Description	Particulars
12.	Any other information that may be relevant	All important information forms part of the justification paragraph in the explanatory statement.

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	Availing of loans including Inter Corporate Borrowings/Issuance of securities
5.	Nature, material terms and particulars of transactions/ contracts/arrangements	As mentioned in the justification paragraph in the explanatory statement.
6.	Tenure of the 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 value of all such transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 100 crore (Rupees One Hundred Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.
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 2022-23)	46%
9.	Percentage calculated on the basis of the JMFHL's annual turnover on a standalone basis (Based on turnover of financial year 2022-23)	350%
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 explanatory statement.

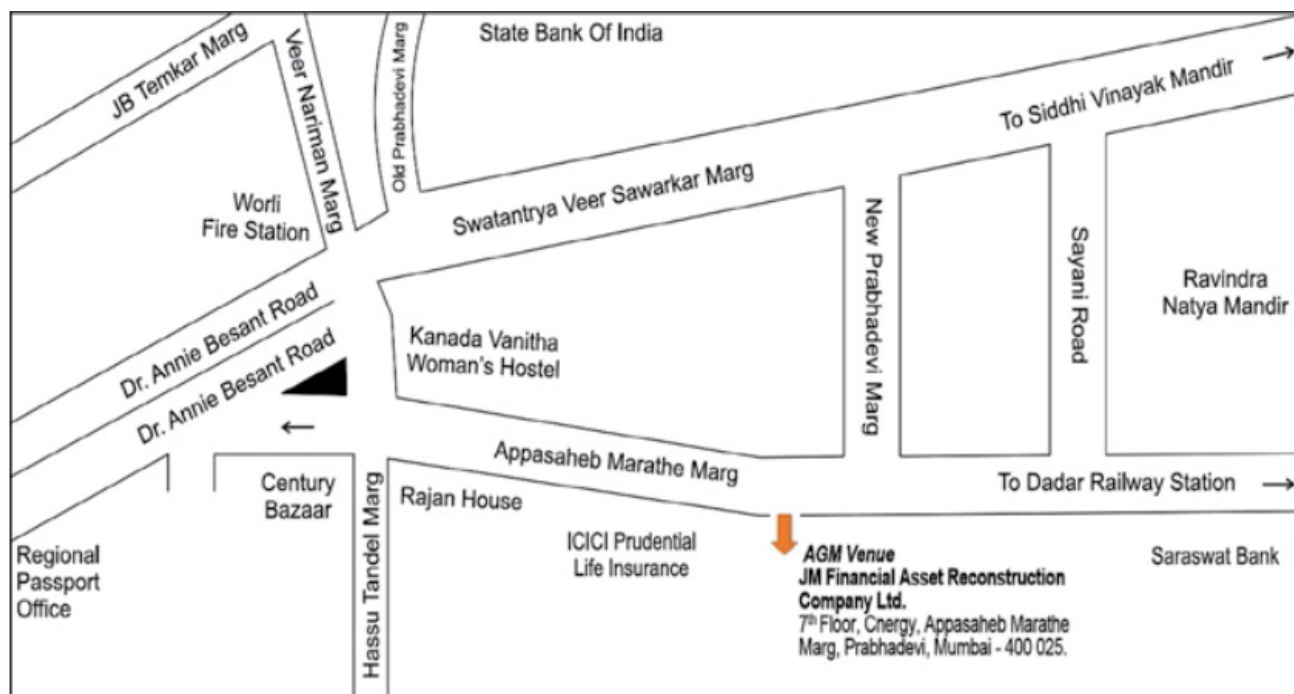
9. Astute Investments

Sr. No.	Description	Particulars
1.	Name of the related party	Astute Investments (the “Astute”)
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 b) Availing of loans including Inter Corporate Borrowings/Issuance of securities
5.	Nature, material terms and particulars of transactions/ contracts/arrangements	As mentioned in the justification paragraph in the explanatory statement.
6.	Tenure of the transactions/contracts/arrangements	Will be decided at the time of entering into the transactions.
7.	Value of the proposed transactions/contracts/ arrangements	The aggregate value of all such transactions/contracts/arrangements remaining outstanding shall not, at any point of time, exceed ₹ 550 crore (Rupees Five Hundred and Fifty Crore only) during the financial year 2023-24 including and up to the annual general meeting of the Company to be held in the financial year 2024-25.

Notice (Contd.)

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 2022-23)	254%
9.	Percentage calculated on the basis of the Astute's annual turnover on a standalone basis (Based on turnover of financial year 2022-23)	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 explanatory statement.

ROUTE MAP FOR ANNUAL GENERAL MEETING VENUE





Directors' Report

Dear Members,

The Board of Directors (the “**Board**”) present their 16th Annual Report on the performance of the Company together with the audited consolidated and standalone financial statements for the financial year ended March 31, 2023.

This report shall be uploaded on the website of the Company at www.jmfinancialarc.com.

Financial Performance

The summary of the consolidated and standalone financial performance of the Company are given below:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Gross Income	218.89	519.43	234.70	511.01
Expenses	412.51	289.12	439.37	280.81
Profit/(Loss) before tax	(193.62)	230.31	(204.67)	230.20
Tax Expenses				
Current Tax	-	85.04	-	85.04
Deferred tax	(46.96)	(26.72)	(49.74)	(26.74)
Profit/(Loss) after tax	(146.66)	171.99	(154.93)	171.90
Other Comprehensive Income	(0.15)	0.04	(0.15)	0.04
Total Comprehensive Income/(Loss)	(146.81)	172.03	(155.08)	171.94
Net Profit/(Loss) attributable to				
Owners of the Parent	(154.47)	171.99	-	-
Non-Controlling Interest	7.81	-	-	-
Other Comprehensive Income Attributable to owners of parent	(0.15)	0.04	-	-
Total Comprehensive Income /(Loss) attributable to				
Owners of the Parent	(154.62)	172.03	-	-
Non-Controlling Interest	7.81	-	-	-
Adjusted Net Profit after tax attributable to Owners of the Parent*	31.91	172.03	31.48	171.94

* Adjusted for additional provisions considered on few accounts in the financial year 2022-23 (post tax and non-controlling interest) of ₹ 246 Crore.

Key highlights of Consolidated Financial Performance

- Gross income of the Company for the financial year ended March 31, 2023 is ₹ 218.89 Crore as compared to ₹ 519.43 Crore in the previous year; and
- The total comprehensive income/(loss) attributable to parent for the said year is (₹ 154.62 Crore) as compared to ₹ 172.03 Crore in the previous year.

The Consolidated financial statements for the financial year ended March 31, 2023 have been prepared in accordance with Section 133 of the Companies Act, 2013 (the “**Act**”) read with the rules made thereunder and Indian Accounting Standards

(the “**Ind AS**”) 110. The consolidated financials reflect the cumulative performance of the Company and the 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, 2023 is ₹ 234.70 Crore as compared to ₹ 511.01 Crore in the previous year; and
- The total comprehensive income/(loss) for the said year is (₹ 155.08 Crore) as compared to ₹ 171.94 Crore in the previous year.

Directors' Report (Contd.)

Dividend

Considering the Company's financial performance, the Board has not recommended any dividend for the financial year ended March 31, 2023.

Material Changes and Commitments affecting the financial position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year to which the financial statements relate and date of this Report.

Share Capital

During the year under review, the Company allotted 5,36,82,680 equity shares of face value of ₹ 10/- each at a premium of ₹ 27.30/- per share consequent upon conversion of 12% 53,68,268 Compulsory Convertible Debentures. As a result, the issued, subscribed and paid-up share capital of the Company as on March 31, 2023 stood at ₹ 398.33 Crore divided into 39,83,25,537 (Thirty Nine Crore Eighty Three Lakh Twenty Five Thousand Five Hundred Thirty Seven) equity shares of ₹ 10/- (Rupees Ten only) each fully paid up.

The entire shareholding of the Company is in dematerialized form.

Conversion of Compulsory Convertible Debentures

In September 2019, the Company had issued and allotted 53,68,268 Compulsory Convertible Debentures (CCDs) on a right basis and as per the terms of issue, each CCD was compulsorily convertible into 10 equity shares of face value of ₹ 10/- each per share upon expiry of 36 months from the date of allotment. Consequently, the CCDs had been converted into 5,36,82,680 equity shares on September 12, 2022, upon expiry of 36 months from the date of allotment.

Employees Stock Option Scheme

The Company's Employees' Stock Option Scheme (the "**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, 2023 is appended to this Report as **Annexure I**.

Deposits

The Company has neither invited nor accepted any deposits from the public and as such, no amount of principal or interest

on deposits from public was outstanding as on date of the balance sheet.

Credit Rating

ICRA Limited ("**ICRA**") and CRISIL Ratings Limited ("**CRISIL**") have reaffirmed the following credit ratings to the borrowing programmes of the Company:

Means of Borrowings	Rating Agency	Rating assigned
Commercial Papers	ICRA	ICRA A1+
	CRISIL	CRISIL A1+
Non-Convertible Debentures	ICRA	ICRA AA-/Stable
	CRISIL	CRISIL AA-/Stable
Long Term Principal Protected Market Linked Debentures	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

The global economy has experienced three significant shocks since 2020. The first shock was caused by the pandemic, which resulted in contraction of the global output. This was followed by the Russian-Ukraine conflict, which led to surge in inflation across the world. Thirdly, in response to these, central banks from various economies, implemented policy rate hikes to counteract the inflationary pressure.

Indian economy appears to have fully recovered from pandemic. However, the economy faces challenges due to subdued global growth, monetary tightening exercise and bank collapses in the US. As per the Reserve Bank of India's (the "**RBI**") report, the GNPA ratio of Scheduled Commercial Banks (SCBs) are declining, however with the sharp acceleration in credit growth particularly, retail loans suggest that concentration in retail loans may become a source of systemic risk. This would lead to opportunities for ARCs for acquisitions of retail loans besides persisting stress in MSME and large corporate accounts.

During the financial year 2022-2023, RBI notified revised regulatory framework for Asset Reconstruction Companies ("**ARCs**") towards strengthening and streamlining ARC framework for resolution of stressed assets. The guidelines inter alia, permit ARCs to invest in the SRs at a minimum of either 15% of transferors' investment in the SRs or 2.5% of the total SRs issued, whichever is higher, vis-à-vis the previous requirement of 15% of total SRs issued in all cases.



This is expected to result in efficient utilization of capital, enabling ARCs to participate in more and bigger deals.

Moreover, ARCs with a minimum Net Owned Fund (NOF) of ₹ 1,000 crore have been permitted to act as resolution applicants under the Insolvency and Bankruptcy Code (IBC), and we are one of the very few ARCs to meet this criteria. Lenders have also been permitted to transfer all loans in default to ARCs, as opposed to the earlier stipulation of transferring only those loans which were in default for more than 60 days. This is expected to facilitate debt aggregation as well as better reconstruction and recovery from stressed assets.

Overview of Business Performance of the Company

During the year, we prioritised our focus on opportunistic acquisitions from the NBFC sector along with resolution of existing assets. We acquired dues of ₹ 9,751 Crore which primarily included portfolios of retail assets. This has allowed us to broad base our investment portfolio and diversify risk over a larger number of borrowers.

Our continued efforts on the resolutions resulted in recoveries of ₹ 1,067 Crore aided by sale of assets, restructuring, settlement and IBC. Security Receipts worth ₹ 807 Crore were redeemed during the year. We successfully restructured the debt of two accounts during this period.

On the liability side, we raised funds of ₹ 1,000 Crore through issuance of Non-Convertible Debentures (NCDs) to Mutual Funds and ₹ 125 Crore in long term finance from Banks and NBFCs.

We have built strong expertise of around 15 years in this business. On the corporate side, we invest in overleveraged companies with strong asset/collateral base, viable business models and/or having real estate with good development potential. On the retail side, we take multiple factors into consideration, including ageing analysis, geographical spread, origination practices, past payment track records and CIBIL scores etc.,

We facilitate turnaround of our investee companies through initiatives like restructuring of debt, streamlining of operations and liquidation of non-core assets. Recoveries are aligned with cash flows so as to ensure that our Internal Rate of Return (IRR) expectations are met. Our investment strategy is to acquire quality assets at the right price and limiting the downside risk by ensuring sufficient underlying security value. Our investment approach is based on a disciplined due diligence process that evaluates risks while also identifying various measures to increase value from our investments.

We have a team of professionals from diverse backgrounds who are experienced in law, banking, corporate debt restructuring 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.

Till March 31, 2023, we have acquired total outstanding dues of ₹ 73,508 Crore at a gross consideration of ₹ 21,680 Crore. The outstanding Security Receipts stood at ₹ 13,558 Crore as on March 31, 2023. The outstanding contribution of JM Financial Asset Reconstruction Company Limited stood at ₹ 3,862 Crore as on March 31, 2023. We have had 73 exits (trusts) spread across sectors, which is a testimony to our strong expertise gained over the years in resolving distressed assets.

During the year, we have made additional provisions in one large account due to expected lower than anticipated recovery in the IBC process. In addition, we have taken cautious provisions on few other corporate accounts. The Company has generated profit at the operating level without considering these provisions.

Looking ahead, our acquisition strategy is towards full cash acquisitions with a co-investment model along with financial investors and strategic partners. Along with corporate accounts focus is also going to be on acquisition of retail portfolios which would help to reduce concentration risk by diversifying the AUM. In the coming year, apart from focus on recoveries, we are focusing on acquisition of incremental assets based on co-investment model resulting in a healthy mix of fee based and fund based revenue model.

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 2022-23	FY 2021-22
Dues acquired	9,751	2,092
Investment by the Company	882	242
Issue of Security Receipts to other investors	2,660	470
Total acquisition cost	3,542	712
Security Receipts buyout by the Company	-	-
Total outstanding dues acquired (Cumulative as on March 31)	73,508	63,757
Total gross acquisition cost (Cumulative as on March 31)	21,680	18,138

Directors' Report (Contd.)

Resolution and Recovery activities

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

(₹ in Crore)

Details of Financial Assets resolved by the Company	FY 2022-23	FY 2021-22
Redemption of face value of Security Receipts	807	760
Total Recovery	1,067	2,041

Assets under management

The synopsis of the category of the assets under the management as on March 31, 2023 compared to previous financial year is given below:

(₹ in Crore)

Comparison of assets under management	As on March 31, 2023	As on March 31, 2022
Corporate Accounts	8,586	8,575
Portfolio Accounts	2,119	2,315
Retail Accounts	2,853	46
Total	13,558	10,936

Security Receipts issued and outstanding

The summary of Security Receipts issued and outstanding as on March 31, 2023 as compared to previous financial year is given below:

(₹ in Crore)

SRs issued, redeemed and outstanding	As on March 31, 2023	As on March 31, 2022
Security Receipts issued during the year	3,542	712
Security Receipts redeemed during the year	807	760
Security Receipts outstanding as at the end of the year	13,558	10,936

Note: SRs were written off due to the trust closure amounting to ₹ 113 Crore during the FY 2022-23 and ₹ 75 Crore during FY 2021-22.

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, 2023 is ₹ 469 Crore as against ₹ 512 Crore in the previous year.

Borrowings

The Borrowings as per the consolidated financial statements of the Company for the financial year ended March 31, 2023 is ₹ 3,076 Crore as against ₹ 2,295 Crore in the previous year.

Non-Convertible Debentures

During the financial year 2022-23, the Company raised an amount of ₹ 1,405 Crore through issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("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 Company has duly made timely payment of the interest and redemption amount on the NCDs.

Commercial Papers (CPs)

During the financial year 2022-23, the Company had duly made timely payment of the redemption amount aggregating up to ₹ 220 Crore on the CPs.

Debt Equity Ratio

The Debt Equity Ratio as on March 31, 2023 is 2.09 times as compared to 1.41 times as on March 31, 2022.

Capital Adequacy Ratio

The Capital Adequacy Ratio of the Company as on March 31, 2023 is 24.67% as compared to 38.56% in the previous financial year ended March 31, 2022.

Net Worth

The Net Worth of the Company as per the consolidated financial statements on March 31, 2023 is ₹ 1,536 Crore as compared to ₹ 1,688 Crore in the previous financial year ended March 31, 2022.

Board of Directors

The Board of the Company is an apex body, which inter alia, oversees its overall functioning, provides a strategic direction, guidance, leadership and owns the fiduciary responsibility to ensure that the Company's actions and objectives are aligned in creating long term value for its stakeholders.

As on March 31, 2023, the Board of the Company comprises ten (10) directors, of which 5 (five) are independent directors including 1 (one) woman director. The remaining 5 (five) are non-independent directors. The composition of the Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and the Act.



All the directors of the Company have confirmed that they are not disqualified to act as 'director', pursuant to Section 164 of the Act or under any other applicable laws.

Appointment of an Independent Director

Mr. Munesh Khanna

Based on the recommendation made by the Nomination and Remuneration Committee, the Board at its meeting held on July 22, 2022 approved the appointment of Mr. Munesh Khanna (DIN: 00202521) as an additional (independent) director of the Company, subject to the approval from the RBI and the members at the general meeting of the Company. The RBI vide its letter dated September 27, 2022, has conveyed its no-objection for appointment of Mr. Khanna as a director of the Company.

At the Extraordinary General Meeting held on November 2, 2022, the members of the Company approved Mr. Khanna's appointment as an independent director for a term not exceeding 5 (five) consecutive years with effect from September 27, 2022.

Retirement by Rotation

In accordance with the applicable provisions of Section 152 of the Act, Mr. Narotam Sekhsaria (DIN: 00276351), 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. Sekhsaria has offered his candidature for re-appointment as a director.

The brief particulars as required under the Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India forms part of the Notice convening the AGM of the Company.

The Company has obtained a certificate from Shroff Negandhi and Associates LLP, practicing company secretaries, that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India (the "SEBI")/Ministry of Corporate Affairs (the "MCA") or any such statutory authorities as on March 31, 2023. A copy of the said certificate is forming part of Corporate Governance Report, which forms part of this Report.

Change in Key Managerial Personnel

Mr. Anil Bhatia who was the Chief Executive Officer (CEO) of the Company since May 15, 2008 will be completing his 15 (fifteen) years tenure on May 15, 2023 as the CEO of the

Company. According to the regulatory framework for ARCs issued by the RBI on October 11, 2022, the post of the CEO shall not be held by the same incumbent for more than 15 (fifteen) years continuously.

In view of the above, there was need to appoint new CEO of the Company and therefore, basis 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 CEO of the Company subject to the approval of the RBI.

Other than above, there are no changes in the Key Managerial Personnel (KMP) of the Company. Mr. Sabyasachi Ray, Chief Financial Officer and Mr. Vineet Singh, Company Secretary continue to be the KMPs within the meaning of Section 2(51) read with Section 203(1) of the Act.

Declaration by Independent Directors

The independent directors of the Company, pursuant to the provisions of Section 149 of the Act and SEBI Listing Regulations, have submitted their 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 to the Act. 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 2022-23, the independent directors had no pecuniary relationships or transactions with the Company,

Directors' Report (Contd.)

except as disclosed in the Corporate Governance Report, which forms part of this Report.

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 have affirmed compliance with the Code of Conduct.

Fit and Proper declarations given by the Directors

In accordance with the RBI Circular dated October 11, 2022 for ARCs, the Company has obtained annual fit and proper declarations from the directors and the CEO.

Board Meetings

During the year under review, 4 (four) Board meetings were held. The maximum interval between any two meetings did not exceed 120 (one hundred and twenty) days as prescribed by the Act and the SEBI Listing Regulations. A detailed update on the Board, its composition, governance of committees, number of meetings held during the financial year 2022-23 and attendance of the Directors thereat, is provided in the Corporate Governance Report, which forms part of this Report.

Policy on Appointment of Directors and their Remuneration

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.

Evaluation of Board of Directors

Pursuant to the applicable provisions of the Act and SEBI Listing Regulations, the Board has carried out annual evaluation of its own performance, the Board committees and individual directors. The evaluation was based on the criteria and questionnaire framed by the Company in accordance with its policy on performance evaluation and remuneration of the directors, which is available on the website of the Company and the Guidance Note on the board evaluation issued by SEBI vide its circular dated January 5, 2017. The questionnaire were circulated through the secure application and feedback received from the directors was discussed and reviewed by the Nomination and Remuneration Committee and the Board at their respective meetings.

Additionally, in accordance with the RBI Circular dated October 11, 2022, the performance evaluation of the Chief Executive Officer (CEO) was also reviewed by the Nomination and Remuneration Committee and the Board.

The independent directors of the Company met separately at their meeting held on March 28, 2023, without the attendance of non-independent directors and members of the management. Based on the feedback received through performance evaluation questionnaires, the independent directors reviewed the following:

- a. Performance of non-independent directors and the Board as a whole;
- b. Performance of the various committees of the Board;
- c. Performance of the chairman of the Board/Company; and
- d. Assessed the quality, quantity and timeliness of 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, for the financial year 2022-23 and regarding the overall functioning of the Board committees.

The evaluation process endorsed the Board Members’ confidence in the ethical standards of the Company, the cohesiveness that exists amongst them, the two-way candid communication between the Board and the management and the openness of the management in sharing strategic information to enable the Board Members to discharge their responsibilities effectively.

Board Committees

In compliance with the statutory requirements, the Board has constituted 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. Asset Acquisition Committee;
7. Asset Resolution Committee;
8. Stakeholders’ Relationship Committee;



9. Risk Management Committee;
10. Asset Liability Management Committee;
11. Committee for submission of resolution plan;
12. Independent Advisory Committee;
13. Wilful Defaulter – Identification Committee;
14. Wilful Defaulter – Review Committee.

A detailed note on the composition of the Board Committees, including its terms of reference and number of meetings held during the financial year 2022-23 are provided in the Corporate Governance Report, which forms part of this Report. The composition and terms of reference of the Committees of the Board of the Company is in line with the provisions of the Act and the SEBI Listing Regulations.

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 the management has made judgements and estimates that 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 have 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.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The certificate received from Mr. Anil Bhatia, the CEO and Mr. Sabyasachi Ray, the CFO with respect to the financial statements and other matters as required under Part B of Schedule II to the SEBI Listing Regulations forms part of Corporate Governance Report, which forms part of this Report.

Report on Corporate Governance

Pursuant to the SEBI Listing Regulations, a report on Corporate Governance for the financial year 2022-23 along with the compliance certificate from Shroff Negandhi and Associates LLP, practicing company secretaries confirming the compliance with the regulations of Corporate Governance under the SEBI Listing Regulations is annexed and forms part of this 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 SARFAESI Act, the RBI guidelines for ARCs, the Act and the SEBI Listing Regulations.

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 guidelines prescribed by the RBI. This policy 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 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.

Directors' Report (Contd.)

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

The Company has adopted a 'Whistle Blower Policy/Vigil Mechanism' in accordance with Section 177 of the Act, inter alia to provide a mechanism for directors and employees of the Company to approach the Audit Committee of the Company and to report genuine concerns related to the Company and provide for adequate safeguards against victimisation of director(s) or employee(s) 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 non-performing 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 a 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 lay 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 trusts under the management.

Familiarisation Programme

The Company has adopted the familiarisation programme in accordance with Regulation 25(7) of the SEBI Listing Regulations to familiarise the independent directors through



various programmes about the Company, including the following: (a) nature of the industry in which the Company operates; (b) business model of the Company; (c) roles, rights, responsibilities of independent directors; and (d) any other relevant information. The familiarisation programme for independent directors is available on the website of the Company.

Policy on Related Party Transactions

The Company has adopted the Policy on Related Party Transactions in accordance with Regulation 23 of the SEBI Listing Regulations which inter-alia, sets out process and manner of approval of transactions with related parties. The policy is available on the website of the Company.

Policy on Succession Planning

The Company has adopted the Succession Planning Policy in accordance with Regulation 17(4) of the SEBI Listing Regulations, which inter-alia, lays out the plans for orderly succession for appointment to the Board of Directors and Senior Management.

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 Nomination and Remuneration Committee 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.

Policy on Performance Evaluation and Remuneration of Directors

The Company has adopted a Policy on Performance Evaluation and Remuneration of Directors to formulate a process for assessing the effective evaluation of performance of the Board of the Company, the Board committees, individual directors and the Chairman of the Company. The performance evaluation process aims to increase the participation and contribution in the Board level deliberations by the directors of the Company. This policy aims to monitor and evaluate the attainment of the Board/committees/individual directors' 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.

Policy on Fit and Proper criteria for Directors

The Company has adopted a policy on Fit and Proper criteria for directors to be considered for appointment of directors including qualifications, positive attributes, fit and proper person status.

Code of Conduct for Directors & Senior Management Personnel

The Company has adopted the Code of Conduct for Directors & Senior Management Personnel in accordance with Regulation 17(5) of the SEBI Listing Regulations, to serve as a guide to the directors and senior management personnel 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 & Senior Management Personnel is available on the website of the Company.

Policy on Settlement of Dues

The Company has adopted a Policy on Settlement of Dues in accordance with the RBI Circular dated October 11, 2022 for ARCs.

Policy on Submission of Resolution Plan

The Company has adopted a Policy on Submission of Resolution Plan in accordance with the RBI Circular dated October 11, 2022 for ARCs.

Statutory Auditors

During the year under review, the members of the Company at the 15th AGM held on July 22, 2022, had appointed M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No: 109983W), as the Statutory Auditors of the Company, for a period of 5 (five) consecutive years from the conclusion of the 15th AGM until the conclusion of the 20th AGM of the Company be held in the financial year 2027-28.

Auditors' Report

The Statutory Auditors have issued their unmodified opinion, both on standalone and consolidated financial statements for the year ended March 31, 2023. They have not highlighted any qualifications, reservations, adverse remarks or disclaimers. The Statutory Auditors have not reported any incident of fraud

Directors' Report (Contd.)

to the Audit Committee of the Company during the financial year 2022-23. The notes to the accounts referred to in the auditors' report are self-explanatory and therefore do not call for any further explanation and comments.

Secretarial Audit

The Board of the Company, on the recommendation made by the Audit Committee, had appointed M/s. Naren Shroff & Associates, practicing company secretaries, as the Secretarial Auditors to conduct an audit of the secretarial records for the financial year 2022-23.

The secretarial audit report as issued by the Secretarial Auditors for the financial year ended March 31, 2023, is appended to this Report as **Annexure II**.

There are no qualifications, reservations, adverse remarks or disclaimers in the above secretarial audit report. Further, the Secretarial Auditors has not reported any fraud under Section 143(12) of the Act.

Further, in compliance with Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report issued by the Secretarial Auditors, was submitted to the stock exchanges within the statutory timelines.

Internal Auditors

During the year under review, M/s. Aneja Associates, Chartered Accountants, were appointed as the Internal Auditors of the Company in accordance with the applicable provisions of the Act.

Secretarial Standards

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

Debenture Trustee

SBICAP Trustee Company Limited is the Debenture Trustee for the Non-Convertible Debentures 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

The Corporate Social Responsibility Committee (the "CSR Committee") has been established by the Board in accordance with section 135 of the Act and details of its composition, terms of reference and meetings details are stated in the Corporate Governance Report which forms 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 & 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 website of the Company at www.jmfinancialarc.com/Home/Policies.

The details of CSR activities as required under Rule 8 of the CSR Rules in the prescribed format is appended to this Report as **Annexure III**.

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 risks which include liquidity risk, interest rate risk, operational risk, regulatory and compliance risk, reputational risk, risk emanating from cyber security, legal risk, competition risk, among others. A comprehensive Risk Management Policy has been formulated by the Company apart from the processes which are 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 Company as established by the Board has been entrusted with the responsibility of reviewing the risk management process in the Company. 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 adequate internal financial control system over financial reporting which ensures that all transactions are authorised, recorded, and reported correctly in a timely manner. 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 monitors this system and ensures adequacy of the same. The Statutory Auditors and the Internal Auditors of the Company also provide their confirmation that the internal financial control framework is robust and is working 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

As mentioned earlier, our acquisition strategy is towards full cash acquisitions with a co-investment model along with financial investors and strategic partners. Along with corporate accounts focus is also going to be on acquisition of retail portfolios which would help to reduce concentration risk by diversifying the AUM. In the coming year, apart from focus on recoveries, we are focusing on acquisition of incremental assets based on co-investment model resulting in a healthy mix of fee based and fund based revenue model.

Opportunities and Threats

The Company believes that there are sizable 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 includes:

- Macro-economic factors such as abnormal monsoon, geopolitical tensions, global economic threats impacting the business, economic situation, liquidity situation in the market, cost effective availability of funding;
- Business specific threats such as 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 54 personnel, as on March 31, 2023. The team comprises of professionals having wide and varied experience from the banking, asset reconstruction, consultancy and legal background. In terms of team mix, the team comprises of a fair mix of experienced and fresh recruits from law schools and professional institutions.

In terms of experience, the team comprises of personnel having experience varying from minimum experience of 8 months to maximum experience of 37 years. The average age of the employees of the Company is 36.4 years. Of the total number of employees, 36 employees, constituting approximately 67% of the total number have been with the Company for more than 4 years. In terms of gender diversity, there are 14 female employees and 40 male employees.

Particulars of Contracts or Arrangements with Related Parties

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated 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.

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 in Form AOC-2 is not applicable to the Company for the financial year 2022-23 and accordingly, does not form part of this Report.

Directors' Report (Contd.)

The related party transactions as required under Ind AS – 24 are reported in note 39 of notes to the standalone financial statements and note 40 of notes to the consolidated financial statements of the Company.

The Company in terms of Regulation 23 of the SEBI Listing Regulations submits disclosures of related party transactions on half yearly basis, in the format specified by SEBI vide its circular dated November 22, 2021 to the stock exchanges.

The said disclosures are available on the website of the Company at www.jmfinancialarc.com/Home/NCD.

Particulars of Loans, Guarantees and Investments

The details of loans and investments are forming part of the Notes to the financial statements provided in this Annual Report. During the year under review, the Company has not given any guarantee.

Annual Return

Pursuant to Sections 92(3) and 134(3)(a) of the Act, the Annual Return for the financial year 2022-23, is available on the website of the Company at 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 it 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 is vigilant on the need for conservation of energy and has taken adequate measures for conservation of energy.

During the financial year 2022-23, 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 encourages an open and transparent system of working and dealing amongst its stakeholders and accordingly, has framed a robust vigil mechanism in the form of Whistle Blower Policy. The Policy enables its directors and employees of the Company or any other person who avails the mechanism framed under this Policy to report genuine concerns about unethical or improper practices or alleged wrongful conduct, actual or suspected fraud etc., without any fear of discrimination or victimisation of any kind.

