



**DRIVING
PURPOSE
FORWARD**



DRIVING PURPOSE FORWARD

At JM Financial, we remain guided by the purpose that has shaped our progress over the past five decades. This core vision is the essence of the distinctive identity of our organisation. It is the compass that guides how we create value going ahead.

In FY26, our businesses delivered sustained growth. We strengthened our foundations, expanded our reach, deepened relationships with those we serve, and scaled platforms designed to stand the test of time. Each milestone, from onboarding marquee clients to securing capital, reflects deliberate choices and is the result of clarity of direction and purpose.

The year also tested our institutional strength as we navigated a dynamic operating environment.

By staying true to the values that define us, we not only grew responsibly, but also created lasting value for our clients, our people, and the communities we are part of.

At the heart of JM Financial is a culture that encourages learning, values innovation, and embraces continuous development. A culture that keeps us sharp, purposeful, and consistently ahead of the curve in an increasingly competitive and complex market landscape.

As we move forward, our resolve remains unwavering, to grow in ways that matter, to ensure every milestone creates a far-reaching impact, and to keep driving purpose forward with intent.

This philosophy finds expression on the Annual Report's cover, where a paper plane with our brand's central visual 'Red Sail' soars confidently towards the horizon. Symbolising purposeful progress, clear direction, and the resolve to reach higher, it reflects our enduring commitment to creating value while navigating the future with conviction.

Now, onwards...

Our Core Values

Our values form the foundation of our culture, guiding every decision and interaction as we work towards creating enduring value for all stakeholders.



Client Focus

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



Teamwork

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



Integrity

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



Implementation

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



Innovation

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



Performance

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



Partnership

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

Scan this QR code to access the Financial Information web page



Board of Directors

Guiding the Way Forward

Our Board brings together diverse perspective, deep industry expertise and strong governance oversight, providing strategic guidance that supports the Company's long term growth and resilience.



Mr. Munesh Khanna
Chairman, Independent Director



Mr. Vishal Kampani
Non-Executive Director



Mr. Adi Patel
Non-Executive Director



Mr. V P Shetty
Non-Executive Director



Ms. Rupa Vora
Independent Director



Mr. Ameet Desai
Independent Director



Dr. Vijay Kelkar
Independent Director

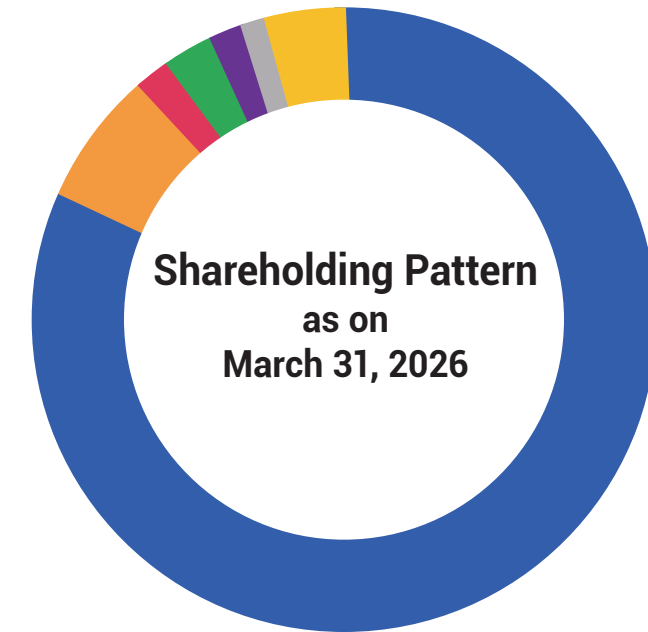
KEY MANAGERIAL PERSONNEL

Mr. Srinivasan Viswanathan
Chief Executive Officer

Mr. Sabyasachi Ray
Chief Financial Officer

Mr. Vineet Singh
Company Secretary & Compliance Officer

Shareholding Structure



Shareholders	No. of shares	%
Sponsor :		
JM Financial Credit Solutions Limited	65,03,43,712	81.77
Non-Sponsors:		
Mr. Narotam Sekhsaria	5,68,66,072	7.15
Radhakrishna Bimalkumar Private Limited	1,20,62,500	1.52
Indian Overseas Bank	2,10,00,000	2.64
UCO Bank	1,14,88,095	1.44
Union Bank of India	1,00,00,000	1.26
Valiant Mauritius Partners FDI Limited	3,35,50,551	4.22
Total	79,53,10,930	100.00

Note: The entire shareholding of the Company is in dematerialised form.