This Policy protects such directors and employees from unfair or prejudicial treatment by anyone within the Company. It also provide 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.

During the financial year 2022-23, no cases under this mechanism have been reported.

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

A detailed policy is in place in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH"). Internal Complaints Committees (the "ICC") has been set up to redress complaints, if any, received regarding sexual harassment and the Company has complaints, if any, with provisions relating to the constitution of ICC under the POSH. All employees permanent, contractual, temporary, trainees are covered under this policy. The provisions related to prevention of sexual harassment are also imbibed in the Company's Code of Conduct as applicable to the employees.

During the financial year 2022-23, no complaints were received from any of the employees.



Acknowledgements

The Board of Directors takes this opportunity to place on record its sincere thanks to the Reserve Bank of India, Ministry of Finance, Government of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, 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 also takes this opportunity to thank the employees for their dedicated service and firm commitment to the goals and vision of the Company.

For and on behalf of the Board of Directors

V P Shetty

Director

DIN: 00021773

Adi Patel

Director

DIN: 02307863

Place: Mumbai

Date: April 28, 2023

Directors' Report (Contd.)

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, 2023

1.	Options granted during the financial year 2022-23	: 19,60,749
2.	Options vested during the financial year 2022-23	: 2,37,219 options granted under Series I vested on April 16, 2023
3.	Options exercised	: Nil
4.	Total number of shares arising as a result of exercise of options	: Not applicable
5.	Options lapsed	: 9,51,945
6.	The exercise price	: ₹ 33.63/- (Rupees Thirty Three and paise Sixty Three only)
7.	Variation of terms of options	: None
8.	Money realised from the Employees by exercise of Options during the financial year 2022-23	: Nil
9.	Total number of options in force	: 34,99,797
10.	Employee wise details of options granted to	
	(i) Key managerial personnel	: 5,79,840 stock options have been granted to Key Managerial Personnel (KMPs) of the Company
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more options granted during that year	: 8 (eight) employees were granted stock options aggregating 18,82,248 which amounted to 5% or more options granted during the FY 2022-23
	(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



Annexure II

FORM MR 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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
7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi,
Mumbai - 400 025

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, 2023**, 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, 2023 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, 2023.

However, the Board of the SEBI, vide its press release dated March 29, 2023 extended the timeline of 'comply or explain' period for HVDLEs in respect of corporate governance norms till March 31, 2024.

Directors' Report (Contd.)

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 Securitization 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 1, 2022 issued by the Reserve Bank of India and updated on October 14, 2022.

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. The changes in the composition of the Board of Directors that took place during the financial year under report were carried out in compliance with the applicable provisions of the Act.
- 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;

- The Board of Directors, at its meeting held on May 12, 2022, approved the payment of commission, for the financial year 2021-22 of ₹ 52,00,000 (Rupees Fifty-Two Lakh only) to the non-executive directors and independent directors, as recommended by the



Nomination and Remuneration Committee at its meeting held on May 4, 2022.

- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 22, 2022, approved the appointment of Mr. Munesh Khanna [DIN: 00202521] as an additional (independent) director of the Company subject to receipt of approval from the Reserve Bank of India and also approval of the members at the general meeting of the Company. The Reserve Bank of India, vide its letter dated September 27, 2022, conveyed its no-objection to the appointment of Mr. Khanna. Further, at the Extraordinary General Meeting held on November 2, 2022, the appointment of Mr. Khanna as an independent director of the Company was approved by the members of the Company by passing special resolution in terms of Regulation 17(1C) of the SEBI (LODR) for a term not exceeding five (5) consecutive years with effect from September 27, 2022.
- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on January 24, 2023, approved the appointment of Mr. V P Shetty [DIN: 00021773] as an Independent Director for a term not exceeding five consecutive years, subject to necessary regulatory and other approvals, as may be required.
- The Company allotted 5,36,82,680 equity shares of face value of ₹ 10/- (Rupees Ten only) each at a premium of ₹ 27.30/- (Rupees Twenty-Seven and paise Thirty only) per share consequent upon conversion of 12%, 53,68,268 Compulsorily Convertible Debentures vide resolution passed, by the Issue and Allotment Committee of the Board, through circulation, on September 12, 2022.
- The Company issued and allotted 6,550 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures/Principal Protected Market Linked Non-Convertible Debentures (the “NCDs”) of ₹ 10 Lakh each and 75,000 NCDs of ₹ 1 Lakh each, aggregating up to ₹ 1,405 Crore, on private placement basis, under various tranches on various dates.
- The Company redeemed 1,980 NCDs of ₹ 10 Lakh each and 3,750 NCDs of ₹ 2 Lakh each, aggregating to ₹ 273 Crore, under various tranches on various dates.
- The Company redeemed 4,400 Commercial Papers of face value of ₹ 5 Lakh each for cash aggregating to ₹ 220 Crore.

- The Company made investment of ₹ 882 Crore in Security Receipts.

At the 15th Annual General Meeting of the Company held on July 22, 2022:-

- 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. Pulkit Sekhsaria [DIN: 00046409], who retired by rotation, was re-appointed as a director of the Company.
- Pursuant to regulation 17(1A) of SEBI LODR, members accorded their consent to Mr. V P Shetty [DIN: 00021773] and Dr. Vijay Kelkar [DIN: 00011991] for continuing to hold the directorship as non-executive directors of the Company notwithstanding them attaining the age of seventy-five (75) years.
- Sharp & Tannan Associates, Chartered Accountants (FRN: 109983W), were appointed as the Statutory Auditors of the Company, for a period of five (5) consecutive years in terms of section 139(2) of the Act.

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 Naren Shroff & Associates

Company Secretaries

Naren S. Shroff

Proprietor
FCS-2414, CP-1563
UDIN: F002414E000217101
Unique Code: S1989MH005700
Peer Review Certificate No.: 1137/2021

Place: Mumbai
Date: April 28, 2023

Directors' Report (Contd.)

Annexure A

**To the Secretarial Audit Report of
JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
for the financial year ended March 31, 2023**

To,
The Members,
JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

Our report for the financial year ended March 31, 2023 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 Naren Shroff & Associates

Company Secretaries

Naren S. Shroff

Proprietor
FCS-2414, CP-1563
UDIN: F002414E000217101
Unique Code: S1989MH005700
Peer Review Certificate No.: 1137/2021

Place: Mumbai
Date: April 28, 2023



Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

Corporate Social Responsibility ("CSR") at JM Financial is undertaken to create long-term impact through development projects with collective action, collaborations and creating equitable opportunities for the underserved. Our CSR projects are envisioned and implemented with the aim of actively working towards community development, with a focus on integrated rural transformation in predominantly difficult terrains of our country.

In accordance with Section 135 of the Companies Act, 2013 (the "Act") and Schedule VII thereto read with the Company's CSR policy, the CSR obligation of the Company for the financial year 2022-23 was ₹ 4.17 Crore. During the year, the CSR Committee and the Board of the Company have approved the following CSR projects.

- Integrated Livestock Development Centers were initiated to enhance farmers' livelihoods by providing livestock health management and development services, resulting into improved cattle health and milk yield.
- Dairy Development Project to operationalize a Bulk Milk Cooling (BMC) unit, at Sikandra block in Jamui, with an objective of creating an income enhancement for cattle-owning farmers in the region.
- Pune International Center (PIC) - To make part contribution towards the construction of a new campus for the Pune International Centre, a think-tank for fostering of overall economic, social and educational furtherance leading to national development.

2. Composition of the CSR committee as on March 31, 2023:

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	1

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	www.jmfinancialarc.com/Home/Management
CSR policy	www.jmfinancialarc.com/Home/Policies
CSR projects	www.jmfinancialarc.com/Home/CsrProjects

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): ₹ 208.06 Crore
- (b) Two percent of average net profit of the Company as per Section 135(5): ₹ 4.17 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)]: ₹ 4.17 Crore
6. (a) Amount spent on CSR projects (Ongoing Project): ₹ 0.43 Crore
- (b) Amount spent in Administrative Overheads: None
- (c) Amount spent on Impact Assessment, if applicable: Not applicable

Directors' Report (Contd.)

(d) Total amount spent for the financial year [(a)+(b)+(c)]: ₹ 0.43 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
0.43 Crore	₹ 3.74 Crore	April 25, 2023		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)	4.17 Crore
ii.	Total amount spent for the financial year	0.43 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)	
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.	2021-22	3.24 Crore	3.24 Crore	1.65 Crore	Nil	Nil	1.59 Crore	None
2.	2020-21	4.10 Crore	2.55 Crore	1.68 Crore	Nil	Nil	0.87 Crore	None

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

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including Complete address and location of the property]	Pin Code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)



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

Anil Bhatia
Chief Executive Officer

V P Shetty
Chairman of the CSR Committee
DIN: 00021773

Place: Mumbai
Date: April 28, 2023

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. It is a means to achieve the Company's vision and objectives, in a legally compliant, transparent and ethical manner, while ensuring the best interests of all its stakeholders. 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.

Responsible corporate conduct is an integral way we do our business. Our actions are guided by our values and principles viz., integrity, teamwork, client focus, innovation, implementation, performance and partnership, which are reinforced at all levels within the Company. We are committed in doing things the right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable laws, thereby ensuring that we gain and retain the trust of our stakeholders at all times.

At JM Financial, we always strive to adopt best practices which goes beyond the regulations and provisions of the law with a strong aspiration to achieve good governance. These ethical and transparent values are reflected in our corporate culture and have helped strengthening our governance practices. Implementation and execution of various processes, procedures and policies not only governs the compliance but ensures adherence to the best corporate practices. The management ensures that JM Financial continues to remain a Company of uncompromised integrity, excellence and is driven towards responsible growth.

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, (the "**SEBI Listing Regulations**"), and the applicable provisions of the Companies Act, 2013 (the "**Act**").

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



II. Board of Directors

The Board of Directors (the "**Board**") of the Company is an apex body, which inter alia, oversees the Company's overall functioning, provides a strategic direction, 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.

The Board comprises 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.

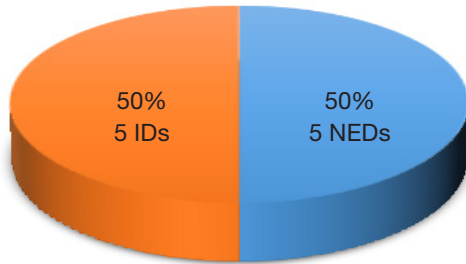
A. Composition of the Board

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 composition of the Board comprises of highly experienced and knowledgeable persons with good reputation 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.

The Board consist of ten (10) directors, of which 5 (five) are independent directors including 1 (one) women independent director. The remaining 5 (five) are non-independent directors. The Board fulfils the requirement of having 50% of the independent directors on the Board. The composition of the Board is in conformity with the provisions of the Act and the SEBI Listing Regulations.

The profile of each of the directors is available on the Company's website at www.jmfinancialarc.com/Home/Management. The composition of the Board is depicted in the chart below.



■ Non-Executive Directors (NEDs) ■ Independent Directors (IDs)

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 the SEBI Listing Regulations and the Act. Independent Directors 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.

Based on the declarations received above, the Board has confirmed that they meet the criteria of independence as prescribed under the Act and the SEBI Listing Regulations and are independent of the management of the Company.

Appointment of Mr. Munesh Khanna

Based on the recommendation made by the Nomination and Remuneration Committee (the “NRC”), the Board at its meeting held on July 22, 2022 approved the appointment of Mr. Munesh Khanna (DIN: 00202521) as an additional (independent) director of the Company, subject to the approval from the Reserve Bank of India (the “RBI”) and the members of the Company. The RBI vide its letter dated September 27, 2022, has conveyed its no-objection for appointment of Mr. Khanna as a director of the Company.

At the Extraordinary General Meeting held on November 2, 2022, the members of the Company approved Mr. Khanna’s appointment as an independent director for a term not exceeding 5 (five) consecutive years with effect from September 27, 2022.

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

B. Directorships/memberships in other companies

None of the directors of the Company hold directorships in more than 20 (twenty) companies and within which not more than 10 (ten) public companies. In accordance with the SEBI Listing Regulations, none of the directors of the Company has held directorships and/or independent directorship in more than 7 (seven) listed companies, including that in the Company during the financial year 2022-23. Further, none of the directors are serving as a member of more than 10 (ten) committees or acting as the chairman of more than 5 (five) committees in accordance with the requirements of the SEBI Listing Regulations. Necessary disclosures regarding committee positions, if any, held by the directors in other public 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, 2023 is given below for information of the members.

Report on Corporate Governance (Contd.)

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, 2023
			Listed®	Name of the Listed Company	Category of Directorship	Unlisted	Chairmanships	Memberships	
1.	Mr. V P Shetty	Non-Executive Director	1	Sunteck Realty Limited	Independent Director	4	1	3	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	-	-	-	4	4	4	Nil
5.	Mr. Adi Patel	Non-Executive Director	1	JM Financial Limited	Joint Managing Director	-	-	-	Nil
6.	Dr. Vijay Kelkar	Independent Director	-	-	-	1	-	1	Nil
7.	Mr. Ameet Desai	Independent Director	2	Hester Biosciences Limited Ambuja Cements Limited	Independent Director	3	-	2	Nil
8.	Mr. Satish Chand Mathur	Independent Director	3	Tilaknagar Industries Limited Indiabulls Housing Finance Limited Kesar Petroproducts Limited	Independent Director Independent Director Additional Director (Independent)	3	-	2	Nil
9.	Mr. Vishal Kampani	Nominee Director	1	JM Financial Limited	Non-Executive Vice Chairman	8	-	4	Nil
10.	Mr. Munesh Khanna	Independent Director	4	Gulf Oil Lubricants India Limited NXT Digital Limited (Now NDL Ventures Limited) JSW Energy Limited Hinduja Global Solutions Limited	Independent Director	4	-	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).

® includes only equity listed entities.

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 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.

Pursuant to Schedule V(C) of the 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	✓	✓	✓	✓	✓	✓	✓

D. Board meetings and Board procedure

During the financial year 2022-23, the Board met 4 (four) times. The interval between the 2 (two) meetings was well within the maximum gap of 120 (one hundred and twenty) 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 conference 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 2022-23 and at the last annual general meeting held on July 22 2022, 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 22, 2022 (Yes/No/Not Applicable)
	1	2	3	4		
	May 12, 2022	July 22, 2022	November 2, 2022	January 24, 2023		
Mr. V P Shetty					100	
Mr. Narotam Sekhsaria	L	L			50	L
Mr. Pulkit Sekhsaria		L			75	L
Ms. Rupa Vora					100	
Mr. Adi Patel					100	
Dr. Vijay Kelkar				L	75	
Mr. Ameet Desai					100	
Mr. Satish Chand Mathur					100	
Mr. Vishal Kampani					100	
Mr. Munesh Khanna [^]	NA	NA			100	NA
Overall attendance at the meeting (in %)	88.89	77.78	100	90		

[^] Appointed as an independent director of the Company with effect from September 27, 2022.

- Present in Person L - Leave of absence - Attended through Video Conferencing NA - Not Applicable

Report on Corporate Governance (Contd.)

The Board 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 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, to enable them to go through the same and take informed decisions. Agenda papers are circulated at least 7 (seven) 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 requisite consent of the 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 law, 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 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 through their hand-held devices, laptops, iPads and browser.

The Board has unrestricted access to all Company related information including to the members of the management. 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.

All material information including the applicable relevant information as stipulated in Part A of Schedule II of the 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 members at a shorter notice on secured platform, with the consent of the Board obtained at its first meeting held during each financial years.

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 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 an opportunity for 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, the compliance confirmations in respect of laws and regulations applicable to the Company, review of legal issues, if any, minutes of the previous meetings of the Board and committees of the Board, significant transactions, approval of quarterly/half-yearly/annual financial results, safety and risk management, corporate restructuring, 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 Board meetings are sent to the Board members for their comments 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, 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 to 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.

E. Separate meeting of Independent Directors

In accordance with provisions of the Act and the SEBI Listing Regulations, a separate meeting of the independent directors of the Company was held on March 28, 2023, without the presence of the non-executive director(s) and the management team of the Company.

The meeting was attended by all the independent directors except Dr. Vijay Kelkar. The independent directors, inter alia, discussed and reviewed the matters prescribed under Schedule IV to the Act and Regulation 25 of the 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.

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

F. Familiarisation Program for Independent Directors

In compliance with the requirements of the SEBI Listing Regulations, the Company has a familiarisation programme for its independent directors to familiarise them with their roles, rights, 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 2022-23, is uploaded on the website of the Company at www.jmfinancialarc.com.

As 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. The information deck given to the directors as part of induction program, consists of the Company's profile, nature of business activities, depth of management, its code and policies, board presentations, latest annual report, extracts of the applicable provisions of the Act, and the 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 given to the independent directors about the Company, its business, their roles, rights, responsibilities as independent director in 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 programme, it is ensured that independent directors are updated about the prevailing scenario, which enables them to make 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**") in accordance with applicable provisions of the SEBI Listing Regulations and the Act and the same is available on the website of the Company at www.jmfinancialarc.com.

The Company through its Code of Conduct provides guiding principles of conduct to promote ethical business practice, fair dealing, managing situations of conflict of interest and compliance with the provisions of the laws on insider trading, anti-bribery, anti-corruption, anti-money laundering and other applicable laws and regulations.

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

Report on Corporate Governance (Contd.)

Board members and senior management personnel have affirmed compliance with the Code of Conduct.

A declaration signed by the Chief Executive Officer to this effect is reproduced below.

Declaration

We 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 2022-23.

Anil Bhatia
Chief Executive Officer

Place: Mumbai
Date: April 28, 2023



III. Committees of the Board

The Board has established various committees, the names of which along with its members 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 Board constituted committees as on March 31, 2023 are provided below.

Committees Overview														
Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Stakeholders' Relationship Committee	Risk Management Committee	Issue and Allotment Committee	Committee Constituted for Conversion of Debt into Shares	Asset Acquisition Committee	Asset Resolution Committee	Asset Liability Management Committee	Independent Advisory Committee	Committee for Submission of Resolution Plan	Willful Defaulter - Identification Committee	Willful Defaulter - Review Committee	
1. Ms. Rupa Vora	1. Mr. Satish Chand Mathur	1. Mr. V P Shetty	1. Mr. V P Shetty	1. Mr. Vishal Kampani	1. Mr. V P Shetty	1. Mr. V P Shetty	1. Mr. Vishal Kampani	1. Mr. Vishal Kampani	1. Mr. Vishal Kampani	1. Mr. Sujit Kumar Varma	1. Mr. Munesh Khanna	1. Mr. Anil Bhatia*	1. Mr. V P Shetty	
2. Mr. V P Shetty	2. Mr. V P Shetty	2. Dr. Vijay Kelkar	2. Mr. Adi Patel	2. Mr. Adi Patel	2. Mr. Vishal Kampani	2. Ms. Rupa Vora	2. Mr. Adi Patel	2. Mr. Adi Patel	2. Mr. Anil Bhatia*	2. Mr. S D Kelkar	2. Mr. Adi Patel	2. Mr. Vivek Grover	2. Ms. Rupa Vora	
3. Mr. Ameet Desai	3. Ms. Rupa Vora	3. Mr. Vishal Kampani	3. Mr. Satish Chand Mathur	3. Mr. Ameet Desai	3. Mr. Adi Patel	3. Mr. Adi Patel	3. Mr. Anil Bhatia*	3. Mr. Anil Bhatia*	3. Mr. Vivek Grover		3. Mr. Satish Chand Mathur		3. Mr. Ameet Desai	
				4. Mr. Anil Bhatia*	4. Mr. Satish Chand Mathur	4. Mr. Ameet Desai	4. Mr. Vivek Grover	4. Mr. Vivek Grover	4. Mr. Sabyasachi Ray					
				5. Mr. Vivek Grover		5. Mr. Satish Chand Mathur	5. Mr. Harish Lalchandani	5. Mr. Harish Lalchandani						

* Ceased to be a member with effect from close of business hours of May 15, 2023.

Audit Committee

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

The members of the Audit Committee are Ms. Rupa Vora, Mr. V P Shetty and Mr. Ameet Desai. Ms. Vora, independent director and a qualified chartered accountant is the Chairperson of the Audit Committee. She attended the last annual general meeting held on July 22, 2022 as required under Regulation 18(1)(d) of the SEBI Listing Regulations.

The Company Secretary acts as the Secretary to the Audit Committee. The meetings of the Audit Committee



is also attended by the 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.

During the financial year 2022-23, the Audit Committee met 6 (six) times. The required quorum was present at all the Audit Committee meetings and the gap between two meetings did not exceed a period of 120 (one hundred and twenty) days.

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

The attendance of the members of the Audit Committee at the meetings held during the financial year 2022-23 was as under:

Name of the Members	Position	Number of Audit Committee meetings held						% of Attendance of the members
		1	2	3	4	5	6	
		May 12, 2022	July 22, 2022	September 14, 2022	November 2, 2022	December 9, 2022	January 24, 2023	
Ms. Rupa Vora	Chairperson							100
Mr. V P Shetty	Member							100
Mr. Ameet Desai	Member					L		83.33

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

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 is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any 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 un-audited results and annual audited 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 monitoring agency monitoring the utilisation of proceeds of

Report on Corporate Governance (Contd.)

- 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 related parties;
 - i) Scrutiny of inter-corporate loans and investments;
 - 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 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) and creditors;
 - r) Review the functioning of the Whistle Blower mechanism;
 - s) Approve appointment of the chief financial officer;
 - t) Review of utilization 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 compliance with the provisions of the SEBI (Prohibition of Insider Trading), Regulations, 2015, as amended, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively;
 - 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.
 - aa) Such other functions as may be entrusted to the Committee by the Board of Directors, from time to time.

The Chairperson of the Audit Committee apprises the Board about significant discussions and decisions taken 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”) consist of 3 (three) members, 2 (two) of which are independent directors thereby meeting the requirements of Section 178 of the Act read with rules



thereto, Regulation 19 of the SEBI Listing Regulations and the RBI Guidelines for ARCs.

The members of the NRC are Mr. Satish Chand Mathur, Mr. V P Shetty and Ms. Rupa Vora. Mr. Mathur, an independent director, is the Chairman of the NRC. He attended the last annual general meeting held on July 22, 2022 as required under Regulation 19(3) of the SEBI Listing Regulations.

During the financial year 2022-23, the NRC met three (3) times. The required quorum was present at all the said NRC meetings.

The matters considered by the NRC during the year, inter alia, included determination of performance linked discretionary bonus and annual compensation of the key managerial personnel and the senior managerial personnel, consideration and recommendation to the Board the candidature for the role of independent director and key managerial personnel, review of policies as applicable, grant of stock options to eligible employees and performance evaluation of the Board and the Committees.

The attendance of the members of the NRC at the meetings held during the financial year 2022-23 was as under.

Name of the Members	Position	Number of NRC meetings held			% of Attendance of the members
		1	2	3	
		May 4, 2022	July 22, 2022	January 24, 2023	
Mr. Satish Chand Mathur	Chairman				100
Mr. V P Shetty	Member				100
Ms. Rupa Vora	Member				100

- Present in Person - Attended through Video Conferencing

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) Such other functions as may be entrusted to the Committee by the Board of Directors, from time to time.

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Criteria for Performance Evaluation and Remuneration

Policy on Performance Evaluation and Remuneration of the Directors (the “**Policy**”) has been framed for evaluating the performance of the Board as a whole, the chairman, non-executive director and the independent 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 2022-23. The same was then recommended to the Board of the Company.

The Policy, inter alia, provides 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 Committees members in discharging their functions, etc. The aforesaid Policy is available on the website of the Company at www.jmfinancialarc.com/Home/Policies.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (the “**CSR**”) Committee consist of 3 (three) members viz., Mr. V P Shetty, Dr. Vijay Kelkar and Mr. Vishal Kampani and is chaired by Mr. V P Shetty. The composition is in line with the requirements of Section 135 of the Act and the applicable rules made thereunder.

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

During the financial year 2022-23, the CSR Committee met twice and the attendance of the members of the CSR Committee at the meetings held during the financial year 2022-23 was as under.

Name of the Members	Position	Number of CSR Committee meetings held		% of Attendance of the members
		1	2	
		July 22, 2022	March 23, 2023	
Mr. V P Shetty	Chairman			100
Dr. Vijay Kelkar	Member			100
Mr. Vishal Kampani	Member		L	50

 - Present in Person L - Leave of absence

 - Attended through Video Conferencing

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

- Formulate and recommend to the Board, the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- Make recommendation on the amount of expenditure to be incurred on CSR activities;
- Institute a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company;
- Such other functions as may be entrusted to the Committee 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 the Annual Report.

Stakeholders’ Relationship Committee

The Stakeholders’ Relationship Committee (the “**SRC**”) consist of 3 (three) members viz., Mr. V P Shetty, Mr. Adi Patel and Mr. Satish Chand Mathur, thereby meeting the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations.

Mr. V P Shetty, a non-executive director, is the Chairman of the SRC. He attended the last annual general meeting held on July 22, 2022 as required under Regulation 20(3)



of the SEBI Listing Regulations. During the financial year 2022-23, 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, 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 & Share Transfer Agents;
- 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;
- 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 2022-23, the Company/its Registrar and Transfer Agents (the “RTA”) has received no grievances from the debenture holders.

Risk Management Committee

The Risk Management Committee (the “RMC”) consist of 5 (five) members, 1 (one) of which is an independent director, thereby meeting the requirements of Regulation 21 of the SEBI Listing Regulations.

The Board, at its meeting held on May 12, 2022, inducted Mr. Ameet Desai as a member of RMC with immediate effect in compliance with SEBI Listing Regulations. Further, Mr. Anil Bhatia ceased to be a member of the RMC with effect from close of business hours of May 15, 2023.

The RMC periodically reviews the processes on risk assessment, risk mitigation and risk management. 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.

The attendance of the members of the RMC at the meetings held during the financial year 2022-23 was as under.

Name of the Members	Position	Number of RMC meetings held		% of Attendance of the members
		1	2	
		April 20, 2022	November 2, 2022	
Mr. Vishal Kampani	Chairman			100
Mr. Adi Patel	Member			100
Mr. Ameet Desai*	Member	NA		100
Mr. Anil Bhatia	Member			100
Mr. Vivek Grover	Member			100

* Appointed as a member of the RMC with effect from May 12, 2022, consequent to reconstitution of the Committee.

- Present in Person NA - Not Applicable

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

- a) To formulate a detailed risk management policy which shall, inter alia, 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) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

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- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; 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**”) consist of 4 (four) 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. The Allotment Committee is chaired by Mr. V P Shetty, the non-executive director of the Company.

During the financial year 2022-23, the Allotment Committee met 13 (thirteen) times. The attendance of the members of the Allotment Committee at the meetings held during the financial year 2022-23 was as under.

Name of the Members	Position	Number of Allotment Committee meetings held													% of Attendance of the members
		1	2	3	4	5	6	7	8	9	10	11	12	13	
		May 25, 2022	May 26, 2022	August 26, 2022	August 30, 2022	September 23, 2022	September 27, 2022	November 16, 2022	November 18, 2022	December 16, 2022	December 21, 2022	January 25, 2023	February 2, 2023	February 7, 2023	
Mr. V P Shetty	Chairman														100
Mr. Satish Chand Mathur	Member		L												92.31
Mr. Vishal Kampani	Member		L	L	L	L	L	L	L	L	L	L	L	L	7.69
Mr. Adi Patel	Member									L					92.31

- 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:

- a) Finalising the terms, conditions, tenor, security, appointment of debenture trustee, drafts of letter of offer (rights issue)/private placement offer letter for the issue of NCDs by the Company from time to time;
- b) Determination of the issue price of the Equity Shares to be issued by the Company from time to time;
- c) Approving the Letter of Offer for issue of Equity Shares on rights basis to the Members of the Company;
- d) Finalising the drafts of the private placement offer letter for issue of shares on preferential basis from time to time;
- e) Oversight of the process of the Company's issue of Equity Shares and/or NCDs, whether on rights basis or otherwise;
- f) Appointment of valuer, underwriter or merchant banker for the issue of Equity Shares/NCDs and the fixation of their fees;
- g) Finalising the basis of allotment and allotting the Equity Shares and NCDs to the applicants/subscribers of the said securities and any other securities from time to time;



- h) Issuing the certificates for Equity Shares, NCDs and other securities that may be allotted by the Company from time to time or otherwise admission of such Equity Shares, NCDs and other securities in electronic form with the depositories;
- i) 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**”) comprises of 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 of debt to equity conversion in cases where the total shareholding of the Company in the borrower company exceeds 26 (twenty six) percent.

During the financial year 2022-23, 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, Chairman of the Committee, Mr. Adi Patel, Director, Mr. Vivek Grover, Chief Operating Officer and other functionaries of the Company. Further, Mr. Anil Bhatia ceased to be a member of the Asset Acquisition Committee with effect from close of business hours of May 15, 2023.

○ **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, Chairman of the Committee, Mr. Adi Patel, Director, Mr. Vivek Grover, Chief Operating Officer and other functionaries of the Company. Further, Mr. Anil Bhatia ceased to be a member of the Asset Resolution Committee with effect from close of business hours of May 15, 2023.

○ **Asset Liability Management Committee**

The Asset Liability Management Committee (“**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 4 (four) members viz., Mr. Vishal Kampani, Chairman of the Committee, Mr. Vivek Grover, Chief Operating Officer and Mr. Sabyasachi Ray, Chief Financial Officer of the Company. Further, Mr. Anil Bhatia ceased to be a member of the ALM Committee with effect from close of business hours of May 15, 2023.

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

- a) Reviewing the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company;
- b) Safeguarding the recovery positions at any point of time; and
- c) 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 Board has constituted Independent Advisory Committee (the “**IAC**”) in accordance with the revised regulatory framework for ARCs issued by the RBI on October 11, 2022. The broad terms of reference of the IAC, inter alia, includes the following:

- a) 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);
- b) Assess the financial position of the borrower(s), the time frame available for recovery of the dues from them, projected earnings & cash flows of the borrower(s) and other relevant aspects;

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- c) 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);
- 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 the Committee by the Board or as specified under the RBI guidelines, from time to time.

The IAC consist of 2 (two) members viz., Mr. Sujit Kumar Varma and Mr. S D Kelkar. Mr. Sujit Kumar Varma is the Chairman of the IAC.

○ **Committee for Submission of Resolution Plan**

The Board has constituted Committee for Submission of Resolution Plan (the “**Committee**”) in accordance with the revised regulatory framework for ARCs issued by the RBI on October 11, 2022. The role of the Committee shall among other things include taking decisions on submission of resolution plan under IBC.

The Committee consist of 3 (three) members viz., Mr. Munesh Khanna, Mr. Adi Patel and Mr. Satish Chand Mathur. Mr. Munesh Khanna is the Chairman of the Committee.

During the financial year 2022-23, the Committee met once on December 6, 2022. All the members of the Committee, attended the meeting on the said meeting.

○ **Wilful Defaulter – Identification Committee and Wilful Defaulter – Review Committee**

The Wilful Defaulter - Identification Committee consist of the Chief Executive Officer and the Chief Operating Officer of the Company. Further, Mr. Anil Bhatia ceased to be a member of the Wilful Defaulter - Identification Committee with effect from close of business hours of May 15, 2023.

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

- a) Examination & investigation of wilful default, if any, committed by the borrowing company and/or its promoters & directors;
- b) Issue show cause notices to them, consider their responses, if any, to the notices;
- 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;
- 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 2022-23, no meeting of the above Committees was held.

Secretarial Standards

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



IV. Disclosure in relation to Remuneration of Directors

a. Pecuniary relationship/ transaction with non-executive directors

During the financial year 2022-23, 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 directors

The non-executive directors and the 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. Additionally, they are also entitled to receive profit related commission as may be determined by the Board, within the limits specified under the applicable provisions of the Act.

The Company follows transparent process for determining the remuneration of non-executive directors and the independent directors. The remuneration in the form of commission is determined on the basis of the role assumed, number of meetings of the Board

and the committees thereof is attended by them, the position held by them as the Chairman and 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 performance of such directors and performance of the Company as well as the industry standards in determining the remuneration of the non-executive/independent directors.

During the financial year 2022-23, none of the non-executive directors had received remuneration exceeding 50% of the total remuneration paid 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 the Directors	Sitting Fees paid for the financial year 2022-23		Commission
	Board meetings	Committee meetings	Paid for the financial year 2021-22
Mr. V P Shetty	2,00,000	3,30,000	10,00,000
Mr. Narotam Sekhsaria	1,00,000	-	6,00,000
Mr. Pulkit Sekhsaria	1,50,000	-	6,00,000
Ms. Rupa Vora	2,00,000	2,30,000	9,00,000
Mr. Adi Patel	-	-	-
Dr. Vijay Kelkar	1,50,000	20,000	7,50,000
Mr. Ameet Desai	2,00,000	1,95,000	7,50,000
Mr. Satish Chand Mathur	2,00,000	2,20,000	6,00,000
Mr. Vishal Kampani	-	-	-
Mr. Munesh Khanna*	1,00,000	70,000	-

* Appointed as an independent director on the Board of the Company with effect from September 27, 2022.

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
v.	Corporate Social Responsibility Committee	₹ 20,000
vi.	Committee for Submission of Resolution Plan	₹ 20,000
vii.	Risk Management Committee	₹ 20,000

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Notes:

1. Additionally, independent directors who were present have also been paid sitting fees of ₹ 50,000 for attending the independent directors' meeting held on March 28, 2023.

2. 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.

The criteria for making payments to non-executive directors is hosted on the website of the Company at www.jmfinancialarc.com/Home/Policies.



V. General Body Meetings

- (i) Details of Annual General Meetings (the “AGM”) held during the last 3 (three) years and the special resolutions passed thereat are as under:

Date of AGM	Venue	Time	Whether Special Resolution passed	Summary of Special Resolutions
July 22, 2020	Held through Video conferencing/other audio visual means in accordance with the Circulars issued by MCA and SEBI, in view of Covid-19 pandemic	4.30 p.m.	Yes	<ul style="list-style-type: none"> 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.
July 17, 2021	Held through Video conferencing/other audio visual means in accordance with the Circulars issued by MCA and SEBI, in view of Covid-19 pandemic	5.00 p.m.	Yes	<ul style="list-style-type: none"> 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. 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.
July 22, 2022	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025	5.15 p.m.	Yes	<ul style="list-style-type: none"> Continuation of directorship of Mr. V P Shetty (DIN: 00021773), notwithstanding he attaining the age of seventy five (75) years on June 12, 2022. Continuation of directorship of Dr. Vijay Kelkar (DIN: 00011991), who has attained the age of seventy five (75) years. 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.

- (ii) Details of Extraordinary General Meetings (the “EGM”) held during the financial year 2022-23:

Date of EGM	Venue	Time	Summary of Special Resolutions
June 23, 2022	Held through Video conferencing/other audio visual means in accordance with the Circulars issued by MCA and SEBI, in view of Covid-19 pandemic	4.00 p.m.	-
November 2, 2022	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025	5.45 p.m.	Appointment of Mr. Munesh Khanna (DIN: 00202521) as an independent director of the Company for a term not exceeding five (5) consecutive years with effect from September 27, 2022.



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 the 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 2022-23, as defined under the Act and read with the 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 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 the SEBI Listing Regulations, is available on the website of the Company at www.jmfinancialarc.com/Home/Policies.

C. Penalty or Strictures

No penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any other statutory authority in any matter related to capital markets during the last 3 (three) years.

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, (the “**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 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 the SEBI PIT Regulations.

The Code is uploaded on the website of the Company at www.jmfinancialarc.com/Home/Policies.

E. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Regulation 22 of the SEBI Listing Regulations and Section 177 of the Act, the Company has established vigil mechanism/whistle blower policy for the directors and employees of the Company or any other person who wants to avail the mechanism, to report their genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud without the fear of victimisation. The Company has provided 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 reported to him, during the financial year 2022-23.

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.

F. Certification about Directors

The Company has obtained a certificate from Shroff Negandhi and Associates LLP, company secretaries, to the effect 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

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by 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.

G. 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.

H. Total fees paid to statutory auditors

Details relating to the fees paid to the Statutory Auditors, during the financial year 2022-23, is stated in note 31.1 to consolidated financial statements, which forms part of the Annual Report.

I. 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 2022-23 and adequacy of internal control systems for financial reporting for the said year, which is appended to this Report.

J. 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 our workplace, experience an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights.

The Company has constituted the Internal Complaints Committee in compliance with the requirements under POSH. There were no complaints received or pending during the financial year under review.

K. 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.

L. 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, 2023, issued by Shroff Negandhi and Associates LLP, practicing 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.

M. 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.



VII. Means of Communication

The Company recognises the importance of two way communication 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 the stock exchanges in accordance with the SEBI Listing Regulations and are also published in English newspaper (Business Standard). The quarterly/annual results are uploaded on the website of the Company at www.jmfinancialarc.com/Home/FinancialInformation.

**B. Website**

The website of the Company viz., 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 public at large goes through the website of the Company.

Financial results, annual reports, quarterly corporate governance report, credit ratings, various 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 of the Company prior to the AGM. The annual report of the Company is available on its website at www.jmfinancialarc.com and also on the website of BSE at www.bseindia.com.

D. BSE 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@jmfll.com for the purpose of any grievances.

G. Price Sensitive Information

All price sensitive information and such other matters which in the opinion of the Company are of importance to the debenture holders are promptly intimated to the stock exchanges in terms of the 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 is in process of being fully compliant with all the corporate governance requirements specified in Regulations 17 to 27 of the SEBI Listing Regulations, as applicable and compliance reports on Corporate Governance in the requisite formats, have been submitted to the BSE Limited on which the Company's Non-Convertible Debentures are listed. 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, 2024.

General Shareholders'/Debentureholders' Information

1. Corporate Identification Number (CIN)	U67190MH2007PLC174287
2. Registered Office	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025
3. Annual General Meeting (the "AGM")	
Day & Date	Friday, July 28, 2023
Time	4.00 P.M.
Venue/Mode of Conducting	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025
4. Final Dividend per share and payment date	Not applicable*
5. Closure of Register of Members	Not applicable*
6. Website	www.jmfinancialarc.com
7. Financial Calendar	
Financial Year (FY)	April 1 st to March 31 st
Tentative calendar for consideration of unaudited/audited financial results for the financial year 2023-24	
– First quarter ending June 30, 2023 (Unaudited)	On or before August 14, 2023
– Second quarter and half year ending September 30, 2023 (Unaudited)	On or before November 14, 2023
– Third quarter and nine months ending December 31, 2023 (Unaudited)	On or before February 14, 2024
– Last quarter and financial year ending March 31, 2024 (Audited)	On or before May 30, 2024
8. Listing Details	
Name of the stock exchanges & Security Code/Symbol	Addresses, Contact details and website(s)
BSE Limited ("BSE") Security Code: Not applicable	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel : 91 22 2272 1233/4 Fax: 91 22 22721919 www.bseindia.com
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 2023-24 has been paid to BSE.	
9. International Securities Identification Number (ISIN) of equity shares	INE265J01012
10. Plant Location	Not applicable since the Company is engaged in financial services business and does not have any plant.



11. Address of Correspondence

Company

The Company Secretary & Compliance Officer
JM Financial Asset Reconstruction Company Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Tel: +91 22 6630 3030
Email ID: vineet.singh@jmfl.com

Registrar and Transfer Agents

KFin Technologies Limited
Unit: JM Financial Asset Reconstruction Company 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
Tel: + 91 40 6716 2222
Corporate Website: www.kfintech.com

12. Debenture Trustee

SBICAP Trustee Company Limited
4th Floor, Mistry Bhavan,
122 Dinshaw Vachha Road,
Churchgate, Mumbai - 400020
Tel: 022 4302 5555/5566
Email ID: prashant.joshi@sbicaptrustee.com
Website: www.sbicaptrustee.com

13. Market price data

Not Applicable*

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

Not Applicable*

15. Securities transfer system

In terms of Regulation 61(4) read with Regulation 40(1) of the SEBI Listing Regulations, as amended, the Non-Convertible Debentures of the Company can be transferred only in dematerialised form.

16. Suspension of securities from trading

During the financial year 2022-23, none of the securities of the Company were suspended from trading.

17. Dematerialisation of shares and liquidity thereof

All the equity shares of the Company are held in dematerialised form under the depository viz. National Securities Depository Limited as on March 31, 2023.

18. Distribution of shareholding

The Company is a subsidiary of JM Financial Limited ("JMFL"). JMFL is the holding Company with JMFL Group holding 63.61% equity, balance equity held by Banks, HNIs & FIIs.

19. 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, 2023.

20. 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, 2023.

21. 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.

Certificate

The Board of Directors

JM Financial Asset Reconstruction Company Limited

Mumbai

Certified that for the financial year 2022-23, to the best of our knowledge and belief:

- A. We have reviewed financial statements and the cash flow statement for the financial year 2022-23 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 instances 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.

Anil Bhatia

Chief Executive Officer

Sabyasachi Ray

Chief Financial Officer

Place: Mumbai

Date: April 28, 2023



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
7th 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 registered office at 7th 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, as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal 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, 2023 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 Authority:

Sr. No.	Name	DIN	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: F010729E000222369
Unique Code: L2022MH012100
Peer Review Certificate No.: 2828/2022
Place: Mumbai
Date: April 28, 2023

Corporate Governance Compliance Certificate

To,
The Members,
JM Financial Asset Reconstruction Company Limited
7th 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 (“**SEBI Listing Regulations**”), to the extent applicable, for the period from April 1, 2022 to March 31, 2023. 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 as applicable to the Company, it being a High Value Debt Listed Company.

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: F010729E000221731
Unique Code: L2022MH012100
Peer Review Certificate No.: 2828/2022
Place: Mumbai
Date: April 28, 2023



Independent Auditor's Report

To,
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, 2023, 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 significant accounting policies and other explanatory information (The "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 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, 2023, 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.

Key Audit Matter	Auditor's Response
Fair Valuation of Group's financial instruments	Principal Audit Procedures Performed:
<p>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.</p> <p>The fair values of the said financial instruments can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flows, collateral values, discount rate used and other assumptions. Further, the Group has applied judgements in estimating the cash flows.</p> <p>The financial instruments carried at fair value of the Group are:</p> <ul style="list-style-type: none"> - The group has Investments in security receipts in Trusts formed under distressed credit business aggregating to Rs. 1,237.03 crores as at March 31, 2023; 	<ul style="list-style-type: none"> - 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. <p>We have selected the sample and performed the following audit procedures:</p> <ul style="list-style-type: none"> - 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;

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.

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	Auditor's Response
Fair Valuation of Group's financial instruments	Principal Audit Procedures Performed:
<ul style="list-style-type: none"> Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating Rs. 2,714.88 crores as at March 31, 2023. <p>(Refer note 8 & 9 to the consolidated financial statements)</p> <p>In view of the complexities and significant judgements involved we have considered the valuation of these financial instruments as a key audit matter.</p>	<ul style="list-style-type: none"> 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 Covid-19 related economic uncertainty and corroborated the assumptions based on the information used by the Group; and verified the accounting treatment applied. Read and assessed the disclosure made in the consolidated financial statements for assessing the 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 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 Responsibility for the Consolidated financial statements

The Parent Company's Board of Directors is 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 give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of 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 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 aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company 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

Independent Auditor's Report (Contd.)

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 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, 2023 taken on record by the Board of Directors of the Parent Company, none of the directors is disqualified as on March 31, 2023 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 and unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies

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

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

- (h) With respect to the other matters to be included in the 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 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 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 51 (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 as not declared / paid any dividend hence reporting under rule 11(f) is not applicable to that extent.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a

feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraph 3(xxi) 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, we report that there are no qualifications or adverse remarks in this CARO report.

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: 23042624BGYOWQ4727

Mumbai, April 28, 2023

Independent Auditor's Report (Contd.)

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 Company") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Parent Company's 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 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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, 2023, 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.

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: 23042624BGYOWQ4727

Mumbai, April 28, 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in crore)

Sr. No.	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS				
(I) Financial Assets				
a	Cash and cash equivalents	4	70.95	69.56
b	Bank balances other than (A) above	5	2.73	3.46
c	Trade Receivables	6	272.39	206.83
d	Loans	7	543.28	598.20
e	Investments	8	1,263.37	972.29
f	Other Financial Assets	9	2,756.28	2,330.74
	Total Financial Assets (I)		4,909.00	4,181.08
(II) Non Financial Assets				
a	Current tax assets (net)	10	44.35	40.34
b	Deferred tax assets (net)	11	88.91	41.90
c	Property, Plant and Equipment	12	13.52	17.45
d	Other Intangible assets	12	0.03	0.05
e	Other non-financial assets	13	2.26	2.62
	Total Non Financial Assets (II)		149.07	102.36
	Total Assets (I+II)		5,058.07	4,283.44
LIABILITIES AND EQUITY				
LIABILITIES				
(I) Financial Liabilities				
a	Trade Payables	14		
	(i) total outstanding dues of micro and small enterprises		0.23	0.16
	(ii) total outstanding dues of creditors other than micro and small enterprises		2.55	1.12
b	Debt Securities	15	1,709.80	785.91
c	Borrowings (Other than Debt Securities)	16	1,493.55	1,599.03
d	Lease liabilities	17	16.08	19.49
e	Other financial liabilities	18	28.01	39.11
	Total Financial Liabilities (I)		3,250.22	2,444.82
(II) Non-Financial Liabilities				
a	Provisions	19	2.09	2.01
b	Other non-financial liabilities	20	24.81	28.49
	Total Non-Financial Liabilities (II)		26.90	30.50
(III) EQUITY				
a	Equity Share capital	21	398.33	344.64
b	Other Equity	22	1,137.44	1,343.62
	Equity attributable to owners of the Company		1,535.77	1,688.26
c	Non-Controlling interests		245.18	119.86
	Total Equity (III)		1,780.95	1,808.12
	Total Liabilities and Equity (I+II+III)		5,058.07	4,283.44

The accompanying notes are an integral part of the consolidated 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

V P Shetty

Director

(DIN - 00021773)

Rupa Vora

Chairperson -

Audit Committee
(DIN - 01831916)

Anil Bhatia

Chief Executive Officer

Vineet Singh

Company Secretary

Sabyasachi Ray

Chief Financial Officer

Place : Mumbai

Date : April 28, 2023



Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

Sr. No.	Particulars	Note No.	(₹ in crore)	
			For the year ended March 31, 2023	For the year ended March 31, 2022
(I)	Income :			
	Revenue from operations			
	Interest Income	23	66.04	124.58
	Fees and Incentives	24	150.51	139.24
	Net gain on fair value changes	25	-	255.36
	Total Revenue from operations		216.55	519.18
(II)	Other Income	26	2.34	0.25
(III)	Total Income (I+II)		218.89	519.43
(IV)	Expenses :			
	Finance Costs	27	247.84	232.51
	Net Loss on fair value changes	28	103.70	-
	Impairment of financial instruments (net)	29	12.43	10.72
	Employee Benefits Expenses	30	20.37	22.40
	Depreciation and amortization expenses	12	2.71	2.88
	Others expenses	31	25.46	20.61
	Total Expenses		412.51	289.12
(V)	Profit/(Loss) before tax (III-IV)		(193.62)	230.31
(VI)	Less : Tax Expenses:	32		
	Current tax		-	85.04
	Deferred tax		(46.96)	(26.72)
	Total tax expenses		(46.96)	58.32
(VII)	Profit/(Loss) for the year (V-VI)		(146.66)	171.99
(VIII)	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss	39		
	- Actuarial gain/(losses) on post-retirement benefit plans		(0.20)	0.05
	- Income tax on the above		(0.05)	0.01
	Total other comprehensive income		(0.15)	0.04
(IX)	Total Comprehensive Income (VII+VIII)		(146.81)	172.03
(X)	Net Profit/(Loss) for the year attributable to:			
	Owners of parent company		(154.47)	171.99
	Non-controlling interests		7.81	-
(XI)	Other Comprehensive Income attributable to:			
	Owners of parent company		(0.15)	0.04
	Non-controlling interests		-	-
(XII)	Total Comprehensive Income attributable to:			
	Owners of parent company		(154.62)	172.03
	Non-controlling interests		7.81	-
(XIII)	Earnings per equity share (Face value of ₹ 10/- each)	33		
	Basic Earning per share (in ₹)		(3.88)	4.32
	Diluted Earning per share (in ₹)		(3.88)	4.32

The accompanying notes are an integral part of the consolidated 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

V P Shetty

Director

(DIN - 00021773)

Rupa Vora

Chairperson -

Audit Committee

(DIN - 01831916)

Anil Bhatia

Chief Executive Officer

Vineet Singh

Company Secretary

Sabyasachi Ray

Chief Financial Officer

Place : Mumbai

Date : April 28, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

(₹ in crore)

Particulars	Balance as at April 1, 2021	Changes in equity share capital during the year	As at March 31, 2022	Changes in equity share capital during the year	As at March 31, 2023
Equity Share Capital	344.64	-	344.64	53.69	398.33

B. Other Equity

(₹ 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
As at April 1, 2021	194.34	789.67	28.15	142.52	0.01	14.43	1.16	1,170.28	71.33	1,241.61
Profit for the year	-	171.99	-	-	-	-	-	171.99	-	171.99
Addition during the year	-	-	-	-	-	-	0.78	0.78	48.53	49.31
Initial Corpus	-	-	-	-	#	-	-	#	-	#
ESOP Grant During the year	-	-	-	-	-	-	1.58	1.58	-	1.58
ESOP Deferred employee compensation	-	-	-	-	-	-	(1.05)	(1.05)	-	(1.05)
Appropriation for Impairment reserve (refer note 22.2)	-	(93.67)	-	-	-	93.67	-	-	-	-
Re-measurement of defined benefit plans	-	0.04	-	-	-	-	-	0.04	-	0.04
As at March 31, 2022	194.34	868.03	28.15	142.52	0.01	108.10	2.47	1,343.62	119.86	1,463.48
As at April 1, 2022	194.34	868.03	28.15	142.52	0.01	108.10	2.47	1,343.62	119.86	1,463.48
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 22.2)	-	(19.09)	-	-	-	19.09	-	-	-	-
Re-measurement of defined benefit plans	-	(0.15)	-	-	-	-	-	(0.15)	-	(0.15)
As at March 31, 2023	283.18	694.32	28.15	-	0.01	127.19	4.59	1,137.44	245.18	1,382.62

Denote amount below ₹ 50,000

The accompanying notes are an integral part of the Consolidated 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

V P Shetty

Director

(DIN - 00021773)

Rupa Vora

Chairperson -

Audit Committee

(DIN - 01831916)

Anil Bhatia

Chief Executive Officer

Vineet Singh

Company Secretary

Sabyasachi Ray

Chief Financial Officer

Place : Mumbai

Date : April 28, 2023



Consolidated Cash Flow Statement

for the year ended March 31, 2023

		(₹ in crore)	
Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	Cash flow from operating activities		
	Profit/(Loss) before income tax	(193.62)	230.31
	Adjustment for		
	Depreciation and amortisation of expenses	2.71	2.88
	Interest income on fixed deposits	(1.76)	(0.09)
	Interest on debt component of compulsory convertible debenture	1.13	3.60
	Net (Gain)/Loss on fair value changes	104.81	(255.36)
	Net (Gain)/Loss on mutual fund	(1.11)	-
	Net (Gain)/Loss on lease modification	(0.43)	-
	Interest on lease liability	1.66	1.95
	Amortisation of deferred employee compensation (ESOP)	2.12	1.31
	Impairment of financial instruments (net)	12.43	10.72
	Operating (loss)/profit before working capital changes	(72.06)	(4.68)
	Change in operating assets and liabilities		
	(Increase)/Decrease in security receipts and financial assets of trusts	(693.98)	300.54
	(Increase)/Decrease in trade receivables	(80.51)	(45.69)
	(Increase)/Decrease in long term loans and advances	55.48	27.59
	(Increase)/Decrease in other financial assets	(1.71)	(7.12)
	(Increase)/Decrease in non financial assets	0.36	1.75
	(Increase)/Decrease in other bank balances	0.73	(2.55)
	Increase/(Decrease) in trade payables	1.50	(0.87)
	Increase/(Decrease) in financial liabilities	(11.10)	(49.12)
	Increase/(Decrease) in non financial liabilities	(5.38)	10.47
	Increase/(Decrease) in provisions	(0.12)	(0.22)
	Cash generated from/ (used in) operations	(806.79)	230.10
	Income tax paid (net)	(4.01)	(97.04)
	Net cash generated from/ (used in) operating activities	(810.80)	133.06
B	Cash flow from investing activities		
	Payments for purchase of investment in equity instruments (Right Issue)	(13.11)	-
	Proceed from sale of investment in equity instruments	0.34	-
	Payments for purchase of investment in mutual funds	(161.70)	-
	Redemption of mutual funds	162.81	-
	Payments for purchase of Property, Plant and Equipment and Intangibles	(0.13)	-
	Interest Income	1.76	0.09
	Net cash generated from/(used in) investment activities	(10.03)	0.09
C	Cash flow from financing activities		
	Repayment of debt component of Compulsory Convertible Debenture (including interest)	(21.69)	(21.98)
	Proceeds from debt securities	1,390.12	531.63
	Repayment of debt securities (including interest)	(444.63)	(922.23)
	Repayment of lease liabilities (including interest)	(3.49)	(3.57)
	Proceeds from borrowing	1,126.40	1,024.82
	Repayment of borrowing (including interest)	(1,231.88)	(804.75)
	Net cash generated from/(used in) financing activities	814.83	(196.08)
	Net (decrease) in cash and cash equivalents	(6.00)	(62.93)
	Cash and cash equivalents at the beginning of the financial year/period	69.56	132.49
	Effect of change in controlling interest	7.39	-
	Cash and cash equivalents at the end of the financial year/period	70.95	69.56

The accompanying notes are an integral part of the consolidated 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

V P Shetty

Director

(DIN - 00021773)

Rupa Vora

Chairperson -

Audit Committee

(DIN - 01831916)

Anil Bhatia

Chief Executive Officer

Vineet Singh

Company Secretary

Sabyasachi Ray

Chief Financial Officer

Place : Mumbai

Date : April 28, 2023

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 Significant Accounting Policies

2.1 Statement of Compliance

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial

statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 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.

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.

The principal accounting policies are set out below.

2.3 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).

2.4 Associates

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

2.5 Property, plant and equipment and Intangible Assets

Property, plant and equipment (PPE) is 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

Notes

forming part of the Consolidated Financial Statements

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:

- 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;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- 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:

Property, Plant and Equipment	Useful life
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

Property, Plant and Equipment	Useful life
Intangible assets	Useful life
Computer software	5 years

Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase. Assets taken on finance lease are depreciated over a period of lease.

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

An item of property, plant and equipment is 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 recognized 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.

2.6 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.

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

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

Net appreciation/ depreciation in Net Asset Value of Investment in security receipts is considered as fair

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value gain/(loss) on change in investment and other financial assets.

2.7 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. A contract is, or contains, a lease if the contract involves–

- a) the use of an identified asset,
- b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- c) the right to direct the use of the identified asset.

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

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.

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 17 “Lease Liabilities” and ROU asset has been presented in Note 12 “Property, Plant and Equipment and Intangible assets” 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.

2.8 Foreign currency translation

In preparing the financial statements of the Group, transactions in currencies other than the entity’s functional currency (foreign currencies) are 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.

2.9 Borrowing costs

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

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

2.10 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

Payments to defined contribution plans are 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.

2.11 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.

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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.

2.12 Goods and Services Input Tax Credit

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

2.13 Provisions, contingent liabilities and contingent assets

Provisions are 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.

2.14 Commitments

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

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

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



2.15 Statement of Cash Flows

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

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

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

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

2.17 Financial Instruments

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

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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 categories its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities



where the credit risk has improved and the loan has been reclassified from Stage 2.

- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - 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 unfavorable to the Group or a contract that will or may be settled in the its's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the it's own equity instruments.

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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.

2.18 Earnings Per Share

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

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

2.19 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 Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the consolidated financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

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

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

Fair value measurement and valuation processes

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

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. 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 42.

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.

4 Cash And Cash Equivalents

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
- In Current Accounts	60.03	68.58
- In Deposit Accounts	10.92	0.98
Total	70.95	69.56

5 Other Bank Balances

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Earmarked balance with banks:		
- In current account (refer note 5.1)	2.48	3.31
- In deposit account (refer note 5.2)	0.25	0.15
Total	2.73	3.46

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- 5.1** Current account include amount of ₹ Nil (previous year : ₹ 0.76 crore) marked as 'no debit' status by bank and balance amount has maintained for expenses towards Corporate Social Responsibility.
- 5.2** Balance in deposit accounts carry fixed rate of interest and are for period up to 14 months (Previous year : 15 months) and have lien against bank guarantees obtained by the Group.

6 Trade Receivables

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortized cost		
Unsecured considered good : Trade Receivables	310.97	230.46
Less: Impairment Loss allowance (refer note 43)	(38.58)	(23.63)
Total	272.39	206.83

6.1 Trade receivable ageing schedule

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
For the year 2022-23						
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
	44.59	28.25	57.95	64.75	76.86	272.39

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
For the year 2021-22						
Undisputed trade receivable - Considered good	39.74	31.98	67.02	46.18	45.54	230.46
Less : Impairment loss allowance	8.26	2.05	0.72	7.32	5.28	23.63
	31.48	29.93	66.30	38.86	40.26	206.83

The above trade receivables 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 Group only on realisation from the financial assets in the trust.

7 Loans

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Loans secured by tangible assets	468.58	511.85
Interest accrued	96.63	108.84
Total	565.21	620.69
Less: Impairment Loss allowance (refer note 43)	(21.93)	(22.49)
Total	543.28	598.20

All loans are granted within India and to entitles other than public sector



8 Investments (At FVTPL)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted :		
Equity instruments		
68,52,824 of equity shares of Nitco Limited of ₹ 10/- each fully paid up (Previous year : 70,07,709 shares of ₹ 10/- each)	13.23	16.12
Unquoted:		
a) Equity instruments		
1,31,07,380 of equity shares (right issue) of BRFL Textiles Private Limited of ₹ 10/- each fully paid up	13.11	-
b) Security receipts of trusts held in distressed credit business (refer note 47 and below given notes)	1,237.03	956.17
Total	1,263.37	972.29

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

8.2 The Group has given certain identified security receipts as pledge for short term loans, bank overdraft, cash credit limits availed with various banks/ hypothecated in favour of debenture trustee for NCDs issued.

8.3 Commitments:

- a) In respect of one trust, the Group has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts along with yield of 10.70% p.a. compounded annually on or before June 20, 2023. Commitment of outstanding face value of security receipts as at March 31, 2023 is ₹ 28.53 crore (Previous year : ₹ 66.29 crore of two trust).