FY 26 : The year in numbers



Corporate Information

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS

Mr. V P Shetty
Mr. Pulkit Sekhsaria (Upto April 15, 2026)
Mr. Adi Patel
Mr. Vishal Kampani

INDEPENDENT DIRECTORS

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

CHIEF EXECUTIVE OFFICER

Mr. Srinivasan Viswanathan

CHIEF FINANCIAL OFFICER

Mr. Sabyasachi Ray

COMPANY SECRETARY & COMPLIANCE OFFICER

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 Corporate Office
Office No. 22, Lloyds Centre Point,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

Borivali Office
3rd Floor, Suashish IT Park,
Dattapada Road, Magathane,
Borivali East, Mumbai - 400 066

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

BANKERS

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

STATUTORY AUDITOR

Sharp & Tannan Associates

SECRETARIAL AUDITOR

N.L. Bhatia & Associates

INTERNAL AUDITOR

Aneja 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

Notice

(Pursuant to Section 101 of the Companies Act, 2013)

Dear Members,

Notice is hereby given that the Nineteenth (19th) Annual General Meeting (the "AGM") of the Members of JM Financial Asset Reconstruction Company Limited (the "Company") will be held on Wednesday, July 22, 2026 at 5:00 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 for the financial year ended March 31, 2026 together with the reports of the Board of Directors and of the Auditors thereon and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited standalone financial statements of the Company consisting of the balance sheet as at March 31, 2026, the statement of profit and loss, cash flow statement and the statement of changes in equity for the year ended on that date and the explanatory notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors thereon be and are hereby approved and adopted."

2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2026 and the report of the Auditors thereon and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited consolidated financial statements of the Company consisting of the balance sheet as at March 31, 2026, the statement of profit and loss, cash flow statement and the statement of changes in equity for the year ended on that date and the explanatory notes annexed to, and forming part of, any of the said documents together with the Auditors' Report thereon be and are hereby approved and adopted."

3. To appoint a director in place of Mr. V P Shetty (DIN: 00021773), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, the re-appointment of Mr. V P Shetty (DIN: 00021773), as a Director of the Company liable to retire by rotation, be and is hereby approved."

Special Business

4. Issuance of Non-Convertible Debentures

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

"RESOLVED THAT pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (the "Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and pursuant to the applicable provisions of the Securities and Exchange Board of India (the "SEBI") (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations and guidelines as issued by SEBI, Reserve Bank of India together with the applicable circulars and clarifications issued by them from time to time and to the extent applicable to the Company (including any amendments, statutory modifications and/or re-enactment thereof for the time being in force) and subject to the provisions of the Company's Memorandum and Articles of Association, the approval of the members of the Company be and is hereby accorded to the Board of Directors (the "Board", which term shall include any of the Committees thereof) to offer, issue and allot secured/unsecured, listed/unlisted, rated/unrated, redeemable Non-Convertible Debentures (the "NCDs"), in one or more series/tranches, aggregating up to ₹ 3,750 crore (Rupees Three Thousand Seven Hundred Fifty Crore only), on private placement basis and/or through public offer on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof) be and is hereby authorised on behalf of the Company to determine the terms of issue including the class of investors to whom the NCDs are to be issued, time, the number of NCDs, tranches, issue price, tenor, interest rate, premium/discount, listing and to do all such acts, deeds, matters, and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/undertakings/agreements/papers/writings, as may be required in this regard and to resolve and settle all questions and difficulties that may arise at any stage from time to time."

"RESOLVED FURTHER THAT the Board (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and take all such

steps as may be necessary, desirable or expedient to give effect to the above resolution and matters connected therewith or incidental thereto, including settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all decisions from powers herein conferred by the members."

By Order of the Board

Vineet Singh

Company Secretary & Compliance Officer

Place: Mumbai

Date: May 12, 2026

Registered Office:

7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
CIN: U67190MH2007PLC174287

NOTES:

1. Pursuant to the applicable provisions of the Companies Act, 2013 (the "Act"), 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.
2. The instrument appointing a proxy in order to be valid must be duly completed and should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
3. A person can act as proxy on behalf of the members not exceeding fifty (50) in number and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. Proxies submitted must be supported by an appropriate resolution/authority, as applicable. A member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
4. The relevant statement to be annexed to the Notice pursuant to Section 102 of the Act setting out the details concerning the special business under item no. 4 of the Notice, along with the additional information as required under applicable provisions of the Act and other circulars issued thereunder, is annexed hereto and forming part of this Notice.
5. The body corporate/institutional investors, who are members of the Company, are encouraged to attend the meeting and vote. They are also requested to send scanned copy(ies) (PDF/JPG format) of their board or governing body resolution/authorisation, permitting their representatives to attend the AGM on their behalf and/

or vote. The said resolution/authorization, if any, shall be emailed, through its registered email address to the Company Secretary at vineet.singh@jmfl.com.