9 Other Financial Assets

(₹ in crore)

Particular	As at March 31, 2023	As at March 31, 2022
Financial Assets under Distressed Credit Business Business (carried at FVTPL)	2,714.88	2,293.41
Recoverable from trusts	47.08	44.79
Advance to others	0.01	-
Interest receivable	0.02	0.01
Security deposits		
To Related Parties	1.27	1.47
To Others	0.39	0.39
Total	2,763.65	2,340.07
Less : Impairment loss allowance recoverable from trusts (refer note 43)	(7.37)	(9.33)
Total	2,756.28	2,330.74

10 Current Tax Assets

(₹ in crore)

Particular	As at March 31, 2023	As at March 31, 2022
Advance tax paid (net of provision for taxes)	44.35	40.34
Total	44.35	40.34

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11 Deferred tax liability/(asset)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Measurement of Financial instruments at fair value	(62.04)	(25.24)
Impairment of financial instruments	(17.19)	(14.04)
Difference between books and tax written down value of Property, plant and equipment	(0.32)	(0.36)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(9.36)	(2.26)
Total	(88.91)	(41.90)

11.1 Deferred tax recorded in the balance sheet and changes recorded in the income tax expenses :

For the year ended March 31, 2023

(₹ in crore)

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in OCI	Closing 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)
Total - DTL/(DTA)	(41.90)	(46.96)	(0.05)	(88.91)

For the year ended March 31, 2022

(₹ in crore)

Deferred tax liability/(asset)	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in OCI	Closing balance
a) Measurement of financial instruments at fair value	(1.04)	(24.20)	-	(25.24)
b) Impairment on financial instruments	(11.34)	(2.70)	-	(14.04)
c) Difference between books and tax WDV of PPE	(0.38)	0.02	-	(0.36)
d) Others (43B, 35D, etc. allowances)	(2.43)	0.16	0.01	(2.26)
Total - DTL/(DTA)	(15.19)	(26.72)	0.01	(41.90)



12 Property, Plant and Equipment and Intangible assets

As at March 31, 2023

Property, Plant and Equipment

(₹ in crore)

Particulars	Gross block			As at March 31, 2023	Accumulated depreciation			Net block	
	As at April 1, 2022	Additions	Deductions		As at April 1, 2022	Addition	Deductions	As at March 31, 2023	As at March 31, 2023
Owned Assets									
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
Leased Assets (ROU)									
Office premises (refer note 34)	24.81	0.19	(2.40)	22.60	7.89	2.51	(0.84)	9.56	13.04
Motor Vehicles (refer note 12.1)	0.28	-	-	0.28	0.22	0.05	-	0.27	0.01
Total	27.69	0.32	(2.41)	25.60	10.24	2.69	(0.85)	12.08	13.52

Denote amount below ₹ 50,000

Other Intangible Assets

(₹ in crore)

Particulars	Gross block			As at March 31, 2023	Accumulated depreciation			Net block	
	As at April 1, 2022	Additions	Deductions		As at April 1, 2022	Additions	Deductions	As at March 31, 2023	As at March 31, 2023
Software (refer note 12.2)	0.44	-	-	0.44	0.39	0.02	-	0.41	0.03
Total	0.44	-	-	0.44	0.39	0.02	-	0.41	0.03

As at March 31, 2022

Property, Plant and Equipment

(₹ in crore)

Particulars	Gross block			As at March 31, 2022	Accumulated depreciation			Net block	
	As at April 1, 2021	Additions	Deductions		As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at March 31, 2022
Owned Assets									
Freehold Land	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and fixtures	0.02	-	-	0.02	0.01	0.01	-	0.02	#
Office equipment	0.11	-	-	0.11	0.09	0.01	-	0.10	0.01
Computers	0.60	-	-	0.60	0.56	0.01	-	0.57	0.03
Leasehold improvements	1.84	-	-	1.84	1.34	0.10	-	1.44	0.40
Leased Assets (ROU)									
Office premises (refer note 34)	24.81	-	-	24.81	5.24	2.65	-	7.89	16.92
Motor Vehicles (refer note 12.1)	0.47	-	(0.19)	0.28	0.34	0.07	(0.19)	0.22	0.06
Total	27.88	-	(0.19)	27.69	7.58	2.85	(0.19)	10.24	17.45

Denote amount below ₹ 50,000

Other Intangible Assets

(₹ in crore)

Particulars	Gross block			As at March 31, 2022	Accumulated depreciation			Net block	
	As at April 1, 2021	Additions	Deductions		As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at March 31, 2022
Software (refer note 12.2)	0.44	-	-	0.44	0.36	0.03	-	0.39	0.05
Total	0.44	-	-	0.44	0.36	0.03	-	0.39	0.05

Notes :

12.1 Vendor have a lien over assets taken on lease.

12.2 The Intangible assets are other than internally generated

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13 Other Non-financial Assets

(₹ in crore)

Particular	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	1.54	2.08
Balances with Government Authorities	0.56	0.44
Other non-financial Assets	0.16	0.10
Total	2.26	2.62

14 Trade Payable

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payable		
Total outstanding dues of micro and small enterprises (refer note 14.1)	0.23	0.16
Total outstanding dues of creditors other than micro and small enterprises	2.55	1.12
Total	2.78	1.28

14.1 Dues payable to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006 :

(₹ in crore)

Particular	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	0.23	0.16
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond appointed day	-	-
(iv) The amount of interest due and payable for the Year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-
Total	0.23	0.16

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.

14.2 Trade payable ageing schedule :

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
For the year 2022-23					
(i) MSME - Undisputed	0.23	-	-	-	0.23
(ii) Others - Undisputed	2.55	-	-	-	2.55
Total	2.78	-	-	-	2.78
For the year 2021-22					
(i) MSME - Undisputed	0.16	-	-	-	0.16
(ii) Others - Undisputed	1.12	-	-	-	1.12
Total	1.28	-	-	-	1.28



15 Debt Securities (Within India)

(₹ in crore)

Particular	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured		
Non Convertible Debentures (refer note 15.1, 15.2 and 15.5)	1,637.50	515.58
Add: Premium/ interest accrued	72.30	42.94
Total Secured	1,709.80	558.52
Unsecured		
Compulsory Convertible Debentures* (refer note 22.1(g))	-	20.17
Add: Interest accrued	-	1.43
Total	-	21.60
Commercial papers (refer note 15.3 and 15.4)	-	220.00
Less: Unamortised interest	-	(14.21)
Total	-	205.79
Total Unsecured	-	227.39
Total	1,709.80	785.91

* Liability component of compulsory convertible debentures.

15.1 Non-convertible Debentures secured by way of mortgage of freehold land and hypothecation and/ or pledge of certain identified security receipt and/ or priority loans.

15.2 Maturity profile and rate of interest of NCDs:

(₹ in crore)

Particular	As at March 31, 2023	As at March 31, 2022
10.48% Tranche XXIII redeemable in the year 2022-23*	-	50.00
11.5% Tranche XXVI - Option B redeemable in the year 2022-23^	-	148.00
8.5% Tranche XXXI redeemable in the year 2022-23@	-	75.00
8% Tranche XXXII redeemable in the year 2023-24@	75.00	75.00
8.5% Tranche XXXIII redeemable in the year 2023-24@	50.00	50.00
8% Tranche XXXIV redeemable in the year 2023-24@	55.00	55.00
8.25% Tranche XXXV redeemable in the year 2024-25@	70.00	70.00
8.50% Tranche XXXVI redeemable in the year 2024-25@	100.00	-
9% Tranche XXXVII redeemable in the year 2024-25@	150.00	-
9% Tranche XXXVIII redeemable in the year 2024-25@	30.00	-
9.25% Tranche XXXIX redeemable in the year 2024-25@	125.00	-
9.60% Tranche A (Series I) redeemable in the year 2024-25	75.00	-
9.60% Tranche A (Series II) redeemable in the year 2024-25	50.00	-
10.20% Tranche B redeemable in the year 2024-25	400.00	-
9.60% Tranche A (Series III) redeemable in the year 2025-26	75.00	-
9.60% Tranche A (Series IV) redeemable in the year 2025-26	50.00	-
10.20% Tranche C (Series I) redeemable in the year 2025-26	175.00	-
10.20% Tranche C (Series II) redeemable in the year 2025-26	175.00	-
Total	1,655.00	523.00

@ The interest is linked to IGB 6.10 Government Securities of 10 years.

* Redeemable at premium

^ fully or Partly redeemed during the period ended March 31, 2021

Maturity profile above is disclosed at face value which excludes cumulative premium amounting to ₹ 1.04 crore (As at March 31, 2022 : ₹ 0.84 crore), cumulative discount of ₹ 0.57 crore (As at March 31, 2022 : ₹ 4.39 crore) and cumulative impact of effective interest rate adjustment amounting to ₹ 17.97 crore (As at March 31, 2022 : ₹ 3.87 crore).

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- 15.3** The maximum amount of commercial paper outstanding at any time during the year was ₹ 220 crore. (Previous year : ₹ 300 crore).
- 15.4** During the previous year, interest rate of commercial paper was range between 4.92% -7.88% p.a.
- 15.5** The Group has utilized money obtained by way of Non-convertible debentures during the year for the purpose for which they were obtained.

16 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortized cost		
Secured:		
Term loans from (refer note 16.1, 16.2 and 16.5)		
(a) Banks	192.45	193.95
(b) Others	275.81	256.00
Add: Interest accrued	8.71	1.80
	476.97	451.75
Other loans from banks (refer note 16.3)		
(a) Working capital demand loans	45.00	81.00
(b) Cash credit facilities	50.15	80.66
Add: Interest accrued	-	0.02
	95.15	161.68
Unsecured:		
Inter corporate deposits (refer note 16.4)		
(a) From related party (refer note 40)	265.00	439.70
(b) From others	592.86	500.50
Add: Interest accrued but not due	63.57	45.40
	921.43	985.60
Total	1,493.55	1,599.03

- 16.1** Term loans are secured by way of pledge of certain identified security receipts.

- 16.2** Maturity profile and rate of interest of term loans:

(₹ in crore)

Residual Maturities	Interest range from				
	8% to 9%	9% to 10%	10% to 11%	11% to 12%	12% to 13%
As at March 31, 2023:					
Up to one year (April- 23 to March- 24)	-	80.78	181.37	-	-
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	-	-
Total	-	161.29	306.98	-	-
As at March 31, 2022:					
Up to one year (April- 22 to March- 23)	33.33	60.18	25.00	-	-
Up to 1-3 years (April- 23 to March- 25)	50.00	91.13	125.00	-	-
3 years and above (April- 25 onwards)	-	5.30	60.00	-	-
Total	83.33	156.61	210.00	-	-

**Note:**

- i) Maturity profile shown excluding effective interest rate impact amounting to ₹ 8.71 crore (As at March 31, 2022 : ₹ 1.8 crore).
- ii) 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.

- 16.3** 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.
- 16.4** Inter corporate deposits taken from related party are repayable on call and taken from others are for 30-710 days.
- 16.5** The Group has utilized money obtained by way of Term loans during the year for the purpose for which they were obtained.
- 16.6** 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.
- 16.7** All borrowings are made within India.

17 Lease liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
On Office Premises (refer note 34)	16.07	19.42
On Motor Vehicle (refer note 17.1 and 34)	0.01	0.07
Total	16.08	19.49

- 17.1** Finance lease obligations are secured by way of hypothecation of vehicles.

18 Other Financial Liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefits payable	5.46	10.25
Amount collected on behalf of trust	4.89	20.47
Provision for CSR Expenditure (refer note 36)	6.20	5.79
Undistributed collection in trusts	11.46	2.60
Total	28.01	39.11

19 Provisions

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Gratuity (refer note 39)	1.44	1.37
- Compensated absence (refer note 39)	0.65	0.64
Total	2.09	2.01

20 Other non Financial Liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues	21.40	24.25
Other	3.41	4.24
Total	24.81	28.49

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21 Share Capital

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
1,85,00,00,000 Equity Shares of ₹ 10/- each (As at March 31, 2022: 1,85,00,00,000)	1,850.00	1,850.00
15,00,00,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
Total	2,000.00	2,000.00
Issued, Subscribed and Paid-up		
39,83,25,537 Equity shares of ₹ 10/- each fully paid-up (As at March 31, 2022: 34,46,42,857)	398.33	344.64
Total	398.33	344.64

21.1 Terms and rights

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

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

21.2 Reconciliation of number of shares

Particulars	Equity Shares	
	As at March 31, 2023	As at March 31, 2022
Shares outstanding at the beginning of the year	34,46,42,857	34,46,42,857
Shares issued during the year	5,36,82,680	-
Shares outstanding at the end of the year	39,83,25,537	34,46,42,857

21.3 Details of shareholding more than 5%

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:				
JM Financial Limited	21,35,65,599	53.62%	20,41,97,279	59.25%
JM Financial Credit Solutions Limited	3,97,92,720	9.99%	-	-
Mr. Narotam S Sekhsaria	5,68,66,072	14.28%	5,68,66,072	16.50%
Indian Overseas Bank	2,10,00,000	5.27%	2,10,00,000	6.09%
Valiant Mauritius Partners FDI Ltd	3,35,50,551	8.42%	2,90,28,911	8.42%

21.4 Details of shareholding of promoters

Sr. 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%	5.63%



22 Other equity

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium Reserve	283.18	194.34
Capital reserve on change in interest without loss of control	28.15	28.15
Retained earnings	694.32	868.03
Equity component of Compulsory convertible debenture (refer note 22.1(g))	-	142.52
Employee Stock option outstanding (refer note 22.1(e))	4.59	2.47
Impairment reserve (refer note 22.2)	127.19	108.10
Initial Corpus	0.01	0.01
Total	1,137.44	1,343.62

Refer Statement of Changes in Equity for movement in each reserve and surplus.

22.1 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. 38.2).
- 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.
- The company has issued 53,68,268, 12% unlisted and unsecured Compulsory Convertible Debentures (CCD) having face value of ₹ 373 each on September 11, 2019. During the year, each CCD has been converted into 5,36,82,680 equity share of ₹10 each on September 12, 2022 and balance in security premium account has increased by ₹ 88.84 crore.

22.2 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 ₹ 127.19 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, 2023, 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 Assets. However, the provision as required under the extant RBI guidelines for Non - Performing Advances amounting to ₹ 113.59 crore is carried for these borrower accounts. Of the provisions made ₹ 107.64 crore is made by transfer to the impairment reserve.

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23 Interest income

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income		
On loans (at amortized cost)	56.20	114.33
On financial instruments (at FVTPL)	7.03	-
On others (at FVTPL)	2.81	10.25
Total	66.04	124.58

24 Fees and Incentives

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Management fees	134.94	129.78
Recovery Incentives Fees	15.57	9.46
Total	150.51	139.24

25 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial instruments designated at FVTPL:		
Equity instruments	-	2.77
Security Receipts and Financial assets (refer note 25.1)	-	252.59
Total	-	255.36

25.1 Net Gain/(Loss) on fair value changes

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Realised Gain	-	331.37
Unrealised Loss	-	(76.01)
Total	-	255.36

26 Other Income

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on fixed deposit (at amortised cost)	1.76	0.09
Lease Modification	0.43	-
Other interest income	0.12	0.13
Miscellaneous income	0.03	0.03
Total	2.34	0.25



27 Finance Cost

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At amortized cost:		
Interest on Debt Securities	90.12	89.98
Interest on Borrowings (Other than Debt Securities)	150.72	138.72
Others	7.00	3.81
Total	247.84	232.51

27.1 Above interest on debt securities includes interest on compulsory convertible debentures of ₹ 1.13 crore (Previous year : ₹ 3.60 crore).

27.2 Interest on others includes interest on lease obligations of ₹ 1.66 crore (Previous year : ₹ 1.95 crore).

28 Net Loss on fair value changes

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial instruments designated at FVTPL:		
Equity instruments	2.55	-
Gain on mutual fund	(1.11)	-
Security receipts and financial assets of trusts (refer note 28.1 and 28.2)	102.26	-
Total Net gain/(loss) on fair value changes	103.70	-

28.1 Investment in security receipts of face value of ₹ 8.48 crore (Previous year ₹ 4.24 crore for three trusts) written off during the year.

28.2 Net (Gain)/Loss on fair value changes

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Realised Gain	(19.79)	-
Unrealised Loss	123.49	-
Total	103.70	-

29 Impairment of Financial Instruments

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At amortised Cost		
Loans	(0.56)	(0.46)
Trade Receivables	14.95	10.33
Advances	(1.96)	0.85
Total	12.43	10.72

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30 Employee benefits

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, bonus and other allowances	19.31	21.34
Contribution to provident and other funds (refer note 39)	0.81	0.79
Gratuity (refer note 39)	0.24	0.27
Staff welfare expenses	0.01	#
Total	20.37	22.40

Denotes amount less than ₹ 50,000/-

31 Other Expenses

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rate & Taxes	3.52	4.12
Legal & professional fees	3.56	3.59
Lease rentals	0.14	0.11
Corporate social responsibility (refer note 36)	4.17	3.99
Support service charges	5.45	5.45
Donation	0.25	0.25
Manpower Expenses	0.59	0.24
Director's commission & sitting fees	0.24	0.80
Travelling Expenses	0.25	0.16
Repairs & Maintenance	0.06	0.08
Auditors remuneration (refer note 31.1)	0.19	0.19
Insurance Expenses	0.24	0.25
Electricity Expenses	0.19	0.18
Demat charges	0.25	0.36
Conveyance Expense	0.02	0.03
Car hire charges	#	#
Resolution expenses	5.46	0.36
Miscellaneous expenses	0.88	0.45
Total	25.46	20.61

Denotes amount less than ₹ 50,000/-

31.1 Payment to Auditors (Excluding Goods & Service tax)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
- Audit fees	0.14	0.15
- In any other matters (certification, limited review, etc)	0.04	0.04
- Out of pocket expenses	0.01	-
Total	0.19	0.19



32 Income Tax

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	-	85.04
Deferred tax	(46.96)	(26.72)
Total income tax expenses recognised in the current year	(46.96)	58.32
Income tax expense recognised in other comprehensive income	(0.05)	0.01
Total income tax expenses	(47.01)	58.33

32.1 Reconciliation of total tax charge

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(Loss) for the year	(193.62)	230.31
Income tax rate	25.17%	25.17%
Income tax expense	(48.71)	57.95
Tax Effect of:		
Effect of non deductible expenses	1.11	1.07
Effect of unrecognised deferred tax assets (net)	0.64	(0.70)
Deferred tax on Remeasurment of employee defined benefit obligation	(0.05)	0.01
Income tax expense recognised in profit and loss	(47.01)	58.33

33 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	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Profit/(Loss) for the year attributable to equity shareholders-Basic EPS (₹ in Cr.)	(154.47)	171.99
(b) Profit/(Loss) for the year attributable to equity shareholders-Diluted EPS (₹ in Cr.)	(154.47)	171.99
(c) Weighted average number of equity shares outstanding (Nos.)	39,83,25,537	34,46,42,857
(d) Add: Conversion of compulsory convertible debenture (Nos.)	-	5,36,82,680
(e) Weighted average number of equity shares outstanding (Nos.) for Basic EPS	39,83,25,537	39,83,25,537
(f) Add : Effect of stock option scheme **	2,78,566	2,37,064
(g) Weighted average number of equity shares outstanding (Nos.) for Diluted EPS	39,86,04,103	39,85,62,601
Basic earnings per share (₹) (a/e)	(3.88)	4.32
Dilutive earning per share (₹) (b/g)	(3.88)	4.32
Nominal value per share (₹)	10	10

** Includes some shares issued under ESOS are anti-dilutive and therefore considered as Nil for the previous year.

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34 Leasing

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			As at March 31, 2023	Accumulated Depreciation			As at March 31, 2023	Net block
	As at April 1, 2022	Additions	Deletions		As at April 1, 2022	Additions	Deletions		
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

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2022:

(₹ in crore)

Category of leased asset	Gross Block			As at March 31, 2022	Accumulated Depreciation			As at March 31, 2022	Net block
	As at April 1, 2021	Additions	Deletions		As at April 1, 2021	Additions	Deletions		
Office Premises	24.81	-	-	24.81	5.24	2.65	-	7.89	16.92
Motor Vehicle	0.47	-	(0.19)	0.28	0.34	0.07	(0.19)	0.22	0.06

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022:

On Office premises

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	19.42	20.97
Lease Modification	(1.60)	-
Finance cost during the year	1.61	1.92
Payment of lease liabilities	(3.36)	(3.47)
Closing balance	16.07	19.42

On Motor Vehicle

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	0.07	0.14
Additions during the year	0.02	-
Finance cost during the year	0.05	0.03
Payment of lease liabilities	(0.13)	(0.10)
Closing balance	0.01	0.07

Table showing contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

On Office Premises

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	3.33	3.56
Later than one year and not later than five years	13.85	15.33
Later than five years	3.47	7.86

On Motor Vehicle

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	0.01	0.07
Later than one year and not later than five years	-	-
Later than five years	-	-
Total Finance lease commitment (on an undiscounted basis)	0.01	0.07

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.



35 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)
I.	Details of Foreign Currency Exposure		
	(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		
	Total Foreign Currency Exposure	NIL	NIL
II	Details of Hedgings		
	(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		
	Total Hedging of Foreign Currency Exposure	NIL	NIL
III.	Amount of Unhedged Foreign Currency Exposure	NIL	NIL
IV.	Realised / Recognised Amount of Foreign Currency Loss / Gain	NIL	NIL
V.	EBID		104.03
VI.	Total Banking Exposure of the company		
	(i) Term Loans Exposure (Outstanding amounts + Undisbursed)		192.50
	(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.

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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:

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the Group during the year	4.17	3.99
b) Amount spent	0.43	0.75
Amount provided for on-going projects	3.74	3.24
Total	4.17	3.99
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	4.17	3.99
Total	4.17	3.99

Details of unspent obligations

In case of section 135(5) of the Companies Act, 2013 (ongoing projects)

(₹ 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

(₹ in crore)

Opening balance as on April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Closing balance as on March 31, 2022	
With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	With Company	In separate CSR Unspent account
4.10	-	3.99	0.75	1.55	3.24	2.55

37 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.



38 Employee Stock Option Scheme

38.1 JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Group.

May 16, 2016 1,22,397 Stock Options

April 12, 2018 88,236 Stock Options

The option shall be eligible for vesting as per following schedule:

Vesting/ Grant Date	Options series	No. of Stock Options	Status	Exercise Period	Exercise Price in ₹
16 th May, 2017	Series – IX	40,799	Exercised	Seven years from the date of Grant	1
16 th May, 2018	Series – IX	40,799	Exercised	Seven years from the date of Grant	1
16 th May, 2019	Series – IX	40,799	Exercised	Seven years from the date of Grant	1
12 th April, 2019	Series – XI	29,412	Exercised	Seven years from the date of Grant	1
12 th April, 2020	Series – XI	29,412	Exercised	Seven years from the date of Grant	1
12 th April, 2021	Series – XI	29,412	Exercised	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	31 March 2023	31 March 2022
Outstanding at the beginning of the year	-	58,824
Granted during the year	-	-
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/forfeited during the year	-	-
Exercised during the year	-	(58,824)
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-

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

38.2 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 2022-23, the Nomination and Remuneration Committee has granted 19,60,749 options (previous year 9,09,549 options) at an exercise price of ₹ 33.63 per option (previous year ₹ 29.69 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	For the year ended March 31, 2023	For the year ended March 31, 2022
Outstanding at the beginning of the year	20,08,819	15,81,444
Add: Granted during the year	19,60,749	9,09,549
Less: Exercised and shares allotted during the year	-	-
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	(4,69,771)	(4,82,174)
Less: Lapsed during the year	-	-
Outstanding at end of the year	34,99,797	20,08,819
Exercisable at end of the year	3,95,361	-

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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	3,03,183	19-04-2024	19-04-2023	22.14	20.33
Tranche 2	33.33%	6,53,583	3,03,183	19-04-2025	19-04-2024	24.33	21.96
Tranche 3	33.34%	6,53,583	3,03,183	19-04-2026	19-04-2025	26.23	23.77

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	3.50	6.85%	5.79%	0.5004	0.5160	-	-
Tranche 2	4.50	4.50	7.12%	5.69%	0.4940	0.5052	-	-
Tranche 3	5.50	5.50	7.32%	6.41%	0.4897	0.4954	-	-

* 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	Options
Grant date	04-05-2022
Options granted	19,60,749
Options exercised till March 31, 2023	-
Options forfeited/cancelled till March 31, 2023	2,85,462
Options lapsed till March 31, 2023	-
Outstanding at end of year	16,75,287
Exercisable at end of year	-
Vesting of options	1/3 rd 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
Exercise price	₹ 33.63
Pricing formula	As was determined by the Nomination and Remuneration Committee

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 2.12 crore (Previous year: ₹ 1.31 crore).

39 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 ₹ 0.66 crore (Previous year ₹ 0.68 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	As at March 31, 2023	As at March 31, 2022
Discount rate	7.45%	7.20%
Expected rate of salary increase	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2012-14) Ult table.

Amount recognized in statement of profit and loss in respect of these defined benefit obligation

Particulars	(₹ in crore)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	0.15	0.17
Past service cost	-	-
Net interest cost	0.09	0.10
Components of defined benefits recognised in profit or loss.	0.24	0.27
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	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.03)	(0.04)
- Actuarial (gain)/loss from change in experience adjustments	0.23	(0.01)
Total amount recognised in OCI	0.20	(0.05)
Total	0.44	0.22

Denotes amount below ₹ 50,000

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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	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	1.44	1.37
Fair value of plan assets	-	-
Net asset arising from defined benefit obligation	1.44	1.37

Movement in the present value of the defined benefit obligation are as follows:

Particulars	(₹ in crore)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined benefit obligation	1.37	1.50
Current service cost	0.15	0.17
Interest cost	0.09	0.10
Past service cost	-	-
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.03)	(0.04)
- Actuarial (gain)/loss from change in experience adjustments	0.23	(0.01)
Benefits paid	(0.36)	(0.17)
Liabilities extinguished on settlements	(0.01)	(0.18)
Closing defined benefit obligation	1.44	1.37

A reconciliation of the plan assets during the inter-valuation period is given below:

Particulars	(₹ in crore)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening defined benefit obligation	-	-
Employer contribution	0.36	0.17
Interest on plan assets	-	-
Administrative Expenses	-	-
Remeasurement due to :		
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	(0.36)	(0.17)
Asset acquired/(settled)	-	-
Asset distributed on settlements	-	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is as follows:

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation (base)	1.44	1.37



Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.38	1.48	1.31	1.41
Impact of increase in 50 bps on DBO	(4.00%)	2.84%	(4.17%)	2.94%
Defined benefit obligation on decrease in 50 bps	1.50	1.40	1.43	1.33
Impact of decrease in 50 bps on DBO	4.35%	(2.74%)	4.51%	(2.75%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer 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 March 31, 2023	As at March 31, 2022
Expected benefits for year 1	0.26	0.07
Expected benefits for year 2	0.25	0.25
Expected benefits for year 3	0.06	0.24
Expected benefits for year 4	0.05	0.05
Expected benefits for year 5	0.26	0.05
Expected benefits for year 6	0.05	0.21
Expected benefits for year 7	0.21	0.04
Expected benefits for year 8	0.07	0.20
Expected benefits for year 9	0.04	0.06
Expected benefits for year 10 and above	2.16	1.93

Compensated absences

As per Group's policy, provision of ₹ 0.65 crore (Previous year ₹ 0.64 crore) has been made towards compensated absences, 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.

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40 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

JM Financial Credit Solutions Limited

JM Financial Asset Management Limited

Astute Investments

CR Retail Malls (India) Limited

(C) Key managerial personnel

Mr. Anil Bhatia - Chief Executive Officer

Mr. Atul Mehra - Key managerial personnel of Ultimate holding company

Mrs. Suvidha Mehra - Close member of Key managerial personnel of Ultimate holding company

Non-Executive Directors

Mr. V. P. Shetty

Mr. Narotam Sekhsaria

Mr. Pulkrit 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 (appointed w.e.f. September 27, 2022)

(D) Entity controlled or jointly controlled 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	As at March 31, 2023	As at March 31, 2022
JM Financial Limited (JMFL)	(A)		
Inter Corporate Deposit taken		647.00	370.00
Inter Corporate Deposit paid		821.70	282.30
Interest on Inter Corporate Deposits		37.18	42.53
Rating Support Fees		4.89	1.70
Support Service Charges		2.50	2.50
Recovery of Expense		0.02	0.25
Reimbursement of Expenses		0.25	0.06
ESOP Charges		-	#
Interest on Compulsory Convertible Debenture		1.86	12.10
JM Financial Properties and Holdings Limited (JMFPHL)	(B)		
Space and other related cost		2.77	2.81
Security Deposit received		0.54	-
Reimbursement of Expenses		0.46	0.45
JM Financial Home Loans Limited (JMFHL)	(B)		
Reimbursement of Expenses		#	#
JM Financial Products Limited (JMFPL)	(B)		
Inter Corporate Deposit taken		200.00	80.00
Inter Corporate Deposit paid		200.00	80.00
Management Fees received		1.89	1.42
Interest on Inter Corporate Deposits paid		2.94	0.83
Support Service Charges		2.50	2.50
Reimbursement of Expenses		0.03	0.06
JM Financial Services Limited (JMFSL)	(B)		
Market linked Non Convertible Debentures issued		320.00	200.84
Transfer of gratuity		0.01	-
Arranger Fees		6.61	2.65
JM Financial Capital Limited (JMFCL)	(B)		
Market linked Non Convertible Debentures issued		-	22.74
JM Financial Credit Solutions Ltd (JMFCSL)	(B)		
Interest on Compulsory Convertible Debenture		7.91	9.91
Gratuity transfer		-	0.18
Management Fees received		4.94	1.40
CR Retail Malls (India) Limited	(B)		
Interest on Inter Corporate Deposits		-	2.12
Inter Corporate Deposit taken		-	33.00
Inter Corporate Deposit paid		-	88.00
JM Financial Asset Management Limited	(B)		
Interest on Inter Corporate Deposits		0.13	0.08
Inter Corporate Deposit taken		20.00	40.00
Inter Corporate Deposit paid		20.00	64.10
Key Managerial Personnel	(C)		
Remuneration (refer note (d) below)		1.57	2.92
Contribution to provident fund		0.10	0.09

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c) Closing balances

		(₹ in crore)	
Name of the Related Party	Nature of relationship	As at March 31, 2023	As at March 31, 2022
Inter Corporate Deposit payable			
JM Financial Limited (JMFL)	(A)	265.00	439.70
Interest on Compulsory Convertible Debenture			
JM Financial Limited (JMFL)	(A)	-	2.10
JM Financial Credit Solutions Ltd (JMFCSL)	(B)	-	8.92
Security Deposit Recoverable			
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	2.21	2.75
Market linked Non-Convertible Debentures			
JM Financial Services Ltd	(B)	0.20	-
JM Financial Capital Ltd	(B)	1.60	23.00
Dr. Vijay Kelkar	(C)	0.20	-
Mr. V P Shetty	(C)	2.00	2.00
Mrs. Suvidha Mehra	(C)	1.10	1.10
Trade Receivables			
JM Financial Products Limited	(B)	0.03	-
Trade Payable			
JM Financial Limited (JMFL)	(A)	1.88	0.42
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	-	0.00
Key Managerial Personnel	(C)	0.20	2.32

Denotes amount below ₹ 50,000

- d) The remuneration includes directors sitting fees and commissions and excludes provision for gratuity as the incremental liability has been accounted for Group as a whole.
- e) There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.
- f) The transactions disclosed above are exclusive of GST.

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.



41 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Group monitors capital using debt to equity ratio.

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (Debt securities and borrowing other than debt securities)	3,203.35	2,384.94
Less - Cash and cash equivalents	(70.95)	(69.56)
Net Debt	3,132.40	2,315.38
Total equity (excluding non-controlling interest)	1,535.77	1,688.26
Debt to equity ratio	2.04	1.37

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 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.

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b) Categories of Financial Instruments:

(₹ in crore)

As at March 31, 2023	Carrying amount				Fair value			
Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
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
Total	3,978.25	-	930.75	4,909.00	13.23	-	3,965.02	3,978.25
Financial liabilities								
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	-	-	-	-
Total	-	-	3,250.22	3,250.22	-	-	-	-

(₹ in crore)

As at March 31, 2022	Carrying amount				Fair value			
Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	69.56	69.56	-	-	-	-
Other Bank balances	-	-	3.46	3.46	-	-	-	-
Trade receivables (net)	-	-	206.83	206.83	-	-	-	-
Loans (net)	-	-	598.20	598.20	-	-	-	-
Investments	972.29	-	-	972.29	16.12	-	956.17	972.29
Other financial assets (net)	2,293.41	-	37.33	2,330.74	-	-	2,293.41	2,293.41
Total	3,265.70	-	915.38	4,181.08	16.12	-	3,249.58	3,265.70
Financial liabilities								
Trade payables	-	-	1.28	1.28	-	-	-	-
Debt securities	-	-	785.91	785.91	-	-	-	-
Borrowing (other debt securities)	-	-	1,599.03	1,599.03	-	-	-	-
Lease liabilities	-	-	19.49	19.49	-	-	-	-
Other financial liabilities	-	-	39.11	39.11	-	-	-	-
Total	-	-	2,444.82	2,444.82	-	-	-	-

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, 2023	1,011.34	1,117.92
As at March 31, 2022	218.93	221.30



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 have been made by considering credit risk, uncertainties associated with prevailing economic condition, timing of the recoveries 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, 2023 and March 31, 2022

(₹ in crore)

Particulars	Investment in Security Receipts	Financial Asset	Total
As at April 1, 2021	1,026.18	2,222.82	3,249.00
Acquisitions made	74.33	216.01	290.34
(Realisations) made	(275.50)	(266.85)	(542.35)
Net gain/(loss) on fair value changes	131.16	121.43	252.59
As at March 31, 2022	956.17	2,293.41	3,249.58
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)
As at March 31, 2023	1,237.03	2,714.88	3,951.91

e) Sensitivity for instruments

(₹ in crore)

Nature of the instrument	Fair Value as at March 31, 2023	Fair Value as at March 31, 2022	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2023*		Sensitivity Impact for the year ended March 31, 2022*	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Investment in Security receipts	1,237.03	956.17	Estimated cash flow based on realisation of collaterals value, etc.	5%	80.51	(80.51)	63.25	(63.25)
Investment in financial assets of structured entities	2,714.88	2,293.41	Estimated cash flow based on realisation of collaterals value, etc.	5%	128.75	(128.75)	105.06	(105.06)

* percentage of outstanding security receipts at cost

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- 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 Group's activities expose it to credit risks, liquidity risks and market risks.

Risk management forms an integral part of the business and as it being into distressed credit business it exposed to several risks related to stress assets i.e. non-performing assets (NPA) acquired from banks and financial institutions. The group has a robust account monitoring system which ensures early detection of risks whereby timely action can be taken to surmount any avoidable slippages. The Group has an effective mechanism of driving business through policies and committees. The group has well balance and experienced team of resources to drive its business.

The Group has established Risk Management Committee and Asset Acquisition Committee, responsible for identifying, developing, monitoring and mitigating all the risks related to its business. The committees reports to the board of directors on regular basis.

a) Credit risk

Credit risk is the risk of loss that may occur from the failure of party to abide by the terms and conditions of any financial contract, principally the failure to make the required payments. In order to minimize credit risk, the Group has adopted a policy of acquisition of asset in a transparent manner and at a fair price in a well-informed market, and the transactions are executed at arm's length in exercise of due diligence and adopt an industry / sector neutral and geography neutral approach in targeting financial assets for acquisition. Credit risk management is achieved by considering the factors like cash flow, collateral values, etc.

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:

- 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:

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, 2023

(₹ in crore)

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount-opening balance	148.29	-	472.40	620.69
New assets originated or purchased	33.61	-	-	33.61
Assets derecognised or repaid (excluding write offs)	(46.12)	-	(42.97)	(89.09)
Gross carrying amount- closing balance	135.78	-	429.43	565.21

As at March 31, 2022

(₹ in crore)

Particulars	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount-opening balance	250.26	-	398.02	648.28
New assets originated or purchased	342.96	-	32.34	375.30
Assets derecognised or repaid (excluding write offs)	(208.20)	-	(194.69)	(402.89)
Transfer to Stage 3	(236.73)	-	236.73	-
Gross carrying amount- closing balance	148.29	-	472.40	620.69

(ii) Movement of provision for impairment (ECL):

As at March 31, 2023

(₹ in crore)

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2.44	-	20.05	22.49
New assets originated or purchased	0.10	-	-	0.10
Assets derecognised or repaid (excluding write offs)	(0.31)	-	(0.35)	(0.66)
ECL allowance - closing balance	2.23	-	19.70	21.93

As at March 31, 2022

(₹ in crore)

Particulars	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	7.22	-	15.73	22.95
New assets originated or purchased	2.39	-	0.38	2.77
Assets derecognised or repaid (excluding write offs)	(0.18)	-	(3.05)	(3.23)
Transfer to Stage 3	(6.99)	-	6.99	-
ECL allowance - closing balance	2.44	-	20.05	22.49

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.

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Movement of provision for impairment

As at March 31, 2023

(₹ in crore)

Particulars	As at March 31, 2023		
	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	23.63	9.33	32.96
Addition	14.95	(1.96)	12.99
Closing balance	38.58	7.37	45.95

As at March 31, 2022

(₹ in crore)

Particulars	As at March 31, 2022		
	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	13.30	8.48	21.78
Addition	10.33	0.85	11.18
Closing balance	23.63	9.33	32.96

The ageing of trade receivables :

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Past due 1-180 days	57.87	39.74
More than 180 days	253.10	190.72
Total	310.97	230.46

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 ₹ 69.01 crore and ₹ 13.34 crore as of March 31, 2023 and March 31, 2022 respectively, from its bankers for working capital requirements. The Company also has Bank balances of ₹ 70.95 crore as on March 31, 2023.

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.



(₹ in crore)

As at March 31, 2023	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
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	-	-
Total	3,250.22	3,250.22	1,430.37	1,721.73	94.80	3.32
Financial Assets						
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
Total	4,909.00	4,909.00	2,588.02	1,896.59	412.72	11.67

(₹ in crore)

As at March 31, 2022	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	2,384.94	2,384.94	1,795.68	522.33	66.93	-
Trade payables	1.28	1.28	1.28	-	-	-
Lease liabilities	19.49	19.49	1.88	4.54	5.93	7.14
Other financial liabilities	39.11	39.11	34.12	4.99	-	-
Total	2,444.82	2,444.82	1,832.96	531.86	72.86	7.14
Financial Assets						
Cash and cash equivalents	69.56	69.56	69.56	-	-	-
Other Bank balances	3.46	3.46	0.95	2.51	-	-
Trade receivables (net)	206.83	206.83	150.63	56.20	-	-
Loans (net)	598.20	598.20	305.72	292.48	-	-
Investment	972.29	972.29	342.11	164.22	449.84	16.12
Other Financial Assets (net)	2,330.74	2,330.74	951.59	188.11	1,189.38	1.66
Total	4,181.08	4,181.08	1,820.56	703.52	1,639.22	17.78

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 2021-22 had been met by refinancing through bank facilities /other refinancing options. The liquidity gap included inter corporate deposit payable to related party which was payable on call and also Bank working capital balances which were annually renewable.

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The following are the details of Group's remaining contractual maturities of financial liabilities based on undiscounted cash flows:

(₹ in crore)

As at March 31, 2023	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
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	-	-
Total	3,250.22	3,272.30	1,433.18	1,739.75	95.90	3.47

The following are the details of Group's remaining contractual maturities of financial liabilities based on undiscounted cash flows:

(₹ in crore)

As at March 31, 2022	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	2,384.94	2,408.99	1,817.11	524.95	66.93	-
Trade payables	1.28	1.28	1.28	-	-	-
Lease liabilities	19.49	26.82	3.63	7.46	7.87	7.86
Other financial liabilities	39.11	39.11	34.12	4.99	-	-
Total	2,444.82	2,476.20	1,856.14	537.40	74.80	7.86

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, 2023	As at March 31, 2022
Borrowings:		
Fixed rate borrowings	2,125.99	1,616.34
Floating rate borrowings	932.78	677.01
Total	3,058.77	2,293.35



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, 2023 would decrease/ increase by ₹ 9.33 crore (Previous year: decrease/ increase by ₹ 6.77 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, 2023 aggregate to ₹ 13.23 crore (Previous year ₹ 16.12 crore). If price of equity instruments decrease/ increase by 5%, the Group's profit for the year ended March 31, 2023 would be decrease/ increase by ₹ 0.66 crore (Previous year: decrease/ increase by ₹ 0.81 crore).

44 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 March 31, 2023	As at March 31, 2022
Subsidiary Trusts in India			(%)	(%)
JMFARC - DB-ICICI Trust*	Asset reconstruction	India	100%	100%
JMFARC - DB SBI Trust*	Asset reconstruction	India	100%	100%
JMFARC - DB DCB Trust*	Asset reconstruction	India	100%	100%
JMFARC - Jord SUUTI Trust*	Asset reconstruction	India	100%	100%
JMFARC - Pasupati SASF Trust	Asset reconstruction	India	100%	100%
JMFARC - Central Bank Tube Trust*	Asset reconstruction	India	100%	100%
JMFARC - UTI Tube Trust*	Asset reconstruction	India	100%	100%
JMFARC - SASF Tube Trust*	Asset reconstruction	India	100%	100%
JMFARC - UCO Bank March 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC - Corp Textile 2013 Trust^	Asset reconstruction	India	-	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%

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Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at March 31, 2023	As at March 31, 2022
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%
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	50%	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 - Metals 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 - Metals February 2018 Trust	Asset reconstruction	India	92%	92%
JMFARC - Metals November 2018 Trust	Asset reconstruction	India	95%	95%
JMFARC - Metals December 2018 Trust	Asset reconstruction	India	94%	94%
JMFARC - KTK Metals December 2018 Trust	Asset reconstruction	India	94%	94%
JMFARC - Coated February 2021 Trust	Asset reconstruction	India	89%	100%
Deccan 2021 Trust	Asset reconstruction	India	100%	100%
Deccan June 2022@	Asset reconstruction	India	100%	-
Textile 2022@	Asset reconstruction	India	100%	-
Retail June 2022@	Asset reconstruction	India	54%	-
Deccan January 2023 Trust@	Asset reconstruction	India	100%	-



^ Trusts closed during the financial year 2021-22

* Trusts closed during the year

@ Trusts addition during the year

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.

B) Additional Information, as required under Schedule III to the Act, 2013, of enterprises consolidated as Subsidiary.

i) 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
Parent								
JM Financial Asset Reconstruction Company Limited	(809.03)	(45.43%)	(84.99)	57.95%	(0.15)	100.00%	(85.14)	57.99%
Subsidiary Trusts in India								
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 - Yarn 2010 Trust	-	-	-	-	-	-	-	-
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 - Indian Bank I March 2016- Trust	-	-	-	-	-	-	-	-
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%)

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(₹ in crore)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in 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 - 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 - 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%
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	3.03	0.17%	-	-	-	-	-	-
Textile 2022	139.84	7.85%	0.02	(0.01%)	-	-	0.02	(0.01%)
Retail June 2022	139.32	7.82%	-	-	-	-	-	-
Deccan January 2023 Trust	94.67	5.32%	-	-	-	-	-	-
	1,535.77	86.23%	(154.47)	105.33%	(0.15)	100.00%	(154.62)	105.32%



(₹ 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
Non Controlling Interests in all subsidiaries	245.18	13.77%	7.81	(5.33%)	-	-	7.81	(5.32%)
JMFARC - ICICI Geometric Trust	8.77	0.49%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	#	-	-	-	-	-	-	-
JMFARC - March 2018	62.56	3.51%	-	-	-	-	-	-
JMFARC - Metallics February 2018 Trust	#	-	#	-	-	-	-	#
JMFARC - Metallics November 2018 Trust	#	-	#	-	-	-	-	#
FARC - Metallics December 2018 Trust	#	-	#	-	-	-	-	#
JMFARC - KTK Metallics December 2018 Trust	#	-	#	-	-	-	-	#
Retail June 2022*	117.52	6.60%	-	-	-	-	-	-
JMFARC - Coated February 2021 Trust [^]	56.33	3.16%	7.81	(5.33%)	-	-	7.81	(5.32%)
Total	1,780.95	100.00%	(146.66)	100.00%	(0.15)	100.00%	(146.81)	100.00%

[^] stake acquired by other security receipt holders during the financial year 2021-22

* change in controlling interest during the year

Note:

1) Subsidiaries share in OCI is Nil for the year ended March 31, 2023.

ii) As at and for the year ended March 31, 2022

(₹ 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
Parent								
JM Financial Asset Reconstruction Company Limited	(370.11)	(20.47%)	141.65	82.36%	0.04	100.00%	141.69	82.36%
Subsidiary Trusts in India								
JMFARC - BOI 2009 I Trust	-	-	-	-	-	-	-	-
JMFARC - DB-ICICI Trust	(0.01)	0.00%	5.43	3.16%	-	-	5.43	3.16%
JMFARC - DB SBI Trust	(0.01)	0.00%	3.37	1.96%	-	-	3.37	1.96%
JMFARC - DB DGB Trust	(0.01)	0.00%	-	-	-	-	-	-
JMFARC - Jord SUUTI Trust	(0.01)	0.00%	0.39	0.23%	-	-	0.39	0.23%
JMFARC - Pasupati SASF Trust	(0.09)	0.00%	0.09	0.05%	-	-	0.09	0.05%
JMFARC - Central Bank Tube Trust	(0.01)	0.00%	3.62	2.10%	-	-	3.62	2.10%
JMFARC - UTI Tube Trust	(0.01)	0.00%	0.29	0.17%	-	-	0.29	0.17%
JMFARC - Yarn 2010 Trust	-	-	-	-	-	-	-	-
JMFARC - SASF Tube Trust	(0.01)	0.00%	4.15	2.41%	-	-	4.15	2.41%
JMFARC - UCO Bank March 2011 Trust	0.10	0.01%	(0.02)	(0.01%)	-	-	(0.02)	(0.01%)
JMFARC - Textile 2013 Trust	-	-	-	-	-	-	-	-
JMFARC - Corp Textile 2013 Trust	0.01	0.00%	0.42	0.24%	-	-	0.42	0.24%
JMFARC - Corp Apparel 2013 Trust	0.09	0.00%	-	-	-	-	-	-
JMFARC - Central India 2013 Trust	29.04	1.61%	-	-	-	-	-	-

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(₹ in crore)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in 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 - Dena Bank March 2014 Trust	5.45	0.30%	-	-	-	-	-	-
JMFARC - Gelatine March 2014 Trust	9.07	0.50%	0.02	0.01%	-	-	0.02	0.01%
JMFARC - ICICI Bank July 2014 Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - Indian Bank I March 2016- Trust	-	-	-	-	-	-	-	-
JMFARC - Axis Bank Cement March 2015 Trust	25.32	1.40%	(0.31)	(0.18%)	-	-	(0.31)	(0.18%)
JMFARC - ICICI Bank Cement June 2015 Trust	19.43	1.07%	(0.30)	(0.17%)	-	-	(0.30)	(0.17%)
JMFARC - United Bank Cement Sept 2015 Trust	21.64	1.20%	(0.84)	(0.49%)	-	-	(0.84)	(0.49%)
JMFARC - ICICI Geometric Trust	1.55	0.09%	-	-	-	-	-	-
JMFARC - Axis Bank February 2016 Trust	0.34	0.02%	-	-	-	-	-	-
JMFARC - OBC Cement March 2016 Trust	3.57	0.20%	0.01	0.01%	-	-	0.01	0.01%
JMFARC - Axis Iris II March 2016 Trust	6.00	0.33%	-	-	-	-	-	-
JMFARC - SBI Geometric October 2016 Trust	3.58	0.20%	5.50	3.20%	-	-	5.50	3.20%
JMFARC - IRIS Cash 2016 Trust	76.17	4.21%	-	-	-	-	-	-
JMFARC - Tata Capital December 2016 Trust	9.04	0.50%	-	-	-	-	-	-
JMFARC - IDBI March 2017 Trust	2.37	0.13%	-	-	-	-	-	-
JMFARC - IRIS IIFL May 2017 Trust	4.08	0.23%	-	-	-	-	-	-
JMFARC - IRIS Cash July 2017 Trust	21.96	1.21%	-	-	-	-	-	-
JMFARC - Woods October 2017 Trust	13.48	0.75%	-	-	-	-	-	-
JMFARC - IRIS Cash March 2018 Trust	10.38	0.57%	(1.30)	(0.76%)	-	-	(1.30)	(0.76%)
JMFARC - BOB 2008 Trust	-	-	(0.02)	(0.01%)	-	-	(0.02)	(0.01%)
JMFARC - SME Retail 2011 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	1.89	0.10%	(0.01)	(0.01%)	-	-	(0.01)	(0.01%)
JMFARC - Federal Bank March 2013 Trust	24.17	1.34%	(4.67)	(2.72%)	-	-	(4.67)	(2.71%)
JMFARC - Corp I 2013 Trust	4.05	0.22%	-	-	-	-	-	-
JMFARC - Corp II 2013 Trust	0.27	0.01%	0.01	0.01%	-	-	0.01	0.01%
JMFARC - ALHB Bank June 2017 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - ALHB Bank Textile June 2017 Trust	0.01	0.00%	(2.25)	(1.31%)	-	-	(2.25)	(1.31%)
JMFARC - Federal Bank June 2017 Trust	1.05	0.06%	16.79	9.76%	-	-	16.79	9.76%
JMFARC - Metallica July 2018 Trust	(0.01)	0.00%	-	-	-	-	-	-
JMFARC - Fabrics August 2018 I Trust	848.30	46.92%	-	-	-	-	-	-
JMFARC - Fabrics September 2018 I Trust	80.99	4.48%	-	-	-	-	-	-
JMFARC - Fabrics September 2018 II Trust	57.52	3.18%	-	-	-	-	-	-
JMFARC - PNB IRIS II September 2018 Trust	1.15	0.06%	-	-	-	-	-	-
JMFARC - Fabrics June 2018 Trust	79.56	4.40%	-	-	-	-	-	-
JMFARC - Fabrics March 2019 I	36.31	2.01%	-	-	-	-	-	-
JMFARC - Retail June 2011 Trust	0.01	0.00%	(0.03)	(0.02%)	-	-	(0.03)	(0.02%)
JMFARC - Retail Aug 2011 Trust	0.08	0.00%	-	-	-	-	-	-
JMFARC - Fabrics June 2019 II Trust	76.04	4.21%	-	-	-	-	-	-
JMFARC - Fabrics June 2019 III Trust	19.68	1.09%	-	-	-	-	-	-
JMFARC - Fabrics December 2019 I Trust	5.28	0.29%	-	-	-	-	-	-
JMFARC - March 2018	93.85	5.19%	-	-	-	-	-	-
JMFARC - Fabrics September 2020 Trust	10.85	0.60%	-	-	-	-	-	-
JMFARC - Fabrics November 2020 Trust	54.60	3.02%	-	-	-	-	-	-



(₹ 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 - Metallics February 2018 Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - Metallics November 2018 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - Metallics December 2018 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - KTK Metallics December 2018 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - Coated February 2021 Trust	390.59	21.60%	-	-	-	-	-	-
Deccan 2021	9.51	0.53%	-	-	-	-	-	-
	1,688.26	93.37%	171.99	100.00%	0.04	100.00%	172.03	100.00%
Non Controlling Interests in all subsidiaries	119.86	6.63%	-	-	-	-	-	-
JMFARC - ICICI Geometric Trust	8.77	0.49%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	-	-	-	-	-	-	-	-
JMFARC - March 2018	62.56	3.46%	-	-	-	-	-	-
JMFARC - Metallics February 2018 Trust	-	-	-	-	-	-	-	-
JMFARC - Metallics November 2018 Trust	-	-	-	-	-	-	-	-
JMFARC - Metallics December 2018 Trust	-	-	-	-	-	-	-	-
JMFARC - KTK Metallics December 2018 Trust	-	-	-	-	-	-	-	-
JMFARC - Coated February 2021 Trust [^]	48.53	2.68%	-	-	-	-	-	-
Total	1,808.12	100.00%	171.99	100.00%	0.04	100.00%	172.03	100.00%

[^] stake acquired by other security receipt holders**Note:**

Subsidiaries share in OCI is Nil for the year ended March 31, 2022.

45 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, 2023	As at March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
JMFARC ICICI Geometric Trust	India	85.00%	85.00%	-	-	8.77	8.77
JMFARC IOB II March 2011 Trust	India	50.00%	50.44%	-	-	#	-
JMFARC March 2018	India	40.00%	40.00%	-	-	62.56	62.56
JMFARC Metallics February 2018 Trust*	India	7.61%	7.61%	#	-	#	-
JMFARC Metallics November 2018 Trust*	India	5.08%	5.08%	#	-	#	-
JMFARC Metallics December 2018 Trust*	India	6.16%	6.16%	#	-	#	-
JMFARC KTK Metallics 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%	7.81	-	56.33	48.53
Total				7.81	-	245.18	119.86

*acquisition of controlling stake as on August 20, 2020.

[^] stake acquired by other security receipt holders during the financial year 2021-22

@ change in controlling interest

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45.1 During the financial year 2020-21, the Group has acquired controlling stake in four trusts namely JMFARC Metallica February 2018 Trust, JMFARC Metallica November 2018 Trust, JMFARC Metallica December 2018 Trust, JMFARC KTK Metallica December 2018 Trust for consideration of ₹ 260.57 crore and these investments are redeemed by Parent on resolution of financial assets of said trusts.

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets	569.37	456.29	0.56	0.48	156.56	156.55
Non-financial assets	-	#	10.32	10.32	-	-
Financial liabilities	35.12	16.51	0.56	0.48	0.10	0.10
Non-financial liabilities	24.49	0.66	#	-	0.04	0.04
Equity attributable to owners of the Company	453.43	390.59	1.55	1.55	93.86	93.85
Non-controlling interests	56.33	48.53	8.77	8.77	62.56	62.56
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Revenue	113.08	18.95	0.08	0.06	0.01	0.05
Expenses	18.67	18.95	0.08	0.06	0.01	0.05
Tax Expenses	23.76	-	-	-	-	-
Profit for the year	70.65	-	-	-	-	-
Profit attributable to owners of the Company	62.84	-	-	-	-	-
Profit attributable to non-controlling interests	7.81	-	-	-	-	-
Profit for the year	70.65	-	-	-	-	-
Other comprehensive income attributable to owners of the Company	-	-	-	-	-	-
Other comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income attributable to owners of the Company	62.84	-	-	-	-	-
Total comprehensive income attributable to non-controlling interests	7.81	-	-	-	-	-
Total comprehensive income for the year	70.65	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	0.01	(146.50)	#	#	(0.01)	#
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(0.01)	146.50	-	-	0.01	(0.01)
Net cash generated from/(used in)	#	#	#	#	#	#

Denotes amount less than ₹ 50,000



(₹ in crore)

Particulars	JMFARC IOB II March 2011 Trust		JMFARC Metallics February 2018 Trust		JMFARC Metallics November 2018 Trust	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets	0.02	0.03	1.06	1.06	0.62	0.62
Non-financial assets	1.88	1.87	#	-	#	-
Financial liabilities	#	0.01	-	-	-	-
Non-financial liabilities	#	-	1.04	1.04	0.61	0.61
Equity attributable to owners of the Company	1.90	1.89	0.02	0.02	0.01	0.01
Non-controlling interests	#	-	#	#	#	#
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Revenue	-	-	#	0.01	#	-
Expenses	#	0.01	0.01	-	#	-
Tax Expenses	#	-	#	-	#	-
Profit for the year	#	(0.01)	(0.01)	0.01	#	-
Profit attributable to owners of the Company	#	(0.01)	(0.01)	0.01	#	-
Profit attributable to non-controlling interests	-	-	#	-	#	-
Profit for the year	#	(0.01)	(0.01)	0.01	#	-
Other comprehensive income attributable to owners of the Company	-	-	-	-	-	-
Other comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income attributable to owners of the Company	#	(0.01)	(0.01)	0.01	#	-
Total comprehensive income attributable to non-controlling interests	-	-	#	-	#	-
Total comprehensive income for the year	#	(0.01)	(0.01)	0.01	#	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	0.01	0.03	0.04	0.06	0.03	0.03
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	0.01	-	0.01	(0.01)	-	(0.01)
Net cash generated from/(used in)	0.02	0.03	0.05	0.05	0.03	0.02

Denotes amount less than ₹50,000

(₹ in crore)

Particulars	JMFARC Metallics December 2018 Trust		JMFARC KTK Metallics December 2018 Trust		Retail June 2022	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
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	0.32	0.33	0.46	-
Equity attributable to owners of the Company	0.01	0.01	#	-	139.33	-
Non-controlling interests	#	-	#	-	117.52	-

Notes

forming part of the Consolidated Financial Statements

Particulars	JMFARC Metallics December 2018 Trust		JMFARC KTK Metallics December 2018 Trust		Retail June 2022	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Revenue	#	-	#	-	5.46	-
Expenses	#	-	#	-	5.46	-
Tax Expenses	#	-	#	-	-	-
Profit for the year	#	-	#	-	-	-
Profit attributable to owners of the Company	#	-	#	-	-	-
Profit attributable to non-controlling interests	-	-	#	-	-	-
Profit for the year	#	-	#	-	-	-
Other comprehensive income attributable to owners of the Company	-	-	-	-	-	-
Other comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income attributable to owners of the Company	#	-	#	-	-	-
Total comprehensive income attributable to non-controlling interests	#	-	#	-	-	-
Total comprehensive income for the year	#	-	#	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	0.03	0.05	0.01	0.03	41.71	-
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	-	(0.02)	0.01	(0.01)	(22.50)	-
Net cash generated from/(used in)	0.03	0.03	0.02	0.02	19.21	-

Denotes amount less than ₹ 50,000



46 Maturity Analysis of Assets and Liabilities

(₹ in crore)

	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	70.95	-	70.95	69.56	-	69.56
(b) Other bank balances	2.48	0.25	2.73	0.95	2.51	3.46
(c) Trade Receivables	72.84	199.55	272.39	150.63	56.20	206.83
(d) Loans	537.72	5.56	543.28	305.72	292.48	598.20
(e) Investments	704.80	558.57	1,263.37	342.11	630.18	972.29
(f) Other Financial assets	1,199.23	1,557.05	2,756.28	951.59	1,379.15	2,330.74
(2) Non-financial Assets						
(a) Current tax Assets (Net)	-	44.35	44.35	-	40.34	40.34
(b) Deferred tax assets (net)	-	88.91	88.91	-	41.90	41.90
(c) Property, Plant and Equipment	-	13.52	13.52	-	17.45	17.45
(d) Other Intangible assets	-	0.03	0.03	-	0.05	0.05
(e) Other non-financial assets	2.26	-	2.26	2.62	-	2.62
Total Assets	2,590.28	2,467.79	5,058.07	1,823.18	2,460.26	4,283.44
LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(a) Trade Payables	2.78	-	2.78	1.28	-	1.28
(b) Debt Securities	221.43	1,488.37	1,709.80	529.71	256.20	785.91
(c) Borrowings (Other than Debt Securities)	1,176.71	316.84	1,493.55	1,265.97	333.06	1,599.03
(d) Lease liabilities	2.03	14.05	16.08	1.88	17.61	19.49
(e) Other financial liabilities	27.42	0.59	28.01	34.12	4.99	39.11
(2) Non-Financial Liabilities						
(a) Provisions	0.91	1.18	2.09	0.71	1.30	2.01
(b) Other non-financial liabilities	24.81	-	24.81	28.49	-	28.49
Total Liabilities	1,456.09	1,821.03	3,277.12	1,862.16	613.16	2,475.32

Note : Maturity Analysis of Assets and Liabilities- within 12 months of previous year was 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.