6. Members/Proxies/Authorised Representatives are requested to:
 - a. Carry duly completed and signed attendance slips for attending the AGM.
 - b. Quote their respective folio numbers or DP ID or client ID numbers in the attendance slip for easy identification of their attendance at the meeting.
7. In compliance with the applicable circulars, the Annual Report for the financial year 2025-26 including the Notice of the AGM along with Attendance Slip and Proxy Form are being sent by the Company in electronic mode to those members whose email IDs are registered with the Depository Participants ("DPs")/Depositories, the Company or its Registrar and Transfer Agents ("RTA"), viz., KFin Technologies Limited. Members who wish to change their email IDs or have not registered their email IDs so far, are requested to promptly intimate the same to their respective DPs or to the Company/its RTA, as the case may be.
8. During the period beginning twenty-four (24) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company.
9. Notice convening the Nineteenth (19th) AGM along with the Annual Report for the financial year 2025-26 will also be available on the Company's website at www.jmfinancialarc.com.
10. The Company has paid the annual listing fees to BSE for the financial year 2026-27.
11. All documents referred to in this Notice and Statement annexed hereto and such other statutory documents as required under the Act, shall be available for inspection at the Company's registered office on all the working days (Monday to Friday) between 2:00 p.m. and 4:00 p.m. up to the date of this AGM and at the venue of the AGM during its duration. Any member interested in obtaining a copy of the same may write to the Company Secretary at vineet.singh@jmfl.com.
12. 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.
13. The route map showing directions to reach the venue of the Nineteenth (19th) 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 no. 4

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.

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 ₹ 3,750 crore (Rupees Three Thousand Seven Hundred Fifty 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 recommends passing of the special resolution set out at item no. 4 of this Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested, financially or otherwise (except to the extent of the NCDs that may be offered to, and/or taken up by them), in the special resolution proposed at item no. 4 of this Notice.

By Order of the Board

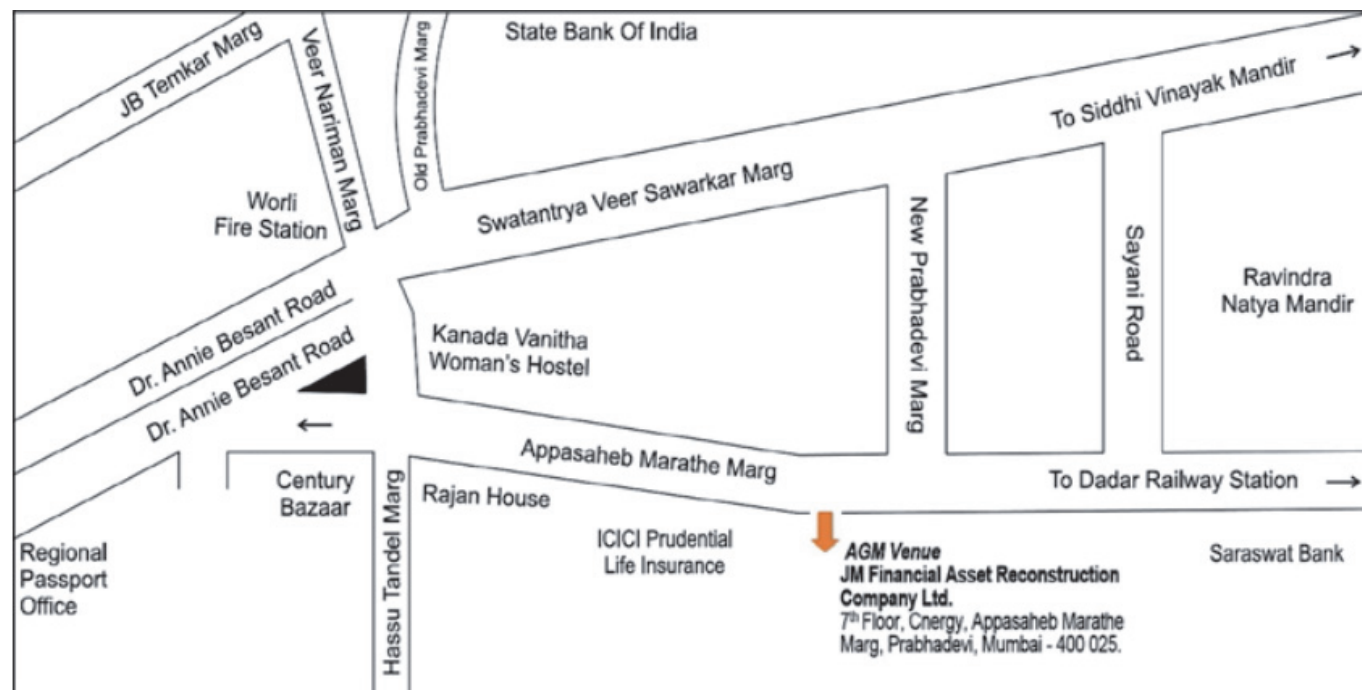
Vineet Singh

Company Secretary & Compliance Officer

Place: Mumbai
Date: May 12, 2026

Registered Office:
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
CIN: U67190MH2007PLC174287

ROUTE MAP FOR THE ANNUAL GENERAL MEETING VENUE



ADDITIONAL INFORMATION PURSUANT TO CLAUSE 1.2.5 OF SECRETARIAL STANDARD - 2 ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (INFORMATION AS ON THE DATE OF THIS NOTICE)

Name of the Director	Mr. V P Shetty (DIN: 00021773)
Date of birth	June 12, 1947
Age	79 years
Date of first appointment on the Board	November 28, 2007
Designation	Non-Executive Director
Qualification(s)	Commerce Graduate and holds a Certified Associate of Indian Institute of Bankers (CAIIB).
Experience/brief profile/nature of expertise in specific functional areas	Mr. Vaddarse Prabhakar Shetty has had an illustrious Banking career spanning almost four decades. He has worked in various positions in 4 major nationalized banks. He has worked as Chairman and Managing Director in UCO Bank, Canara Bank and IDBI Bank. He was also Chairman of Indian Banks' Association. Mr. Shetty is an authority in Commercial Banking, Mergers & Acquisitions in Banking, Corporate Governance and Turnaround Management especially in Public Sector. Mr. Shetty was also the Recipient of "Banker of the Year – 2003" Award from the Business Standard Group in recognition of successful turnaround of UCO Bank. Mr. Shetty has also served on the Boards of Life Insurance Corporation of India, Export-Import Bank of India, Infrastructure Development Finance Company Limited, National Insurance Company Limited, and General Insurance Corporation of India. He was a Member of the Governing Council of Banking Codes & Standards Board of India (BCSBI) and was on Board of LIC Golden Jubilee Foundation. Mr. Shetty is the Chairman of JM Financial Home Loans Limited. He also serves on the Board of JM Financial Products Limited, JM Financial Asset Management Limited and Sunteck Realty Limited.
Terms and conditions of appointment/re-appointment	Re-appointment as a Non-Executive Director of the Company liable to retire by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013.
Shares held in the Company along with the % of shareholding as on March 31, 2026	Nil
Relationship with other directors, manager and key managerial personnel (KMP)	None
No. of Board Meetings attended during the financial year 2025-26	4 out of 4
Directorships held in other bodies corporate	<ul style="list-style-type: none"> JM Financial Products Limited JM Financial Asset Management Limited JM Financial Home Loans Limited Sunteck Realty Limited
Membership/Chairmanships of Committees held in other companies excluding foreign companies (only Audit and Stakeholders' Relationship Committee has been considered)	<p>Memberships</p> <p>Audit Committee</p> <ul style="list-style-type: none"> JM Financial Asset Management Limited JM Financial Home Loans Limited <p>Chairmanship</p> <p>Stakeholders' Relationship Committee</p> <ul style="list-style-type: none"> JM Financial Products Limited
Details of remuneration paid during the financial year 2025-26	Sitting fees: ₹ 8.30 lakh Commission: ₹ 6.25 lakh
Remuneration sought to be paid	Sitting fees and commission, if any

Board's Report

To the Members,

The Board of Directors (the "Board") are pleased to present herewith the 19th Annual Report of JM Financial Asset Reconstruction Company Limited (the "Company"/"JM FARC") along with the audited financial statements for the financial year ended March 31, 2026.