Notes

forming part of the Consolidated Financial Statements

47 Schedule of security receipts

(₹ in crore)

Name of Trust	As at March 31, 2023		As at March 31, 2022	
	No. of SRs	Amount	No. of SRs	Amount
Investment in Trust Security receipts at fair value				
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	1.73
JMFARC - Fed Gelatine March 2014 - Trust	17,500	-	17,500	0.27
JMFARC - OBC March 2014 II - Trust	4,760	0.29	4,760	0.29
JMFARC - UBOI March 2014 - Trust	66,750	1.72	66,750	1.72
JMFARC - SBI Ceramics June 2014 - Trust	1,56,000	3.68	1,56,000	5.53
JMFARC - Indian Bank June 2014 - Trust	32,200	0.91	32,200	0.91
JMFARC - Vijaya Bank June 2014 - Trust	25,360	0.76	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	2.45	32,625	2.45
JMFARC - LVB Ceramics September 2014 - Trust	27,900	1.56	27,900	2.09
JMFARC - SBOP Ceramics December 2014 - Trust	11,850	0.89	11,850	0.89
JMFARC - SBH Ceramics December 2014 - Trust	60,000	4.32	60,000	4.50
JMFARC - SBT Ceramics March 2015 - Trust	23,250	1.74	23,250	1.74
JMFARC - SBI Steel March 2015 - Trust	93,150	-	93,150	-
JMFARC - SBM Ceramics March 2015 - Trust	12,750	0.94	12,750	0.96
JMFARC - Karnataka Bank Cement March 2015 - Trust	49,500	3.61	49,500	3.61
JMFARC - Vijaya Bank Ceramics March 2015 - Trust	27,000	1.49	27,000	2.03
JMFARC - SBH Cement June 2015 - Trust	66,000	4.95	66,000	4.95
JMFARC - United Bank Textile September 2015 - Trust	27,075	0.69	27,075	0.81
JMFARC - PNB Ceramics November 2015 - Trust	4,01,640	27.46	4,01,640	29.85
JMFARC - Corp Bank Ceramics September 2015 - Trust	46,065	3.59	46,065	4.61
JMFARC - SBOP Geometric - Trust	61,560	-	61,560	-
JMFARC - Dena Ceramics January 2016 - Trust	15,750	1.04	15,750	1.58
JMFARC - UBOI Steel March 2016 - Trust	63,000	-	63,000	-
JMFARC - OBC March 2016 - Trust^	72,000	-	72,000	1.32
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	3.66	57,180	5.15
JMFARC - EXIM Ceramics March 2016 - Trust	17,101	1.30	17,101	1.66
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	0.09	97,515	0.09
JMFARC - IOB March 2016 - Trust	50,250	1.42	50,250	1.63
JMFARC - Iris March 2016 - Trust	10,00,165	104.15	10,00,165	104.15
JMFARC - Exim Iris March 2016 - Trust	60,000	5.22	60,000	5.22
JMFARC - Axis Iris March 2016 - Trust	1,50,000	19.20	1,50,000	19.20
JMFARC - KB Metals September 2016 - Trust	22,500	#	22,500	0.40
JMFARC - Andhra Resin September 2016 - Trust	37,605	#	37,605	#



(₹ in crore)

Name of Trust	As at March 31, 2023		As at March 31, 2022	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - Dena SEZ September 2016 - Trust	7,335	0.55	7,335	0.73
JMFARC - IDBI Geometric Dec 2016 - Trust	41,250	-	41,250	-
JMFARC - IRIS December 2016 - Trust	31,110	4.67	31,110	4.67
JMFARC - IRIS UBOI December 2016 - Trust	16,005	2.30	16,005	2.30
JMFARC - IRIS PNB January 2017 - Trust	41,550	5.90	41,550	5.90
JMFARC - IOB CHN March 2017 - Trust	37,500	3.56	37,500	3.56
JMFARC - IOB Ceramics March 2017 - Trust	33,000	2.18	33,000	2.48
JMFARC - IRIS United March 2017 - Trust	66,900	4.36	66,900	4.36
JMFARC - SBP March 2017 - Trust	31,665	2.28	31,665	2.28
JMFARC - IRIS UCO March 2017 - Trust	38,310	4.61	38,310	4.61
JMFARC - SBP Retreat March 2017 - Trust	77,600	7.23	77,600	7.76
JMFARC - SBI Retreat March 2017 - Trust	1,66,800	15.53	1,66,800	16.68
JMFARC - SBI Tollways March 2017 - Trust	1,53,000	4.32	1,53,000	7.57
JMFARC - Karnataka Bank September 2017 - Trust	20,310	1.47	20,310	1.52
JMFARC - Syndicate Ceramics September 2017 - Trust	1,25,250	6.76	1,25,250	8.77
JMFARC - Allahabad Bank December 2017 - Trust	76,275	7.02	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	36.00	4,80,000	48.00
JMFARC - IRIS Canara March 2018 - Trust	18,225	2.15	18,225	2.15
JMFARC - IDBI March 2018 - Trust^	60,000	-	60,000	0.01
JMFARC - Alphahealth 2018 - Trust	17,80,700	190.88	17,80,700	213.68
JMFARC - Fabrics August 2018 II - Trust	3,80,000	36.10	3,80,000	41.80
JMFARC - Fabrics September 2018 III - Trust	40,200	3.82	40,200	4.42
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	4.77	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	6.44	4,62,500	9.44
JMFARC - SBI March 2014 I - Trust	1,73,750	5.17	1,73,750	4.75
JMFARC - SBI March 2014 II - Trust	45,250	1.52	45,250	1.52
JMFARC - Cosmos March 2014 - Trust	1,54,500	1.47	1,54,500	1.44
JMFARC - Indian Bank March 2014 - Trust	44,500	-	44,500	-
JMFARC - BOI March 2014 II - Trust	2,15,750	-	2,15,750	0.03
JMFARC - OBC June 2014 - Trust	8,915	-	8,915	0.44
JMFARC - UBOI June 2014 - Trust^	59,915	-	59,915	0.19
JMFARC - Karnataka Bank December 2014 - Trust	1,72,500	3.43	1,72,500	4.99
JMFARC - CSB September 2015 - Trust	63,000	0.01	63,000	0.01
JMFARC - SBH December 2015 - Trust	73,380	-	73,380	0.01
JMFARC - KVB March 2016 - Trust	3,55,095	10.11	3,55,095	13.71
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	154.69
JMFARC - PNB March 2017 - Trust	2,22,075	8.09	2,22,075	8.09

Notes

forming part of the Consolidated Financial Statements

(₹ in crore)

Name of Trust	As at March 31, 2023		As at March 31, 2022	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - SBT March 2017 - Trust	55,875	3.63	55,875	3.63
JMFARC - LTF June 2017 - Trust	6,00,000	11.99	6,00,000	13.71
JMFARC - Central Bank Retail 2011 - Trust	88,872	-	88,872	-
JMFARC - ICICI Bank September 2016 - Trust	8,55,495	15.62	8,55,495	28.01
JMFARC - Fabrics June 2019 I - Trust Class A	50,400	4.79	50,400	5.54
JMFARC - Fabrics June 2019 I - Trust Class B	1,51,200	3.78	1,51,200	3.78
JMFARC - Textile Gama I - Trust	48,000	3.32	48,000	4.80
JMFARC - Textile Gama II - Trust	33,390	0.05	33,390	3.34
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
Hotel II May 2022 - Trust @^	-	-	-	-
Sapphire RE Trust 2022 @	65,504	0.98	-	-
Textile Gama III - Trust @	9,150	0.92	-	-
Textile Gama IV - Trust @	14,850	1.49	-	-
Aranya - Trust @	38,25,000	382.50	-	-
Total		1,237.03		956.17

Denotes amount less than ₹ 50,000

@ trusts added during the year

^ trusts closed during the year

- 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 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.

49 Disclosure of ratios

Sr. No.	Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2023	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2022
a)	Capital to risk-weighted assets ratio (CRAR)	4,586.86	1,131.46	24.67%	3,999.29	1,541.95	38.56%
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.

50 Contingent liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax matter under dispute* :		
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.



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 persons or entities, 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 persons or entities, including foreign entities 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 consolidated financial statements are approved for issue by the Board of Directors at its meeting held on 28th April, 2023.

For and on behalf of the Board of Directors

V P Shetty
Director
(DIN - 00021773)

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Place : Mumbai
Date : April 28, 2023

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

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, 2023, 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 significant accounting policies and other explanatory information (The "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, Including the Ind AS, of the financial position of the Company as at March 31, 2023, 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.

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.

Key Audit Matter	Auditor's Response
Fair Valuation of investments in security receipts:	Principal Audit Procedures Performed:
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.	<ul style="list-style-type: none"> 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 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.
The fair values of the said investment can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flows, collateral values, discount rate used and other assumptions. Further, the Company has applied judgements in estimating the cash flows.	We have selected the sample and performed the following audit procedures:
The Company has made investments in security receipts in Trusts formed under distressed credit business aggregating to Rs. 3,595.99 crore as at March 31, 2023 carried at fair value. (Refer note 8 to the Standalone Financial Statements)	<ul style="list-style-type: none"> 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;



Key Audit Matter	Auditor's Response
Fair Valuation of investments in security receipts:	Principal Audit Procedures Performed:
In view of the complexities and significant judgements involved we have considered the valuation of these investments as a key audit matter.	<ul style="list-style-type: none"> - 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; 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 Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 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

Independent Auditor's Report (Contd.)

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 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.

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, 2023 taken



on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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,

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

- (h) With respect to the other matters to be included in the 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 50 (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 50 (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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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: 23042624BGYOWP4170

Mumbai, April 28, 2023

Independent Auditor's Report (Contd.)

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) (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 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 proceeding 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, 2023 (₹ Crore)	Due date	Extent of delay (in days)	Remarks, if any
4	316.11	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	96.57	-

- (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 generally 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, 2023 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 2023.

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.

Independent Auditor's Report (Contd.)

- (b) As disclosed by the management in note 50 (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.
- (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, partially or optionally convertible) as per the provision of the act and regulation made by the securities exchange board of India. Accordingly, reporting on paragraphs 3 (x)(b) of the Order is not applicable to the Company.
- (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 incurred the cash losses of Rs. 18.18 Crores in the current year and immediately preceding financial year is Rs. NIL.

(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, 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 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: 23042624BGYOWP4170

Mumbai, April 28, 2023

Independent Auditor's Report (Contd.)

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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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, 2023, 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.

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: 23042624BGYOWP4170

Mumbai, April 28, 2023

Standalone Balance Sheet

as at March 31, 2023

(₹ in crore)

Sr. No.	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS				
(I) Financial Assets				
(a)	Cash and cash equivalents	4	39.20	65.10
(b)	Bank balance other than (a) above	5	2.73	3.46
(c)	Trade Receivables	6	304.23	221.48
(d)	Loans	7	543.28	598.20
(e)	Investments	8	3,622.33	3,068.77
(f)	Other Financial assets	9	55.49	48.83
	Total Financial Assets		4,567.26	4,005.84
(II) Non-financial Assets				
(a)	Current tax assets (Net)	10	44.35	40.34
(b)	Deferred tax Assets (Net)	11	83.64	33.86
(c)	Property, Plant and Equipment	12	13.52	17.45
(d)	Other Intangible assets	12	0.03	0.05
(e)	Other non-financial assets	13	2.26	2.62
	Total Non Financial Assets		143.80	94.32
	TOTAL ASSETS (I+II)		4,711.06	4,100.16
LIABILITIES AND EQUITY				
LIABILITIES				
(I) Financial Liabilities				
(a)	Trade Payables	14		
	(i) total outstanding dues of micro and small enterprises		0.23	0.16
	(ii) total outstanding dues of creditors other than micro and small enterprises		2.54	1.11
(b)	Debt Securities	15	1,709.80	785.91
(c)	Borrowings (Other than Debt Securities)	16	1,408.13	1,537.40
(d)	Lease liabilities	17	16.08	19.49
(e)	Other financial liabilities	18	21.90	46.04
	Total Financial Liabilities		3,158.68	2,390.11
(II) Non-Financial Liabilities				
(a)	Provisions	19	2.09	2.01
(b)	Other non-financial liabilities	20	17.20	22.00
	Total Non-Financial Liabilities		19.29	24.01
(III) EQUITY				
(a)	Equity Share capital	21	398.33	344.64
(b)	Other Equity	22	1,134.76	1,341.40
	Total Equity		1,533.09	1,686.04
	TOTAL LIABILITIES AND EQUITY (I+II+III)		4,711.06	4,100.16

The accompanying notes are an integral part of the standalone financial statements : 1 to 52

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

V P Shetty

Director

(DIN - 00021773)

Rupa Vora

Chairperson -

Audit Committee

(DIN - 01831916)

Anil Bhatia

Chief Executive Officer

Vineet Singh

Company Secretary

Sabyasachi Ray

Chief Financial Officer

Place : Mumbai

Date : April 28, 2023



Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in crore)

Sr No.	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue From Operations			
(a)	Interest Income	23	66.00	124.45
(b)	Fees and Incentives	24	166.70	154.95
(c)	Net gain on fair value changes	25	-	231.42
			232.70	510.82
II	Other Income	26	2.00	0.19
III	Total Income (I+II)		234.70	511.01
IV	EXPENSES			
(a)	Finance costs	27	240.29	230.71
(b)	Net loss on fair value changes	28	149.73	-
(c)	Impairment on financial instruments	29	12.51	10.73
(d)	Employee benefits expense	30	20.37	22.40
(e)	Depreciation and amortization expense	12	2.71	2.88
(f)	Other expenses	31	13.76	14.09
	Total expenses		439.37	280.81
V	Profit/(Loss) before tax (III - IV)		(204.67)	230.20
VI	Less : Tax expense	32		
	Current tax		-	85.04
	Deferred tax		(49.74)	(26.74)
	Total tax expenses		(49.74)	58.30
VII	Profit/(Loss) for the year (V-VI)		(154.93)	171.90
VIII	Other Comprehensive Income	37		
(i)	Items that will not be reclassified to profit or loss		(0.20)	0.05
(ii)	Income tax on the above		(0.05)	0.01
	Total Other Comprehensive Income		(0.15)	0.04
IX	Total Comprehensive Income for the year (VII+VIII)		(155.08)	171.94
X	Earnings per equity share (Face value of ₹ 10/- each)	33		
	Basic (in ₹)		(3.89)	4.32
	Diluted (in ₹)		(3.89)	4.31

The accompanying notes are an integral part of the standalone financial statements : 1 to 52

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

Place : Mumbai

Date : April 28, 2023

For and on behalf of the Board of Directors

V P Shetty

Director

(DIN - 00021773)

Vineet Singh

Company Secretary

Rupa Vora

Chairperson -

Audit Committee

(DIN - 01831916)

Anil Bhatia

Chief Executive Officer

Sabyasachi Ray

Chief Financial Officer

Standalone Statement of Changes in Equity

as at March 31, 2023

A. Equity share capital

(₹ in crore)

Particulars	Balance as at April 1, 2021	Changes in equity share capital during the year	As at March 31, 2022	Changes in equity share capital during the year	As at March 31, 2023
Equity Share Capital	344.64	-	344.64	53.69	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	
As at April 1, 2021	194.34	815.70	142.52	14.43	1.16	1,168.15
Profit for the year	-	171.90	-	-	-	171.90
Addition during the year	-	-	-	-	0.78	0.78
Appropriation for Impairment reserve (Refer note 46h)	-	(93.67)	-	93.67	-	-
ESOP grant during the year	-	-	-	-	1.58	1.58
ESOP deferred employee compensation	-	-	-	-	(1.05)	(1.05)
Re-measurement of defined benefit plan	-	0.04	-	-	-	0.04
As at March 31, 2022	194.34	893.97	142.52	108.10	2.47	1,341.40
As at April 1, 2022	194.34	893.97	142.52	108.10	2.47	1,341
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 46h)	-	(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)
As at March 31, 2023	283.18	719.81	-	127.19	4.59	1,134.76

The accompanying notes are an integral part of the standalone financial statements : 1 to 52

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

Place : Mumbai
Date : April 28, 2023

For and on behalf of the Board of Directors

V P Shetty

Director
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Audit Committee
(DIN - 01831916)

Anil Bhatia

Chief Executive Officer

Sabyasachi Ray

Chief Financial Officer



Standalone Cash Flow Statement

for the year ended March 31, 2023

(₹ in crore)

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	Cash flow from operating activities		
	Profit/(Loss) before tax	(204.67)	230.20
	Adjustment for:		
	Depreciation and amortisation of expenses	2.71	2.88
	Net (Gain)/Loss on fair value changes	150.84	(231.42)
	Net (Gain)/Loss on mutual fund	(1.11)	-
	Net (Gain)/Loss on lease modification	(0.43)	-
	Impairment of financial instruments (net)	12.51	10.73
	Interest on lease liability	1.66	1.95
	Interest on debt component of compulsory convertible debenture	1.13	3.60
	Interest income on fixed deposits	(1.42)	(0.03)
	Amortisation of deferred employee compensation (ESOP)	2.12	1.31
	Operating profit/(loss) before working capital changes	(36.66)	19.22
	Adjustment for:		
	(Increase)/Decrease in investments in security receipts-others	(691.63)	346.52
	(Increase)/Decrease in trade receivables	(97.70)	(58.72)
	(Increase)/Decrease in loans	55.48	27.59
	(Increase)/Decrease in other financial assets	(4.54)	(6.64)
	(Increase)/Decrease in other non financial assets	0.36	1.75
	(Increase)/Decrease in other bank balances	0.73	(2.55)
	Increase/(Decrease) in trade payable	1.50	(0.84)
	Increase/(Decrease) in provisions	(0.12)	(0.22)
	Increase/(Decrease) in other financial liability	(24.14)	(27.51)
	Increase/(Decrease) in other non financial liabilities	(5.84)	7.36
	Cash generated from/ (used in) operations	(802.56)	305.96
	Income tax paid (net)	(4.01)	(97.04)
	Net cash generated from/ (used in) operating activities	(806.57)	208.92
B	Cash flow from investing activities		
	Purchase of Property, Plant and Equipment	(0.13)	-
	Payments for purchase of investment in equity instruments (right issue)	(13.11)	-
	Proceed from sale of investment in equity instruments	0.34	-
	Payments for purchase of investment in mutual funds	(161.70)	-
	Redemption of mutual funds	162.81	-
	Interest Income	1.42	0.03
	Net cash generated from/(used in) investment activities	(10.37)	0.03
C	Cash flow from financing activities		
	Proceeds from debt securities	1,390.12	531.63
	Repayment of debt securities (including interest)	(444.63)	(922.23)
	Repayment of debt component of Compulsory Convertible Debenture (including interest)	(21.69)	(21.98)
	Repayment of lease liability (including interest)	(3.49)	(3.57)
	Proceeds from borrowing	1,109.40	964.82
	Repayment of borrowing (including interest)	(1,238.67)	(806.38)
	Net cash generated from/(used in) financing activities	791.04	(257.71)
	Net increase/(decrease) in cash and cash equivalents	(25.90)	(48.76)
	Cash and cash equivalents at the beginning of the financial year/period	65.10	113.86
	Cash and cash equivalents at the end of the financial year/period	39.20	65.10

The accompanying notes are an integral part of the standalone financial statements : 1 to 52

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

V P Shetty

Director

(DIN - 00021773)

Rupa Vora

Chairperson -

Audit Committee

(DIN - 01831916)

Anil Bhatia

Chief Executive Officer

Vineet Singh

Company Secretary

Sabyasachi Ray

Chief Financial Officer

Place : Mumbai

Date : April 28, 2023

Notes

forming part of the Standalone Financial Statements

1 Corporate Information

JM Financial Asset Reconstruction Company Limited (the "Company" or "JMFAARC") 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 Significant Accounting Policies

2.1 Statement of Compliance

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these 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.

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.

The principal accounting policies are set out below.

2.3 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 41).



2.4 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.

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

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

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

2.5 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. A contract is, or contains, a lease if the contract involves–

- a) the use of an identified asset,
- b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- c) the right to direct the use of the identified asset.

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

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

Notes

forming part of the Standalone Financial Statements

depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

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

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

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

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

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

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.

2.6 Foreign currency translation

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

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

2.7 Borrowing costs

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

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

2.8 Employee benefits

Retirement benefit costs and termination benefits: Defined Contribution Plan

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



Defined Benefit Obligation:

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

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

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

Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term benefits:

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

2.9 Income tax

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

Current Tax

The tax currently payable is based on the taxable profit for the year of the 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.

Notes

forming part of the Standalone Financial Statements

2.10 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

- 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;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- 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 recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Tangible assets	Useful life
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
Intangible assets	Useful life
Computer software	5 years

Assets costing less than Rs. 5,000/- are fully depreciated in the year of purchase. Assets taken on finance lease are depreciated over a period of lease.

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

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

2.11 Goods and Services Input Tax Credit

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

2.12 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.

2.13 Commitments

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

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

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

Notes

forming part of the Standalone Financial Statements

2.14 Statement of Cash Flows

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

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

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

2.15 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.

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 the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Under performing with overdue more than 90 DPD including Non performing assets.

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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.

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.

2.16 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.

2.17 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.

2.18 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 Critical accounting judgments and key sources of estimation uncertainty

The preparation of standalone financial statements in conformity with Ind AS requires the Company's

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Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the standalone financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the standalone financial statements and/

or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Fair value measurement and valuation processes

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

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

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

4 Cash and cash equivalents

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
- In Current Accounts	39.19	65.09
- In Deposit Accounts	0.01	0.01
Total	39.20	65.10

5 Other bank balances

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Earmarked balance with banks:		
- In current account (refer note 5.1)	2.48	3.31
- In deposit account (refer note 5.2)	0.25	0.15
Total	2.73	3.46

5.1 Current account include amount of ₹ Nil (previous year : ₹ 0.76 crore) marked as 'no debit' status by bank and balance amount has maintained for expenses towards Corporate Social Responsibility.

5.2 Balance in deposit accounts carry fixed rate of interest and are for period up to 14 months (previous year : 15 months) and have lien against bank guarantees obtained by the Company.



6 Trade receivables

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost :		
Unsecured considered good		
Trade receivables	342.81	245.11
Less: Impairment Loss Allowance (refer note 42)	(38.58)	(23.63)
Total	304.23	221.48

6.1 Trade receivable ageing schedule

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
For the year 2022-23						
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
	58.51	33.68	70.44	64.75	76.85	304.23

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
For the year 2021-22						
Undisputed trade receivable - Considered good	42.60	43.43	67.02	46.18	45.88	245.11
Less : Impairment loss allowance	8.26	2.05	0.72	7.32	5.28	23.63
	34.34	41.38	66.30	38.86	40.60	221.48

The above trade receivables 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 Group only on realisation from the financial assets in the trust.

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	As at March 31, 2023	As at March 31, 2022
Outstanding amount of unrealised management fee	342.81	245.11
1. Out of the above, amount outstanding for:		
a) Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	30.59	15.81
(b) Other amounts unrealised for:		
(i) More than 180 days but upto 1 year	31.04	47.23
(ii) More than 1 year but upto 3 years	135.01	101.62
(iii) More than 3 years	84.87	40.21
Allowances held for unrealised management fee	28.62	23.63
Net unrealised management fee receivable	32.68	16.61

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7 Loan

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Loans secured by tangible asset	468.58	511.85
Interest accrued	96.63	108.84
Gross loan	565.21	620.69
Less: Impairment Loss Allowance (refer note 42)	(21.93)	(22.49)
Net Loan-Total	543.28	598.20

All loans are granted within India and to entities other than public sector.

8 Investments (At FVTPL)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted Investment		
Equity instruments		
68,52,824 of equity shares of Nitco Limited of ₹ 10/- each fully paid up (Previous year : 70,07,709 shares of ₹ 10/- each)	13.23	16.12
Unquoted		
Equity instruments		
1,31,07,380 of equity shares (right issue) of BRFL Textiles Private Limited of ₹ 10/- each fully paid up	13.11	-
Security receipts of trusts held in distressed credit business (refer note 45 and below given notes)	3,595.99	3,052.65
Total	3,622.33	3,068.77

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

8.2 The Group has given certain identified security receipts as pledge for short term loans, bank overdraft, cash credit limits availed with various banks/ hypothecated in favour of debenture trustee for NCDs issued.

8.3 Commitments:

- a) In respect of one trust, the Group has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts along with yield of 10.70% p.a. compounded annually on or before June 20, 2023. Commitment of outstanding face value of security receipts as at March 31, 2023 is ₹ 28.53 crore (Previous year : ₹ 66.29 crore of two trust).



9 Other Financial Assets

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Recoverable from trusts	61.60	56.64
Interest receivable	0.02	0.01
Advance to other	0.01	-
Security deposits:		
To Related Parties	1.27	1.47
To Others	0.39	0.39
Total	63.29	58.51
Less : Impairment loss allowance on recoverable from trusts (refer note 42)	(7.80)	(9.68)
Total	55.49	48.83

10 Current tax assets (net)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax paid (net of provisions)	44.35	40.34
Total	44.35	40.34

11 Deferred Tax Liability/(Asset)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Measurement of financial instruments at fair value	(56.77)	(17.20)
Impairment of financial instruments	(17.19)	(14.04)
Difference between books and tax Written Down Value (WDV) of Property, plant and equipment (PPE)	(0.32)	(0.36)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(9.36)	(2.26)
Total	(83.64)	(33.86)

11.1 Deferred tax recorded in the balance sheet and changes recorded in the income tax expenses:

As at 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 (PPE)	(0.36)	0.04	-	(0.32)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(2.26)	(7.05)	(0.05)	(9.36)
Total DTL/(DTA)	(33.86)	(49.73)	(0.05)	(83.64)

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As at March 31, 2022

(₹ in crore)

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in OCI	Closing balance
Measurement of financial instruments at fair value	7.02	(24.22)	-	(17.20)
Impairment of financial instruments	(11.34)	(2.70)	-	(14.04)
Difference between books and tax Written Down Value (WDV) of Property, plant and equipment (PPE)	(0.38)	0.02	-	(0.36)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(2.43)	0.16	0.01	(2.26)
Total DTL/(DTA)	(7.13)	(26.74)	0.01	(33.86)

12 Property, Plant and Equipment and Intangible assets

As at March 31, 2023

(₹ in crore)

Particulars	Gross Block				Depreciation/Amortisation			Net Block	
	As at April 01, 2022	Additions	Deduction	As at March 31, 2023	As at April 01, 2022	Additions	Deductions	As at March 31, 2023	As at March 31, 2023
Owned Assets:									
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
Lease Hold Improvements	1.84	-	-	1.84	1.44	0.09	-	1.53	0.31
Leased Assets									
Office Premises (Right to use asset - refer note 36)	24.81	0.19	(2.40)	22.60	7.89	2.51	(0.84)	9.56	13.04
Motor Vehicles (refer note 12.1)	0.28	-	-	0.28	0.22	0.05	-	0.27	0.01
Total	27.69	0.32	(2.41)	25.60	10.24	2.69	(0.85)	12.08	13.52

Intangible Assets:

Particulars	Gross Block				Depreciation/Amortisation			Net Block	
	As at April 01, 2022	Additions	Deduction	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 12.2)	0.44	-	-	0.44	0.39	0.02	-	0.41	0.03
Total	0.44	-	-	0.44	0.39	0.02	-	0.41	0.03

As at March 31, 2022

(₹ in crore)

Particulars	Gross Block				Depreciation/Amortisation			Net Block	
	As at April 01, 2021	Additions	Disposals	As at March 31, 2022	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at March 31, 2022
Owned Assets:									
Freehold land	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and Fixtures	0.02	-	-	0.02	0.01	0.01	-	0.02	#
Office Equipments	0.11	-	-	0.11	0.09	0.01	-	0.10	0.01
Computers	0.60	-	-	0.60	0.56	0.01	-	0.57	0.03
Lease Hold Improvements	1.84	-	-	1.84	1.34	0.10	-	1.44	0.40
Leased Assets									
Office Premises (Right to use asset - refer note 36)	24.81	-	-	24.81	5.24	2.65	-	7.89	16.92
Motor Vehicles (refer note 12.1)	0.47	-	(0.19)	0.28	0.34	0.07	(0.19)	0.22	0.06
Total	27.88	-	(0.19)	27.69	7.58	2.85	(0.19)	10.24	17.45

**Intangible Assets:**

Particulars	Gross Block				Depreciation/Amortisation			Net Block	
	As at April 01, 2021	Additions	Deduction	As at March 31, 2022	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at March 31, 2022
Software (refer note 12.2)	0.44	-	-	0.44	0.36	0.03	-	0.39	0.05
Total	0.44	-	-	0.44	0.36	0.03	-	0.39	0.05

Note :

12.1 Vendor have a lien over assets taken on lease.**12.2** The intangible assets are other than internally generated.**13 Other non-financial Assets**

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	1.54	2.08
Balances with GST/Service Tax / VAT Authorities etc.	0.56	0.44
Other non-financial Assets	0.16	0.10
Total	2.26	2.62

14 Trade Payable

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises (refer note 14.1)	0.23	0.16
Total outstanding dues of creditors other than micro and small enterprises	2.54	1.11
Total	2.77	1.27

14.1 Dues payable to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act 2006:

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	0.23	0.16
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond appointed day	-	-
(iv) The amount of interest due and payable for the Year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-
Total	0.23	0.16

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.

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14.2 Trade payable ageing schedule :

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
For the year 2022-23					
(i) MSME - Undisputed	0.23	-	-	-	0.23
(ii) Others - Undisputed	2.54	-	-	-	2.54
Total	2.77	-	-	-	2.77
For the year 2021-22					
(i) MSME - Undisputed	0.16	-	-	-	0.16
(ii) Others - Undisputed	1.11	-	-	-	1.11
Total	1.27	-	-	-	1.27

15 Debt Securities (Within India)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured		
Non Convertible Debentures (refer note 15.1, 15.2, and 15.5)	1,637.50	515.58
Add: Premium/ interest accrued	72.30	42.94
Total Secured	1,709.80	558.52
Unsecured		
Compulsory Convertible Debentures* (refer note 22.1(e))	-	20.17
Add: Interest accrued but not due	-	1.43
Total	-	21.60
Commercial papers (refer note 15.3 and 15.4)	-	220.00
Less: Unamortised interest	-	(14.21)
Total	-	205.79
Total Unsecured	-	227.39
Total	1,709.80	785.91

* Liability component of compulsory convertible debentures

15.1 Non-convertible Debentures secured by way of mortgage of freehold land and hypothecation and/ or pledge of certain identified security receipt and/ or priority loans.

15.2 Maturity profile and rate of interest of Debt Securities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
10.48% Tranche XXIII redeemable in the year 2022-23*	-	50.00
11.5% Tranche XXVI - Option B redeemable in the year 2022-23^	-	148.00
8.5% Tranche XXXI redeemable in the year 2022-23@	-	75.00
8% Tranche XXXII redeemable in the year 2023-24@	75.00	75.00
8.5% Tranche XXXIII redeemable in the year 2023-24@	50.00	50.00



8% Tranche XXXIV redeemable in the year 2023-24@	55.00	55.00
8.25% Tranche XXXV redeemable in the year 2024-25@	70.00	70.00
8.50% Tranche XXXVI redeemable in the year 2024-25@	100.00	-
9% Tranche XXXVII redeemable in the year 2024-25@	150.00	-
9% Tranche XXXVIII redeemable in the year 2024-25@	30.00	-
9.25% Tranche XXXIX redeemable in the year 2024-25@	125.00	-
9.60% Tranche A (Series I) redeemable in the year 2024-25	75.00	-
9.60% Tranche A (Series II) redeemable in the year 2024-25	50.00	-
10.20% Tranche B redeemable in the year 2024-25	400.00	-
9.60% Tranche A (Series III) redeemable in the year 2025-26	75.00	-
9.60% Tranche A (Series IV) redeemable in the year 2025-26	50.00	-
10.20% Tranche C (Series I) redeemable in the year 2025-26	175.00	-
10.20% Tranche C (Series II) redeemable in the year 2025-26	175.00	-
Total	1,655.00	523.00

@ The interest is linked to IGB 6.10 Government Securities of 10 years..

* Redeemable at premium

^ fully or Partly redeemed during the period ended March 31, 2021

Maturity profile above is disclosed at face value which excludes cumulative premium amounting to ₹ 1.04 crore (As at March 31, 2022 : ₹ 0.84 crore), cumulative discount of ₹ 0.57 crore (As at March 31, 2022 : ₹ 4.39 crore) and cumulative impact of effective interest rate adjustment amounting to ₹ 17.97 crore (As at March 31, 2022 : ₹ 3.87 crore).

- 15.3** The maximum amount of commercial paper outstanding at any time during the year was ₹ 220 crore.(Previous year : ₹ 300 crore).
- 15.4** During the previous year, interest rate of commercial paper was range between 4.92% -7.88% p.a.
- 15.5** The company has utilized money obtained by way of Non-convertible debentures during the year for the purpose for which they were obtained.

16 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortized cost		
Secured:		
Term loans from (Refer note 16.1,16.2 and 16.5)		
a) Banks	192.45	193.95
b) Others	198.81	196.00
Add: Interest accrued	0.29	0.17
	391.55	390.12
Other loans from banks as (Refer note 16.3)		
(a) Working Capital Demand Loans	45.00	81.00
(b) Cash credit facilities	50.15	80.66
Add: Interest accrued	-	0.02
	95.15	161.68
Unsecured:		
Inter corporate deposits (Refer Note 16.4)		
(a) From related party (Refer Note 39)	265.00	439.70
(b) From others	592.86	500.50
Add: Interest accrued but not due	63.57	45.40
	921.43	985.60
Total	1,408.13	1,537.40

Notes

forming part of the Standalone Financial Statements

16.1 Term loans are secured by way of pledge of certain identified security receipts.

16.2 Maturity profile and rate of interest of term loans:

(₹ in crore)

Residual Maturities	Interest range from			
	8% to 9%	9% to 10%	10% to 11%	12% to 13%
As at March 31, 2023:				
Up to one year (April- 23 to March- 24)	-	80.78	181.37	-
Up to 1-3 years (April- 24 to March- 26)	-	76.99	48.61	-
3 years and above (April- 26 onwards)	-	3.52	-	-
Total	-	161.29	229.98	-
As at March 31, 2022:				
Up to one year (April- 22 to March- 23)	33.33	60.18	25.00	-
Up to 1-3 years (April- 23 to March- 25)	50.00	91.13	125.00	-
3 years and above (April- 25 onwards)	-	5.30	-	-
Total	83.33	156.61	150.00	-

Note:

- Maturity profile shown excluding effective interest rate impact amounting to ₹ 0.29 crore (As at March 31, 2022: ₹ 0.17 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.

16.3 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.

16.4 Inter corporate deposits taken from related party are repayable on call and taken from others are for 30-710 day (previous year : 365 -1095 days).

16.5 The company has utilized money obtained by way of Term loans during the year for the purpose for which they were obtained.

16.6 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.

16.7 All borrowings are made within India.

17 Lease liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
On Office premises (Refer note 36)	16.07	19.42
On Motor Vehicle (Refer note 17.1)	0.01	0.07
Total	16.08	19.49

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

18 Other financial liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefits payable	5.46	10.25
Amount collected on behalf of trust	10.24	30.00
Provision for CSR Expenditure (Refer note 35)	6.20	5.79
Total	21.90	46.04

**19 Provisions**

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity (Refer note 37)	1.44	1.37
Provision for compensated absence (Refer note 37)	0.65	0.64
Total	2.09	2.01

20 Other non-financial liabilities

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Statutory Dues	16.93	20.92
Others	0.27	1.08
Total	17.20	22.00

21 Equity share capital

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Authorised		
1,85,00,00,000 Equity Shares of ₹ 10/- each	1,850.00	1,850.00
15,00,00,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
	2,000.00	2,000.00
Issued, Subscribed and Paid-up		
39,83,25,537 Equity shares of ₹ 10/- each fully paid-up (As at 31 st March, 2022 : 34,46,42,857 Equity Shares)	398.33	344.64
Total	398.33	344.64

21.1 Terms and rights

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

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

21.2 Reconciliation of number of shares

Particulars	Number of equity shares	
	As at March 31, 2023	As at March 31, 2022
Shares outstanding at the beginning of the year	344,642,857	344,642,857
Shares issued during the year	53,682,680	-
Shares outstanding at the end of the year	398,325,537	344,642,857

Notes

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21.3 Details of shareholding more than 5%

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:				
JM Financial Limited	213,565,599	53.62%	204,197,279	59.25%
JM Financial Credit Solutions Limited	39,792,720	9.99%	-	-
Mr Narotam S Sekhsaria	56,866,072	14.28%	56,866,072	16.50%
Indian Overseas Bank	21,000,000	5.27%	21,000,000	6.09%
Valiant Mauritius Partners FDI Ltd	33,550,551	8.42%	29,028,911	8.42%

21.4 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	213,565,599	53.62%	5.63%

22 Other Equity

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium reserve	283.18	194.34
Retained earnings	719.81	893.97
Equity component of Compulsory convertible debenture (refer note 22.1(e))	-	142.52
Impairment reserve (Refer note 46h)	127.19	108.10
Employee Stock option outstanding (refer note 22.1(d))	4.59	2.47
	1,134.76	1,341.40

Refer Statement of Changes in Equity for movement in each reserve and surplus.

22.1 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 44.2)
- The company has issued 53,68,268, 12% unlisted and unsecured Compulsory Convertible Debentures (CCD) having face value of ₹ 373 each on September 11, 2019. During the year, each CCD has been converted into 5,36,82,680 equity share of ₹10 each on September 12, 2022 and balance in security premium account has increased by ₹ 88.84 crore.



23 Interest Income

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On loans (at amortised cost)	56.20	114.20
On financial instruments (at FVTPL)	6.99	-
On others (at FVTPL)	2.81	10.25
Total	66.00	124.45

24 Fees and incentives

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Management fees	150.62	145.49
Recovery Incentives Fees	16.08	9.46
Total	166.70	154.95

25 Net gain on fair value changes:

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial instruments designated at FVTPL		
Security Receipts (refer note 25.1)	-	228.65
Equity instruments	-	2.77
Total	-	231.42

25.1 Net gain/(loss) on fair value changes:

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Realised Gain	-	326.75
- Unrealised loss	-	(95.33)
Total	-	231.42

26 Other Income

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Fixed Deposit	1.42	0.03
Other interest income	0.12	0.13
Lease Modification	0.43	-
Miscellaneous income	0.03	0.03
Total	2.00	0.19

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27 Finance Cost

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At Amortised cost:		
Interest on Debt Securities	90.12	89.98
Interest on Borrowings (Other than Debt Securities)	143.17	136.92
Others	7.00	3.81
Total	240.29	230.71

27.1 Above interest on debt securities includes interest on compulsory convertible debentures of ₹ 1.13 crore (Previous year : ₹ 3.60 crore).

27.2 Interest on others includes interest on lease obligations of ₹ 1.66 crore (Previous year : ₹ 1.95 crore).

28 Net loss on fair value changes

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On financial instruments designated at FVTPL		
Security Receipts (refer note 28.1 and 28.2)	148.29	-
Gain on mutual fund	(1.11)	-
Equity instruments	2.55	-
Total	149.73	-

28.1 Investment in security receipts of face value of ₹ 8.48 crore (Previous year ₹ 4.24 crore for three trusts) written off during the year.

28.2 Net loss/(gain) on fair value changes:

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Realised gain	(19.42)	-
Unrealised Loss	169.15	-
Total	149.73	-

29 Impairment of Financial Instruments

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At amortised cost:		
Loans	(0.56)	(0.46)
Trade receivable	14.95	10.33
Financial assets	(1.88)	0.86
Total	12.51	10.73



30 Employee Benefits Expense

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, bonus, other allowances and benefits	19.31	21.34
Contribution to provident and other funds (Refer note 37)	0.81	0.79
Gratuity (Refer note 37)	0.24	0.27
Staff welfare expenses	0.01	#
Total	20.37	22.40

denotes amount below ₹ 50,000

31 Other Expenses

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rates & Taxes	0.60	1.24
Travelling Expenses	0.12	0.08
Repairs & Maintenance	0.06	0.08
Lease rental	0.14	0.11
Audit Expenses (refer note 31.1)	0.13	0.12
Support service charges	5.45	5.45
Insurance Expenses	0.22	0.26
Professional Fees	1.32	0.66
Electricity Expenses	0.19	0.18
Director's commission & sitting fees	0.24	0.80
Demat Charges	0.17	0.16
Conveyance Expense	0.03	0.03
Car Hire Charges	#	#
Manpower Expenses	0.06	0.07
Communication expenses	0.03	0.04
Membership & Subscription	0.09	0.09
Printing and stationery	0.06	0.03
Information Technology Expenses	0.10	0.35
Donation	0.25	0.25
Corporate social responsibility	4.17	3.99
Other Expenses	0.33	0.10
Total	13.76	14.09

denotes amount below ₹ 50,000

31.1 Auditors' remuneration (Excluding goods and service tax):

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fees	0.08	0.08
In any other manner (Certifications, limited reviews, etc.)	0.04	0.04
Out of pocket	0.01	-
	0.13	0.12

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32 Income tax

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	-	85.04
Deferred tax	(49.74)	(26.74)
Total income tax expenses recognised in the current year	(49.74)	58.30
Income tax expense recognised in other comprehensive income	(0.05)	0.01
Total income tax expenses	(49.79)	58.31

32.1 Reconciliation of total tax charge

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/ (loss) for the year	(204.67)	230.20
Income tax rate	25.17%	25.17%
Income tax expense	(51.50)	57.93
Tax Effect of:		
Effect of non-deductible expenses	1.11	1.07
Effect of unrecognised deferred tax assets (net)	0.64	(0.70)
Deferred tax on Re-measurement of employee defined benefit obligation	(0.05)	0.01
Income tax expense recognised in profit and loss	(49.79)	58.31

33 Earning Per Share :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Profit/(Loss) for the year attributable to equity shareholders - Basic EPS (₹ in Cr.)	(154.93)	171.90
b) Profit/(Loss) for the year attributable to equity shareholders - Diluted EPS (₹ in Cr.)	(154.93)	171.90
c) Weighted average number of equity shares outstanding (Nos.)	398,325,537	344,642,857
d) Add: Conversion of compulsory convertible debenture (Nos.)	-	53,682,680
e) Weighted average number of equity shares outstanding (Nos.) for Basic EPS	398,325,537	398,325,537
f) Add: Employee stock option scheme (ESOS) **	278,566	237,064
g) Weighted average number of equity shares outstanding (Nos.) for Diluted EPS	398,604,103	398,562,601
Basic earnings per share (₹) (a/e)	(3.89)	4.32
Dilutive earning per share (₹) (b/g)	(3.89)	4.31
Nominal value per share (₹)	10	10

** Includes some shares issued under ESOS are anti-dilutive and therefore considered as Nil for the previous year.

34 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.



35 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, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the company during the year	4.17	3.99
b) Amount spent	0.43	0.75
Amount provided for on-going projects	3.74	3.24
Total	4.17	3.99
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	4.17	3.99
Total	4.17	3.99

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, 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

(₹ in crore)					
Opening balance as on April 1, 2021	Amount required to be spent during the year		Amount spent during the year		Closing balance as on March 31, 2022
With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	With Company In separate CSR Unspent account
4.10	-	3.99	0.75	1.55	3.24 2.55

36 Leasing

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
Particulars	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

Notes

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Following are the changes in the carrying value of the leased assets for the year ended March 31, 2022 :

Category of leased asset	Gross Block			As at March 31, 2022	Accumulated Depreciation			Net block	
	As at April 1, 2021	Additions	Deletions		As at April 1, 2021	Additions	Deletions	As at March 31, 2022	As at March 31, 2022
Office Premises	24.81	-	-	24.81	5.24	2.65	-	7.89	16.92
Motor Vehicle	0.47	-	(0.19)	0.28	0.34	0.07	(0.19)	0.22	0.06

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022:

On Office Premises:

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Opening balance	19.42	20.97
Lease Modification	(1.60)	-
Finance cost during the year	1.61	1.92
Payment of lease liabilities	(3.36)	(3.47)
Closing balance	16.07	19.42

On Motor Vehicle

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Opening balance	0.07	0.14
Additions during the year	0.02	-
Finance cost during the year	0.05	0.03
Payment of lease liabilities	(0.13)	(0.10)
Closing balance	0.01	0.07

Table showing contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

On Office Premises:

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Not later than one year	3.33	3.56
Later than one year and not later than five years	13.85	15.33
Later than five years	3.47	7.86

On Motor Vehicle

Particulars	(₹ in crore)	
	As at March 31, 2023	As at March 31, 2022
Not later than one year	0.01	0.07
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	0.01	0.07

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



37 Employee Benefits

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 ₹ 0.66 crore (Previous year ₹ 0.68 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 March 31, 2023	As at March 31, 2022
Discount rate	7.45%	7.20%
Expected rate of salary increase	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2012-14) Ult table.

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Amount recognized in statement of profit and loss in respect of these defined benefit obligation

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	0.15	0.17
Past service cost	-	-
Net interest cost	0.09	0.10
Components of defined benefits costs recognised in profit or loss	0.24	0.27
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	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.03)	(0.04)
- Actuarial (gain)/loss from change in experience adjustments	0.23	(0.01)
Total amount recognised in OCI	0.20	(0.05)
Total	0.44	0.22

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan is as follows:

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	1.44	1.37
Fair value of plan assets	-	-
Net asset arising from defined benefit obligation	1.44	1.37

Movement in the present value of the defined benefit obligation are as follows:

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	1.37	1.50
Current service cost	0.15	0.17
Interest cost	0.09	0.10
Past service cost	-	-
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.03)	(0.04)
- Actuarial (gain)/loss from change in experience adjustments	0.23	(0.01)
Benefits paid	(0.36)	(0.17)
Liabilities extinguished on settlements	(0.01)	(0.18)
Closing defined benefit obligation	1.44	1.37



A reconciliation of the plan assets during the inter-valuation period is given below:

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	-	-
Employer contribution	0.36	0.17
Interest on plan assets	-	-
Administrative Expenses	-	-
Remeasurement due to :		
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	(0.36)	(0.17)
Asset acquired/(settled)*	-	-
Asset distributed on settlements	-	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is as follows:

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation (base)	1.44	1.37

Particulars	As at March 31, 2023		As at March 31, 2022	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.38	1.48	1.31	1.41
Impact of increase in 50 bps on DBO	(4.00%)	2.84%	(4.17%)	2.94%
Defined benefit obligation on decrease in 50 bps	1.50	1.40	1.43	1.33
Impact of decrease in 50 bps on DBO	4.35%	(2.74%)	4.51%	(2.75%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer 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.

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Projected benefits payable:

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Expected benefits for year 1	0.26	0.07
Expected benefits for year 2	0.25	0.25
Expected benefits for year 3	0.06	0.24
Expected benefits for year 4	0.05	0.05
Expected benefits for year 5	0.26	0.05
Expected benefits for year 6	0.05	0.21
Expected benefits for year 7	0.21	0.04
Expected benefits for year 8	0.07	0.20
Expected benefits for year 9	0.04	0.06
Expected benefits for year 10 and above	2.16	1.93

Compensated absences

As per Company's policy, provision of ₹ 0.65 crore (Previous year ₹ 0.64 crore) has been made towards compensated absences, 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.

38 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)
I.	Details of Foreign Currency Exposure		
	(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		
	Total Foreign Currency Exposure	NIL	NIL
II	Details of Hedgings		
	(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		
	Total Hedging of Foreign Currency Exposure	NIL	NIL
III.	Amount of Unhedged Foreign Currency Exposure	NIL	NIL
IV.	Realised / Recognised Amount of Foreign Currency Loss / Gain	NIL	NIL
V.	EBID		88.21
VI.	Total Banking Exposure of the company		
	(i) Term Loans Exposure (Outstanding amounts + Undisbursed)		192.50
	(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.

39 Disclosure of related party

a) Name and relationship with related parties:

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

Holding company

JM Financial Limited

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

(A) Holding company

JM Financial Limited

(B) Fellow Subsidiaries

JM Financial Institutional Securities Limited
 JM Financial Products Limited
 JM Financial Properties and Holdings Limited
 JM Financial Home Loans Limited
 JM Financial Services Limited
 JM Financial Capital Limited
 JM Financial Credit Solutions Limited
 JM Financial Asset Management Limited
 Astute Investments
 CR Retail Malls (India) Limited

(C) Key managerial personnel

Mr. Anil Bhatia - Chief Executive Officer
 Mr. Atul Mehra - Key managerial personnel of holding company

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Mrs. Suvidha Mehra - Close member of Key managerial personnel of holding company

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 (appointed w.e.f. September 27, 2022)

(D) Entity controlled or jointly controlled 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, 2023	As at March 31, 2022
Subsidiary Trusts in India		(%)	(%)
JMFARC - DB-ICICI Trust*	India	100%	100%
JMFARC - DB SBI Trust*	India	100%	100%
JMFARC - DB DCB Trust*	India	100%	100%
JMFARC - Jord SUUTI Trust*	India	100%	100%
JMFARC - Pasupati SASF Trust	India	100%	100%
JMFARC - Central Bank Tube Trust*	India	100%	100%
JMFARC - UTI Tube Trust*	India	100%	100%
JMFARC - SASF Tube Trust*	India	100%	100%
JMFARC - UCO Bank March 2011 Trust	India	100%	100%
JMFARC - Corp Textile 2013 Trust^	India	-	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%



Name of entity	Country of incorporation	Proportion of ownership interest and voting power held by the Company	
		As at March 31, 2023	As at March 31, 2022
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	50%	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 - Metalics 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%
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 - Metalics February 2018 Trust	India	92%	92%
JMFARC - Metalics November 2018 Trust	India	95%	95%
JMFARC - Metalics December 2018 Trust	India	94%	94%
JMFARC - KTK Metalics 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%	-
Textile 2022 Trust@	India	100%	-
Retail June 2022 Trust@	India	54%	-
Deccan January 2023 Trust@	India	100%	-

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Name of entity	Country of incorporation	Proportion of ownership interest and voting power held by the Company	
		As at March 31, 2023	As at March 31, 2022

^ Trusts closed during the financial year 2021-22

* Trusts closed during the year

@ Addition during the year

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

(₹ in crore)

Name of the Related Party	Nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
JM Financial Limited (JMFL)	(A)		
Inter Corporate Deposit taken		647.00	370.00
Inter Corporate Deposit paid		821.70	282.30
Interest on Inter Corporate Deposits		37.18	42.53
Rating Support Fees		4.89	1.70
Support Service Charges		2.50	2.50
Reimbursement of Expenses		0.25	0.06
Recovery of expenses		0.02	0.25
ESOP Charges		-	#
Interest on Compulsory Convertible Debenture		1.86	12.10
JM Financial Properties and Holdings Limited (JMFPHL)	(B)		
Space and other related cost		2.77	2.81
Security Deposit received		0.54	-
Reimbursement of Expenses		0.46	0.45
JM Financial Home Loans Limited (JMFHL)	(B)		
Reimbursement of Expenses		#	#
JM Financial Products Limited (JMFPL)	(B)		
Inter Corporate Deposit taken		200.00	80.00
Inter Corporate Deposit paid		200.00	80.00
Management Fees received		1.89	1.42
Interest on Inter Corporate Deposits paid		2.94	0.83
Reimbursement of Expenses		0.03	0.06
Support Service Charges		2.50	2.50
JM Financial Services Limited (JMFSL)	(B)		
Market linked Non Convertible Debentures issued		320.00	200.84
Transfer of gratuity		0.01	-
Arranger fees paid		6.61	2.65
JM Financial Capital Limited (JMFCL)	(B)		
Market linked Non Convertible Debentures issued		-	22.74



(₹ in crore)

Name of the Related Party	Nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
JM Financial Credit Solutions Ltd (JMFCSL)	(B)		
Interest on Compulsory Convertible Debenture		7.91	9.91
Gratuity transfer		-	0.18
Management Fees received		4.94	1.40
CR Retail Malls (India) Limited	(B)		
Interest on Inter Corporate Deposits		-	2.12
Inter Corporate Deposit taken		-	33.00
Inter Corporate Deposit paid		-	88.00
JM Financial Asset Management Limited (JMFAMC)			
Interest on Inter Corporate Deposits	(B)	0.13	0.08
Inter Corporate Deposit taken		20.00	40.00
Inter Corporate Deposit paid		20.00	64.10
Subsidiary trusts - managed by the Company as trustee	(E)		
Management fees and incentives			
Retail June 2022 - Trust		0.50	-
JMFARC Coated February 2021 Trust		15.67	15.72
Net gain on derecognition of security receipts			
JMFARC - Allahabad Bank June 2017 Trust		0.22	-
JMFARC - Allahabad Bank Textile June 2017 Trust		1.20	-
JMFARC - Federal Bank June 2017 Trust		4.48	56.94
JMFARC - Axis Bank February 2016 Trust		0.79	52.88
JMFARC- DB SBI Trust		-	8.62
JMFARC- DB ICICI Trust		-	7.67
JMFARC-SASF-Tube-Trust		-	4.70
Others		-	15.68
Interest Income			
Textile 2022 Trust		6.99	-
Investment in security receipts			
JMFARC Coated February 2021 Trust		-	97.97
Deccan June 2022 - Trust		20.00	-
Retail June 2022 - Trust		154.50	-
Textile 2022 - Trust		142.82	-
Deccan January 2023 Trust		94.67	-
Deccan 2021 Trust		-	69.49
Redemption of security receipts			
Retail June 2022 - Trust		50.98	-
Deccan June 2022 - Trust		16.97	-

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(₹ in crore)

Name of the Related Party	Nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
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	-
JMFARC Corp Textile 2013 Trust		-	0.21
JMFARC Federal Bank June 2017 Trust		4.48	26.43
Deccan 2021 Trust		-	59.98
JMFARC SBI Geometric October 2016 Trust		-	28.80
JMFARC Gelatine March 2014 Trust		2.62	39.29
JMFARC ALHB Bank Textile June 2017 Trust		1.20	6.02
Others		8.32	5.24
Loans and advances given/(repaid) (net)			
JMFARC Gelatine March 2014 Trust		0.06	(0.52)
JMFARC Fabrics August 2018 I Trust		0.65	0.26
JMFARC Central India 2013 Trust		0.30	0.92
JMFARC Corp I 2013 Trust		0.14	0.04
JMFARC Federal Bank March 2013 Trust		0.50	0.03
JMFARC Coated February 2021 Trust		0.50	0.97
Others		0.90	-1.47
Key Managerial Personnel (C)			
Remuneration		1.57	2.92
Contribution to provident fund		0.10	0.09
(c) Closing balances			
Inter Corporate Deposit payable			
JM Financial Limited (JMFL)	(A)	265.00	439.70
Interest on Compulsory Convertible Debenture			
JM Financial Limited (JMFL)	(A)	-	2.10
JM Financial Credit Solutions Ltd (JMFCSL)	(B)	-	8.92
Security Deposit (including prepaid rent) receivable			
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	2.21	2.75
Market Linked Non-Convertible Debenture			
JM Financial Services Ltd	(B)	0.20	-
JM Financial Capital Ltd	(B)	1.60	23.00
Dr.Vijay Kelkar	(C)	0.20	-
Mr. V P Shetty	(C)	2.00	2.00
Mrs. Suvidha Mehra	(C)	1.10	1.10



(₹ in crore)

Name of the Related Party	Nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade Payable			
JM Financial Limited (JMFL)	(A)	1.88	0.42
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	#	#
Trade receivables/loans and advances(net)			
JM Financial Products Limited	(B)	0.03	-
Subsidiaries trust	(E)		
JMFARC Fabrics August 2018 I Trust		3.73	3.08
JMFARC Coated February 2021 Trust		32.75	15.33
Others		9.54	7.65
Key Managerial Personnel	(C')	0.20	2.32

Denotes amount below ₹ 50,000/-

- d) The remuneration includes directors sitting fees and commissions and excludes provision for gratuity as the incremental liability has been accounted for company as a whole.
- e) There are no provisions for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.
- f) The transactions disclosed above are exclusive of GST.

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.

40 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company monitors capital using debt to equity ratio.

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (Debt securities and borrowing other than debt securities)	3,117.93	2,323.31
Less - Cash and cash equivalents	(39.20)	(65.10)
Net Debt	3,078.73	2,258.21
Total equity	1,533.09	1,686.04
Debt to equity ratio	2.01	1.34

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41 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.

Categories of Financial Instruments:

(₹ in crore)

As at March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
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	-	-	-	-
Total	3,622.33	-	944.93	4,567.26	13.23	-	3,609.10	3,622.33
Financial liabilities								
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	-	-	-	-
Total	-	-	3,158.68	3,158.68	-	-	-	-

(₹ in crore)

As at March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	65.10	65.10	-	-	-	-
Other Bank balances	-	-	3.46	3.46	-	-	-	-
Trade receivables (net)	-	-	221.48	221.48	-	-	-	-
Loans (net)	-	-	598.20	598.20	-	-	-	-



Investments	3,068.77	-	-	3,068.77	16.12	-	3,052.65	3,068.78
Other financial assets (net)	-	-	48.83	48.83	-	-	-	-
Total	3,068.77	-	937.06	4,005.82	16.12	-	3,052.65	3,068.78
Financial liabilities								
Trade payables	-	-	1.27	1.27	-	-	-	-
Debt securities	-	-	785.91	785.91	-	-	-	-
Borrowing (other debt securities)	-	-	1,537.40	1,537.40	-	-	-	-
Lease liabilities	-	-	19.49	19.49	-	-	-	-
Other financial liabilities	-	-	46.04	46.04	-	-	-	-
Total	-	-	2,390.11	2,390.11	-	-	-	-

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, 2023	1,011.34	1,117.92
As at March 31, 2022	218.93	221.30

- 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 the financial statements approximate their fair values.
- 3 For financial assets that are measured at amortized cost, the carrying amounts are equals to the fair values.

c) Valuation techniques used to determine the fair values:

- For level 1- Listed equity instruments are fair valued using quoted prices;
- For level 2- fair value measurements are derived from quoted prices of equity instruments; and
- For Level 3 fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Company. Further, necessary and appropriate adjustments have been made by considering credit risk, uncertainties associated with prevailing economic condition, timing of the recoveries 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, 2023 and March 31, 2022

Particulars	Investment in Security Receipts
As at March 31, 2021	3,170.52
Acquisitions made	241.79
(Realisations) made	(588.31)
Net Gain on fair value changes	228.65

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As at March 31, 2022	3,052.65
Acquisitions made	881.86
(Realisations) made	(190.23)
Net Gain on fair value changes	(148.29)
As at March 31, 2023	3,595.99

e) Sensitivity for instruments

(₹ in crore)

Nature of the instrument	Fair Value As at March 31, 2023	Fair Value As at March 31, 2022	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2023*		Sensitivity Impact for the year ended March 31, 2022*	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Investment in Security receipts	3,595.99	3,052.65	Estimated cash flow based on realisation of collaterals value, etc	5%	193.09	(193.09)	158.02	(158.02)

* percentage of outstanding security receipts at cost.

- 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.

42 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

(i) Movement of gross carrying amount in loans given:

As at March 31, 2023

(₹ in crore)

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount-opening balance	148.29	-	472.40	620.69
New assets originated or purchased	33.61	-	-	33.61
Assets derecognised or repaid (excluding write offs)	(46.12)	-	(42.97)	(89.09)
Gross carrying amount- closing balance	135.78	-	429.43	565.21

As at March 31, 2022

(₹ in crore)

Particulars	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount-opening balance	250.26	-	398.02	648.28
New assets originated or purchased	342.96	-	32.34	375.30
Assets derecognised or repaid (excluding write offs)	(208.20)	-	(194.69)	(402.89)
Transfer to Stage 3	(236.73)	-	236.73	-
Gross carrying amount- closing balance	148.29	-	472.40	620.69

(ii) Movement of provision for impairment (ECL):

As at March 31, 2023

(₹ in crore)

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2.44	-	20.05	22.49
New assets originated or purchased	0.10	-	-	0.10
Assets derecognised or repaid (excluding write offs)	(0.31)	-	(0.35)	(0.66)
ECL allowance - closing balance	2.23	-	19.70	21.93

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As at March 31, 2022

(₹ in crore)

Particulars	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	7.22	-	15.73	22.95
New assets originated or purchased	2.39	-	0.38	2.77
Assets derecognised or repaid (excluding write offs)	(0.18)		(3.05)	(3.23)
Transfer to stage 3	(6.99)	-	6.99	-
ECL allowance - closing balance	2.44	-	20.05	22.49

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.

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, 2023

(₹ in crore)

Particulars	As at March 31, 2023		
	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	23.63	9.68	33.31
Addition	14.95	(1.88)	13.07
Closing balance	38.58	7.80	46.38

As at March 31, 2022

(₹ in crore)

Particulars	As at March 31, 2022		
	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	13.30	8.82	22.12
Addition	10.33	0.86	11.19
Closing balance	23.63	9.68	33.31

The ageing of trade receivables :

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Past due 1-180 days	69.31	42.60
More than 180 days	273.50	202.51
	342.81	245.11

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 ₹ 69.01 crore and ₹ 13.34 crore as of March 31, 2023 and March 31, 2022 respectively, from its bankers for working capital requirements. The Company also has Bank balances of ₹ 39.20 crore as on March 31, 2023.

Exposure to liquidity risk

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross and undiscounted.

(₹ in crore)

As at March 31, 2023	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
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	-	-
Total	3,158.68	3,158.68	1,424.25	1,721.73	9.38	3.32
Financial Assets						
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
Total	4,567.24	4,567.24	2,393.72	1,860.49	301.65	11.38

(₹ in crore)

As at March 31, 2022	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	2,323.31	2,323.31	1,795.68	522.33	5.30	-
Trade payables	1.27	1.27	1.27	-	-	-
Lease liabilities	19.49	19.49	1.88	4.54	5.93	7.14
Other financial liabilities	46.04	46.04	41.05	4.99	-	-
Total	2,390.11	2,390.11	1,839.88	531.86	11.23	7.14

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Financial Assets						
Cash and cash equivalents	65.10	65.10	65.10	-	-	-
Other Bank balances	3.46	3.46	0.95	2.51	-	-
Trade receivables (net)	221.48	221.48	161.30	60.18	-	-
Loans (net)	598.20	598.20	305.72	292.48	-	-
Investment	3,068.77	3,068.77	1,103.61	346.43	1,602.61	16.12
Other Financial Assets (net)	48.83	48.83	47.07	0.10	-	1.66
Total	4,005.82	4,005.82	1,683.73	701.70	1,602.61	17.78

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 2021-22 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 following are the details of Company remaining contractual maturities of financial liabilities based on undiscounted cash flows:

(₹ in crore)

As at March 31, 2023	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
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	-	-
Total	3,158.68	3,180.76	1,427.06	1,739.75	10.48	3.47

(₹ in crore)

As at March 31, 2022	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	2,323.31	2,347.36	1,817.11	524.95	5.30	-
Trade payables	1.27	1.27	1.27	-	-	-
Lease liabilities	19.49	26.82	3.63	7.46	7.87	7.86
Other financial liabilities	46.04	46.04	41.05	4.99	-	-
Total	2,390.11	2,421.49	1,863.06	537.40	13.17	7.86

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 March 31, 2023	As at March 31, 2022
Fixed rate borrowings	2,049.00	1,556.35
Floating rate borrowings	932.77	677.00
Total	2,981.77	2,233.35

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, 2023 would decrease/ increase by ₹ 9.33 crore (Previous year: decrease/ increase by ₹ 6.77 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, 2023 aggregate to ₹ 13.23 crore (Previous year ₹ 16.12 crore). If price of equity instruments decrease/ increase by 5%, the Company's profit for the year ended March 31, 2023 would be decrease/ increase by ₹ 0.66 crore (Previous year: decrease/ increase by ₹ 0.81 crore).

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43 Maturity Analysis of Assets and Liabilities

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023			As at March 31, 2022		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS							
(1) Financial Assets							
(a)	Cash and cash equivalents	39.20	-	39.20	65.10	-	65.10
(b)	Other bank balances	2.48	0.25	2.73	0.95	2.51	3.46
(c)	Trade Receivables	92.18	212.05	304.23	161.30	60.18	221.48
(d)	Loans	537.72	5.56	543.28	305.72	292.48	598.20
(e)	Investments	1,705.06	1,917.27	3,622.33	1,103.62	1,965.15	3,068.77
(f)	Other Financial assets	17.11	38.38	55.49	47.07	1.76	48.83
Total Financial Assets		2,393.75	2,173.51	4,567.26	1,683.76	2,322.08	4,005.84
(2) Non-financial Assets							
(a)	Current tax Assets (Net)	-	44.35	44.35	-	40.34	40.34
(b)	Deferred tax Assets (Net)	-	83.64	83.64	-	33.86	33.86
(c)	Property, Plant and Equipment	-	13.52	13.52	-	17.45	17.45
(d)	Other Intangible assets	-	0.03	0.03	-	0.05	0.05
(e)	Other non-financial assets	2.26	-	2.26	2.62	-	2.62
Total Non -financial Assets		2.26	141.54	143.80	2.62	91.70	94.32
Total Assets		2,396.01	2,315.05	4,711.06	1,686.38	2,413.78	4,100.16
LIABILITIES AND EQUITY							
LIABILITIES							
(1) Financial Liabilities							
(a)	Trade Payables	2.77	-	2.77	1.27	-	1.27
(b)	Debt Securities	221.43	1,488.37	1,709.80	529.71	256.20	785.91
(c)	Borrowings (Other than Debt Securities)	1,176.71	231.42	1,408.13	1,265.97	271.43	1,537.40
(d)	Lease liabilities	2.03	14.05	16.08	1.88	17.61	19.49
(e)	Other financial liabilities	21.31	0.59	21.90	41.05	4.99	46.04
Total Financial Liabilities		1,424.25	1,734.43	3,158.68	1,839.88	550.23	2,390.11
(2) Non-Financial Liabilities							
(a)	Provisions	0.91	1.18	2.09	0.71	1.30	2.01
(b)	Other non-financial liabilities	17.20	-	17.20	22.00	-	22.00
Total Non-Financial Liabilities		18.11	1.18	19.29	22.71	1.30	24.01
Total Liabilities		1,442.37	1,735.61	3,177.97	1,862.59	551.53	2,414.12
Net (A-B)		953.64	579.44	1,533.09	-176.21	1,862.25	1,686.04

Note : Maturity Analysis of Assets and Liabilities- within 12 months of previous year was 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.



44 Employee Stock Option Scheme

44.1 JM Financial Limited granted the Stock Options to the eligible employees and/or directors (the Employees) of JM Financial Limited and its subsidiaries. Out of the total number of Options granted by JM Financial Limited, the following Stock Options pertain to the employees of the Company.

May 16, 2016 122,397 Stock Options

April 12, 2018 88,236 Stock Options

The option shall be eligible for vesting as per following schedule:

Vesting/ Grant Date	Options series	No. of Stock Options	Status	Exercise Period	Exercise Price in ₹
16 th May, 2017	Series – IX	40,799	Exercised	Seven years from the date of Grant	1
16 th May, 2018	Series – IX	40,799	Exercised	Seven years from the date of Grant	1
16 th May, 2019	Series – IX	40,799	Exercised	Seven years from the date of Grant	1
12 th April, 2019	Series – XI	29,412	Exercised	Seven years from the date of Grant	1
12 th April, 2020	Series – XI	29,412	Exercised	Seven years from the date of Grant	1
12 th April, 2021	Series – XI	29,412	Exercised	Seven years from the date of Grant	1

The current status of the stock options granted to the Employees is as under:

Particulars	Number of outstanding options	
	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	-	58,824
Granted during the year	-	-
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/forfeited during the year	-	-
Exercised during the year	-	(58,824)
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-

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

44.2 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 2022-23, the Nomination and Remuneration Committee has granted 19,60,749 options (previous year 9,09,549 options) at an exercise price of ₹ 33.63 per option (previous year ₹ 29.69 per option) to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

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The details of options are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	2,008,819	1,581,444
Add: Granted during the year	1,960,749	909,549
Less: Exercised and shares allotted during the year	-	-
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	(469,771)	(482,174)
Less: Lapsed during the year	-	-
Outstanding at end of the year	3,499,797	2,008,819
Exercisable at end of the year	395,361	-

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%	653,583	303,183	4/19/2024	4/19/2023	22.14	20.33
Tranche 2	33.33%	653,583	303,183	4/19/2025	4/19/2024	24.33	21.96
Tranche 3	33.34%	653,583	303,183	4/19/2026	4/19/2025	26.23	23.77

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	3.50	6.85%	5.79%	0.5004	0.5160	-	-
Tranche 2	4.50	4.50	7.12%	5.69%	0.4940	0.5052	-	-
Tranche 3	5.50	5.50	7.32%	6.41%	0.4897	0.4954	-	-

* 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

Particulars	Options
Grant date	5/4/2022
Options granted	1,960,749
Options exercised till March 31, 2023	-
Options forfeited/cancelled till March 31, 2023	285,462
Options lapsed till March 31, 2023	-
Outstanding at end of year	1,675,287
Exercisable at end of year	-
Vesting of options	1/3 rd 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
Exercise price	₹ 33.63
Pricing formula	As was determined by the Nomination and Remuneration Committee

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 2.12 crore (Previous year: ₹ 1.31 crore).

45 Schedule of security receipts

(₹ in crore)

Name of Trust	As at March 31, 2023		As at March 31, 2022	
	No. of SRs	Amount	No. of SRs	Amount
A) Subsidiary Trusts (at fair value)				
JMFARC - DB-ICICI - Trust	115,000	-	115,000	-
JMFARC - DB-SBI - Trust	61,000	-	61,000	-
JMFARC - DB-DCB - Trust	7,500	-	7,500	-
JMFARC - JORD-SUUTI - Trust	8,000	-	8,000	-
JMFARC - Pasupati- SASF - Trust	250,000	-	250,000	-
JMFARC - Central bank - Tube - Trust	50,000	-	50,000	-
JMFARC - UTI - Tube - Trust	6,000	-	6,000	-
JMFARC - SASF Tube - Trust	62,000	-	62,000	-
JMFARC - UCO Bank March 2011 - Trust	16,500	-	16,500	-
JMFARC - Corp Textile 2013 - Trust \$	-	-	-	-
JMFARC - Corp Apparel 2013 -Trust	120,000	0.01	120,000	0.01
JMFARC - Central India 2013 - Trust	289,360	28.07	289,360	28.07
JMFARC - Dena Bank March 2014 - Trust	67,000	1.38	67,000	5.03
JMFARC - Gelatine March 2014 - Trust	628,672	6.34	628,672	8.96
JMFARC - ICICI Bank July 2014 - Trust	20,000	-	20,000	-
JMFARC - Axis Bank Cement March 2015 - Trust	230,000	23.01	230,000	26.66
JMFARC - ICICI Bank Cement June 2015 - Trust	170,500	17.66	170,500	20.66
JMFARC - United Bank Cement September 2015 - Trust	180,000	18.34	180,000	23.62
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	2.91	49,700	3.11
JMFARC - Axis Iris II March 2016 - Trust	60,000	6.00	60,000	6.00
JMFARC - SBI Geometric October 2016 - Trust	453,000	-	453,000	-
JMFARC - IRIS Cash 2016 - Trust	426,200	89.66	426,200	89.66
JMFARC - Tata Capital December 2016 - Trust	130,000	9.87	130,000	9.87
JMFARC - IDBI March 2017 - Trust	30,000	2.34	30,000	2.37
JMFARC - IRIS IIFL May 2017 - Trust	27,500	4.65	27,500	4.65
JMFARC - IRIS Cash July 2017 - Trust	264,000	24.52	264,000	24.52
JMFARC - Woods October 2017 - Trust	187,500	14.72	187,500	14.72
JMFARC - IRIS Cash March 2018 - Trust	78,500	5.30	78,500	11.30
JMFARC - Fabrics June 2018 - Trust	830,000	70.32	830,000	81.43
JMFARC - Metallics July 2018 - Trust	166,500	-	166,500	-
JMFARC - Fabrics August 2018 I - Trust	8,020,000	749.58	8,020,000	867.93
JMFARC - Fabrics September 2018 I - Trust	753,500	71.58	753,500	82.88
JMFARC - Fabrics September 2018 II - Trust	535,300	50.84	535,300	58.85

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(₹ in crore)

Name of Trust	As at March 31, 2023		As at March 31, 2022	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - PNB IRIS II September 2018 - Trust	11,510	1.15	11,510	1.15
JMFARC - Fabrics March 2019 I - Trust	337,800	32.09	337,800	37.16
JMFARC - BOB 2008 - Trust	111,600	-	111,600	-
JMFARC - SME Retail 2011 - Trust	13,365	-	13,365	-
JMFARC - IOB II March 2011 - Trust Class A	104,200	-	104,200	-
JMFARC - IOB II March 2011 - Trust Class B	5,800	-	5,800	-
JMFARC - Federal Bank March 2013 - Trust	1,000,000	19.11	1,000,000	19.30
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	1,572,000	3.50	1,572,000	0.14
JMFARC - Metalics February 2018 - Trust*	1,221,809	-	1,221,809	-
JMFARC - Metalics November 2018 - Trust*	656,405	-	656,405	-
JMFARC - Metalics December 2018 - Trust*	675,629	-	675,629	-
JMFARC - KTK Metalics December 2018 - Trust*	347,199	-	347,199	-
JMFARC - Retail June 2011 - Trust	469,884	0.05	469,884	0.05
JMFARC - Retail Aug 2011 - Trust	7,039	-	7,039	#
JMFARC - Fabrics June 2019 II - Trust	707,500	67.21	707,500	77.83
JMFARC - Fabrics June 2019 III - Trust	183,100	17.39	183,100	20.14
JMFARC - Fabrics December 2019 I - Trust	49,100	4.66	49,100	5.40
JMFARC - March 2018 - Trust	1,200,000	93.85	1,200,000	93.85
JMFARC - Fabrics September 2020 - Trust	100,900	9.59	100,900	11.10
JMFARC - Fabrics November 2020 - Trust	508,000	48.26	508,000	55.88
JMFARC - Coated February 2021 - Trust	3,905,900	474.57	3,905,900	390.59
Deccan 2021 Trust	694,900	9.51	694,900	9.51
Deccan June 2022 - Trust@	200,000	3.03	-	-
Deccan January 2023 Trust@	946,700	94.67	-	-
Textile 2022 - Trust@	1,428,228	139.81	-	-
Retail June 2022 - Trust@	1,903,040	139.33	-	-
Total		2,358.96		2,096.48

B) Non Subsidiary Trusts (at fair value)

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	1.73
JMFARC - Fed Gelatine March 2014 - Trust	17,500	-	17,500	0.27
JMFARC - OBC March 2014 II - Trust	4,760	0.29	4,760	0.29
JMFARC - UBOI March 2014 - Trust	66,750	1.72	66,750	1.72
JMFARC - SBI Ceramics June 2014 - Trust	156,000	3.68	156,000	5.53
JMFARC - Indian Bank June 2014 - Trust	32,200	0.91	32,200	0.91



(₹ in crore)

Name of Trust	As at March 31, 2023		As at March 31, 2022	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - Vijaya Bank June 2014 - Trust	25,360	0.76	25,360	0.76
JMFARC - Hotels June 2014 - Trust Class A	329,099	-	329,099	-
JMFARC - Hotels June 2014 - Trust Class B	2,071,631	-	2,071,631	-
JMFARC - Central Bank of India June 2014 - Trust	32,000	-	32,000	-
JMFARC - CSB Ceramics September 2014 - Trust	32,625	2.45	32,625	2.45
JMFARC - LVB Ceramics September 2014 - Trust	27,900	1.56	27,900	2.09
JMFARC - SBOP Ceramics December 2014 - Trust	11,850	0.89	11,850	0.89
JMFARC - SBH Ceramics December 2014 - Trust	60,000	4.32	60,000	4.50
JMFARC - SBT Ceramics March 2015 - Trust	23,250	1.74	23,250	1.74
JMFARC - SBI Steel March 2015 - Trust	93,150	-	93,150	-
JMFARC - SBM Ceramics March 2015 - Trust	12,750	0.94	12,750	0.96
JMFARC - Karnataka Bank Cement March 2015 - Trust	49,500	3.61	49,500	3.61
JMFARC - Vijaya Bank Ceramics March 2015 - Trust	27,000	1.49	27,000	2.03
JMFARC - SBH Cement June 2015 - Trust	66,000	4.95	66,000	4.95
JMFARC - United Bank Textile September 2015 - Trust	27,075	0.69	27,075	0.81
JMFARC - PNB Ceramics November 2015 - Trust	401,640	27.46	401,640	29.85
JMFARC - Corp Bank Ceramics September 2015 - Trust	46,065	3.59	46,065	4.61
JMFARC - SBOP Geometric - Trust	61,560	-	61,560	-
JMFARC - Dena Ceramics January 2016 - Trust	15,750	1.04	15,750	1.58
JMFARC - UBOI Steel March 2016 - Trust	63,000	-	63,000	-
JMFARC - OBC March 2016 - Trust^	72,000	-	72,000	1.32
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	3.66	57,180	5.15
JMFARC - EXIM Ceramics March 2016 - Trust	17,101	1.30	17,101	1.66
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	0.09	97,515	0.09
JMFARC - ICICI Bank September 2016 - Trust	855,495	15.62	855,495	28.01
JMFARC - IOB March 2016 - Trust	50,250	1.42	50,250	1.63
JMFARC - Iris March 2016 - Trust	1,000,165	104.15	1,000,165	104.15
JMFARC - Exim Iris March 2016 - Trust	60,000	5.22	60,000	5.22
JMFARC - Axis Iris March 2016 - Trust	150,000	19.20	150,000	19.20
JMFARC - KB Metals September 2016 - Trust	22,500	#	22,500	0.40
JMFARC - Andhra Resin September 2016 - Trust	37,605	#	37,605	#
JMFARC - Dena SEZ September 2016 - Trust	7,335	0.55	7,335	0.73
JMFARC - IDBI Geometric Dec 2016 - Trust	41,250	-	41,250	-
JMFARC - IRIS December 2016 - Trust	31,110	4.67	31,110	4.67
JMFARC - IRIS UBOI December 2016 - Trust	16,005	2.30	16,005	2.30
JMFARC - IRIS PNB January 2017 - Trust	41,550	5.90	41,550	5.90
JMFARC - IOB CHN March 2017 - Trust	37,500	3.56	37,500	3.56
JMFARC - IOB Ceramics March 2017 - Trust	33,000	2.18	33,000	2.48
JMFARC - IRIS United March 2017 - Trust	66,900	4.36	66,900	4.36
JMFARC - SBP March 2017 - Trust	31,665	2.28	31,665	2.28
JMFARC - IRIS UCO March 2017 - Trust	38,310	4.61	38,310	4.61
JMFARC - SBP Retreat March 2017 - Trust	77,600	7.23	77,600	7.76

Notes

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(₹ in crore)

Name of Trust	As at March 31, 2023		As at March 31, 2022	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - SBI Retreat March 2017 - Trust	166,800	15.53	166,800	16.68
JMFARC - SBI Tollways March 2017 - Trust	153,000	4.32	153,000	7.57
JMFARC - Karnataka Bank September 2017 - Trust	20,310	1.47	20,310	1.52
JMFARC - Syndicate Ceramics September 2017 - Trust	125,250	6.76	125,250	8.77
JMFARC - Allahabad Bank December 2017 - Trust	76,275	7.02	76,275	7.02
JMFARC - Motors December 2017 - Trust	94,500	5.39	94,500	5.39
JMFARC - IOB Metallica February 2018 - Trust	360,000	-	360,000	-
JMFARC - Township February 2018 - Trust	480,000	36.00	480,000	48.00
JMFARC - IRIS Canara March 2018 - Trust	18,225	2.15	18,225	2.15
JMFARC - IDBI March 2018 - Trust^	60,000	-	60,000	0.01
JMFARC - Alphahealth 2018 - Trust	1,780,700	190.88	1,780,700	213.68
JMFARC - Fabrics August 2018 II - Trust	380,000	36.10	380,000	41.80
JMFARC - Fabrics September 2018 III - Trust	40,200	3.82	40,200	4.42
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	4.77	33,000	4.77
JMFARC - Infra March 2019 - Trust	60,000	4.50	60,000	4.50
JMFARC - IOB March 2011 - Trust Class A	280,000	-	280,000	-
JMFARC - IOB March 2011 - Trust Class B	96,500	-	96,500	-
JMFARC - UCO Bank March 2014 - Trust	462,500	6.44	462,500	9.44
JMFARC - SBI March 2014 I - Trust	173,750	5.17	173,750	4.75
JMFARC - SBI March 2014 II - Trust	45,250	1.52	45,250	1.52
JMFARC - Cosmos March 2014 - Trust	154,500	1.47	154,500	1.44
JMFARC - Indian Bank March 2014 - Trust	44,500	-	44,500	-
JMFARC - BOI March 2014 II - Trust	215,750	-	215,750	0.03
JMFARC - OBC June 2014 - Trust	8,915	-	8,915	0.44
JMFARC - UBOI June 2014 - Trust^	59,915	-	59,915	0.19
JMFARC - Karnataka Bank December 2014 - Trust	172,500	3.43	172,500	4.99
JMFARC - CSB September 2015 - Trust	63,000	0.01	63,000	0.01
JMFARC - SBH December 2015 - Trust	73,380	-	73,380	0.01
JMFARC - KVB March 2016 - Trust	355,095	10.11	355,095	13.71
JMFARC - Federal Bank March 2016 - Trust	73,350	3.77	73,350	3.77
JMFARC - PAN INDIA 2016 - Trust	1,546,908	139.22	1,546,908	154.69
JMFARC - PNB March 2017 - Trust	222,075	8.09	222,075	8.09
JMFARC - SBT March 2017 - Trust	55,875	3.63	55,875	3.63
JMFARC - LTF June 2017 - Trust	600,000	11.99	600,000	13.71
JMFARC - Central Bank Retail 2011 - Trust	88,872	-	88,872	-
JMFARC - Fabrics June 2019 I - Trust Class A	50,400	4.79	50,400	5.54
JMFARC - Fabrics June 2019 I - Trust Class B	151,200	3.78	151,200	3.78
JMFARC - Textile Gama I - Trust	48,000	3.32	48,000	4.80
JMFARC - Textile Gama II - Trust	33,390	0.05	33,390	3.34
Victory Real Estate 2021 Trust	60,000	6.00	60,000	6.00
Realty March 2022 Trust	607,500	60.75	607,500	60.75
Hotel II May 2022 - Trust @^	-	-	-	-
Sapphire RE Trust 2022 @	65,504	0.98	-	-
Textile Gama III - Trust @	9,150	0.92	-	-



(₹ in crore)

Name of Trust	As at March 31, 2023		As at March 31, 2022	
	No. of SRs	Amount	No. of SRs	Amount
Textile Gama IV - Trust @	14,850	1.49	-	-
Aranya - Trust @	3,825,000	382.50	-	-
Total		1,237.03		956.17

Denotes amount less than ₹50,000

@ trusts added during the year

^ trust closed during the year

\$ trust closed during the previous year

*acquisition of controlling stake as on August 20, 2020 and become subsidiary of the Company.

46 Additional disclosure:

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

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

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
Sponsor			
Indian Overseas Bank	763, Anna Salai, Chennai	827.91	3.82%
Sponsor Total		827.91	3.82%
Non- Sponsors			
State Bank of India (SBI & erstwhile Associate Bank's)	State Bank Bhavan, Corporate Centre, Madame Cama Marg, Mumbai, Maharashtra - 400 021	3,709.89	17.11%
Piramal Capital & Housing Finance Limited	601, 6 th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp Fire Station, LBS Marg, Kurla (West) Mumbai - 400 070.	2,550.00	11.76%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	1,362.75	6.29%
Canara Bank	112 J. C. Road, Bangalore	1,118.06	5.16%
UCO Bank	Biplabi Trailokya Maharaj Sarani, Kolkata - 700001	1,066.49	4.92%
Union Bank of India \$	Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai -400021	1,065.75	4.92%
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	954.82	4.40%
ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051	884.65	4.08%
HDFC Limited	Ramon House, 4 th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020	863.89	3.98%
Bank of Baroda	Kalpataru Heritage Building, 6 th floor, Nanik Motwani Lane, Fort, Mumbai - 400023	631.67	2.91%
Axis Bank	Maker Towers F, 13 th Floor, Cuffe Parade, Mumbai - 400005	612.76	2.83%
Central Bank of India	Chandermukhi, Nariman Point, Mumbai 400021	513.63	2.37%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005	464.21	2.14%
Indian Overseas Bank*	763, Anna Salai, Chennai	423.48	1.95%
Federal bank	Federal Towers, Aluva, Ernakulum, Kerala - 683101	402.00	1.85%

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Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
JM Financial Credit Solution Limited	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	395.00	1.82%
Poonawalla Fincorp Limited	601, 6 th Floor, Zero One IT Park, Survey no 79/1, Ghorpadi, Mundhwa Road, Pune - 411036	390.36	1.80%
Indian Bank	254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014	355.01	1.64%
Yes Bank	9 th floor Nehru Centre, Worli, Mumbai - 400018	338.51	1.56%
Cosmos Co-operative Bank Ltd	Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030	309.00	1.43%
L&T Infrastructure Finance Company Limited	3 rd Floor, Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400 098	308.43	1.42%
Karur Vysya Bank	Erode Road, Karur - 639002	296.41	1.37%
JM Financial Products Limited	5 th Floor Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	263.67	1.22%
Diwan Housing Finance	3 rd Floor, DHFL House, 19 Sahar Raod, Vile Parle (East), Mumbai - 400 099	240.00	1.11%
IDBI Bank	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	232.32	1.07%
Karnataka Bank	Mahavira Circle, Kankanadi, Mangalore - 575002	220.39	1.02%
L&T Finance Limited	City 2, Plot No. 177, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai 400 098	92.38	0.43%
Standard Chartered Bank	23, Narain Manzil, Barakhamba Road, New Delhi- 110001	89.84	0.41%
Sicom Ltd	Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400093	84.65	0.39%
South Indian Bank	SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680001	79.33	0.37%
Catholic Syrian Bank	CSB Bhavan, St. Mary's College Road, Thrissur,	63.75	0.29%
Bank of Maharashtra	"Lokmangal" 1501, Shivajinagar, Pune 411005	59.33	0.27%
Lakshmi Vilas Bank	LVB House, 4/1, Sardar Patel Road, guindy, Chennai - 600032. Tamil Nadu	51.32	0.24%
HSBC	52/60, M. G. Road, Fort, Mumbai - 400001	49.03	0.23%
VSJ Investments Pvt. Ltd	G-12, Raheja Centre, 214 Fress Press Journal Marg, Nariman Point, Mumbai 400 021.	43.67	0.20%
Stressed Assets Stabilisation Fund	IDBI Tower, 10 th Floor, WTC Complex, Cuffe Parade, Mumbai 400005	31.20	0.14%
Ratnakar Bank	One India Bulls Center, Tower 2 , 6 th Floor, 841, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013	25.00	0.12%
Tata Capital Financial Services Limited	One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400001	24.50	0.11%
Assets Care & Reconstruction Enterprise Ltd (ACRE)	13, 2 nd Floor, Mohandev Building, Tolstoy Marg, New Delhi, Delhi 110001	22.70	0.10%
HUDCO	HUDCO Bhawan, Core-7-A, India Habitat Centre, Lodhi Road, New Delhi - 110 003	21.34	0.10%
Bank of Bahrain & Kuwait B.S.C	Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400021	19.19	0.09%
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	0.07%



Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
Kotak Mahindra Bank Limited	27 BKC, Plat No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	8.37	0.04%
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, 5 th 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, 9 th Floor,, NCPA Marg, Nariman Point, Mumbai 400021	5.12	0.02%
SBI Global Factors Limited	6 th 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	0.02%
SBM Bank (Mauritius) Limited	101, Raheja Centre, Nariman Point, Mumbai 400 021	3.27	0.02%
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%
India Infoline Finance Limited (IIFL)	12A-10, 13 th Floor, Parinee Crescenzo, C-38 & C-39, G Block, Behind MCA, Bandra 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 1 st 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 Road, 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%
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%
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	0.17	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%
Non Sponsors Total		20,851.71	96.18%
Grand Total		21,679.62	100.00%

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Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
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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 Hyderabad, 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.

b) Dispersion of various assets industry wise.

Industry	Acquisition Price ₹ in crore	% to total
Hospitality	4,853.32	22.39%
Retail	3,177.56	14.66%
Textiles	2,983.65	13.76%
Real Estate	2,669.88	12.32%
Iron & Steel	1,561.31	7.20%
Pharmaceuticals	1,425.19	6.57%
Ceramics	886.56	4.09%
Healthcare	626.43	2.89%
Infrastructure	338.17	1.56%
Chemicals	297.43	1.37%
Plywood/ laminates	276.51	1.28%
Airlines	238.75	1.10%
Power	217.40	1.00%
Shipping	195.00	0.90%
Cement	171.52	0.79%
Media	139.71	0.64%
Trading	130.83	0.60%
Information Technology	126.66	0.58%
Metals	125.54	0.58%
Leather	107.15	0.49%
Coal	101.80	0.47%
Plastics	92.79	0.43%
Packaging	92.79	0.43%
Food Products	87.82	0.41%
Others	755.85	3.49%
Total	21,679.62	100.00%

- The above table (b) has been prepared by management based on the information and relevant documents available with the Company which has been relied upon by the auditors.



- d) The acquisition price in the tables (a) and (b) above includes financial assets acquired till March 31, 2023 including financial assets resolved till date.
- e) Restructuring Loan disbursed to one borrower amounting to ₹ 185.25 crore, has been classified as non- performing asset during the financial year. Total Restructuring Loan disbursed classified as non- performing asset as on Balance Sheet date is ₹ 202.25 crore (Previous year ₹ 17 crore). Total provision made as on Balance Sheet date as per Expected Credit Loss method is ₹ 15.98 crore (Previous Year ₹ 12.59 crore).
- f) The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.
- g) Additional disclosure as per RBI Notification No. DBNS. PD (SC/RC). 8/ CGM (ASR) dated April 21, 2010.

Particulars	₹ in crore (face value)
Value of financial assets acquired during the financial year either in its own books or in the books of the trust	3,541.58
Value of financial assets realized during the financial year*	913.76
Value of financial assets outstanding for realization as at the end of the financial year	12,223.89
Value of Security Receipts redeemed partly during the financial year	412.89
Value of Security Receipts redeemed fully during the financial year (including writeoffs)	506.84
Value of Security Receipts pending for redemption as at the end of the financial year	13,557.62
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 6(C)(ii) or 6(C)(iii)	3,142.03
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-
* Value of financial assets realized during the financial year includes the amount of Rs. 84.41 crore of financial asset written-off due to trust closure.	

- h. Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170 , DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL

(₹ in crore)						
Particulars	Asset Classification as per RBI Norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5) = (3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	362.96	5.95	357.01	113.59	-107.64
	Stage 2					
Subtotal		362.96	5.95	357.01	113.59	(107.64)
Non-Performing Assets (NPA)						
Substandard	Stage 3	185.25	3.39	181.86	18.53	-15.14
Doubtful						
Up to 1 year	Stage 3					

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1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	17.00	12.59	4.41	17.00	(4.41)
Subtotal for doubtful		202.25	15.98	186.27	35.53	(19.55)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
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	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	362.96	5.95	357.01	113.59	-107.64
	Stage 2	-	-	-	-	-
	Stage 3	202.25	15.98	186.27	35.53	-19.55
	Total	565.21	21.93	543.28	149.12	-127.19

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 ₹ 127.19 crore

As at March 31, 2023, 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 ₹ 113.59 crore is carried for these borrower accounts. Of the provisions made ₹ 107.64 crore is made by transfer to the impairment reserve.

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.

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):

- 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)
- No assets (i.e. total purchase consideration paid at the trust level) have been disposed off during the financial year at a discount of more than 20% of its valuation as on the previous year end
- Trusts where the value of the SRs (i.e. Net Asset Value) have declined more than 20% below the acquisition value during the year.



(₹ in crore)

Name of Trust	Acquisition price	SRs outstanding	NAV % as on March 31, 2023
JMFARC- LVB Ceramics September 2014 Trust	18.60	18.60	0%
JMFARC- CSB Ceramics September 2014 Trust	21.75	21.75	0%
JMFARC-SBOP Ceramics December 2014-Trust	7.90	7.90	0%
JMFARC-SBH Ceramics December 2014-Trust	40.00	40.00	0%
JMFARC- SBT Ceramics March 2015-Trust	15.50	15.50	25%
JMFARC- SBM Ceramics March 2015-Trust	8.50	8.50	25%
JMFARC- Vijaya Bank Ceramics March 2015-Trust	18.00	18.00	25%
JMFARC-PNB Ceramics November 2015-Trust	267.76	265.30	50%
JMFARC -Dena Ceramics January 2016-Trust	10.50	10.50	50%
JMFARC - IDBI Ceramics March 2016 - Trust	38.12	38.12	50%
JMFARC - EXIM Ceramics March 2016 – Trust	11.40	11.40	50%
JMFARC-Corp Bank Ceramics September 2015-Trust	30.71	30.71	50%
JMFARC - Township February 2018 Trust	240.00	240.00	75%
JMFARC – SBI Tollways March 2017 – Trust	102.00	72.08	40%
JMFARC-United Bank Textile September 2015-Trust	18.05	11.58	25%
JMFARC - IOB March 2016- Trust	33.50	19.96	25%
JMFARC - Dena SEZ September 2016 - Trust	4.89	4.89	75%

- d) 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 acquired (acquisition cost)	Sector of the business
FY 2019-20	Debts of textile company	200.00	Textiles

- 47** 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.

48 Disclosure of ratios:

Sr. No.	Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2023	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2022
a)	Capital to risk-weighted assets ratio (CRAR)	4,586.86	1,131.46	24.67%	3999.29	1,541.95	38.56%
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 Standalone Financial Statements

49 Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax matter under dispute*:		
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.

50 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 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.

- 51** The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.
- 52** The standalone financial statements are approved for issue by the Board of Directors at its meeting held on 28th April, 2023.

For and on behalf of the Board of Directors

V P Shetty
Director
(DIN - 00021773)

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Place : Mumbai
Date : April 28, 2023

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer



7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India