Financial Highlights

Particulars	₹ in crore			
	Consolidated		Standalone	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Gross Income	310.63	176.54	224.31	211.31
Expenses	196.98	237.23	180.55	214.02
Profit/(Loss) before exceptional items and tax	113.65	(60.69)	43.76	(2.71)
Exceptional items	(0.66)	-	(0.66)	-
Profit/(Loss) after exceptional items	112.99	(60.69)	43.10	(2.71)
Tax Expenses	-	-	-	-
Current Tax	-	23.53	-	23.53
Deferred tax	31.36	3.70	31.26	3.55
Profit/(Loss) after tax	81.63	(87.92)	11.84	(29.79)
Other Comprehensive Income	(0.01)	(0.09)	(0.01)	(0.09)
Total Comprehensive Income/(Loss)	81.62	(88.01)	11.83	(29.88)
Net Profit/(Loss) attributable to:				
Owners of the Parent	12.15	(29.30)	-	-
Non-Controlling Interest	69.48	(58.62)	-	-
Other Comprehensive Income attributable to owners of the parent	(0.01)	(0.09)	-	-
Total Comprehensive Income/(Loss) attributable to				
Owners of the Parent	12.14	(29.39)	-	-
Non-Controlling Interest	69.48	(58.62)	-	-

Key highlights of Consolidated Financial Performance

- Gross income of the Company for the financial year ended March 31, 2026 stood at ₹ 310.63 crore as compared to ₹ 176.54 crore in the previous year; and
- The total comprehensive income/(loss) attributable to owners of the parent for the said year stood at ₹ 12.14 crore as compared to ₹ 29.39 crore in the previous year.

The consolidated financials reflect the cumulative performance of the Company together with 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, 2026 stood at ₹ 224.31 crore as compared to ₹ 211.31 crore in the previous year; and
- The total comprehensive income/(loss) for the said year stood at ₹ 11.83 crore as compared to ₹ 29.88 crore in the previous year.

Transfer to Reserves

The Board has decided to retain the entire amount of profit for FY 26 in the retained earnings.

Dividend

The Board is of the view that it is prudent to conserve the reserves for the Company's future capital requirement and hence has not recommended any dividend for the financial year ended March 31, 2026.

Material Changes and Commitments affecting the financial position of the Company

There are no material changes and commitments affecting the financial position of the Company subsequent to the close of the FY 26 till the date of this Report.

Share Capital

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

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



Employees Stock Option Scheme

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

The disclosure of information as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the financial year ended March 31, 2026 is set out in Annexure I.

Deposits from Public

The Company has neither invited nor accepted any deposits from the public during the year under review, and as such, no amount of principal or interest on deposits from public, was outstanding as on the date of the balance sheet.

Details of Subsidiary/Associate Company and Joint Ventures

The Company has neither any subsidiary/ associate company, nor has entered into any joint venture agreement.

Credit Rating

The Company obtained the following credit ratings facilities for its borrowings instruments:

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

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

Overview of the Indian Economy

The global economy in FY26 continued to navigate a challenging environment marked by uneven growth across advanced economies, persistent geopolitical tensions, and evolving trade tariff measures. Central banks largely adopted a cautious approach, balancing inflation control with growth concerns.

The Indian economy remained resilient and well supported by strong domestic fundamentals. Growth was primarily driven by robust private consumption across rural and urban areas, Government infrastructure spending, structural reforms, GST

rationalisation, and monetary easing. Services remained buoyant, manufacturing strengthened, and investment activity improved, although, agriculture moderated due to weather disruptions. Headline inflation rose from its historical lows but remained below the target, with food inflation contributing to the uptick while core inflation stayed contained. Despite external risks arising from global trade frictions, geopolitical tensions and west asia conflict, India's macroeconomic outlook remains positive, supported by sustained growth, low inflation, fiscal consolidation, and a stable financial system, with monetary policy continuing to focus on maintaining price stability while supporting growth.

The stressed asset market for Asset Reconstruction Companies ("ARCs") is linked to the asset quality of the banks and financial institutions. As per the RBI's report on trend and progress of banking in India 2024-25, the GNPA ratio of Scheduled Commercial Banks declined to a multi-decadal low of 2.2% at end-March 2025. However, the ongoing geopolitical uncertainties and sector specific stress, particularly in MSMEs and retail loans, may result in higher slippages and moderate increase in GNPA.

Banks and NBFCs have accelerated the sale of distressed assets to ARCs, driven by increased write-offs and a strategic focus on balance sheet clean-up. This has created renewed acquisition opportunities for ARCs, particularly in MSME and retail lending segments where stress levels remain elevated. Large borrower accounts continue to account for a sizeable share of NPAs, offering scope for structured resolution strategies.

On the recovery side, momentum has been sustained through the Insolvency and Bankruptcy Code ("IBC"), restructuring, and negotiated settlements. These mechanisms have supported higher redemption of Security Receipts ("SRs"), strengthening investor confidence in the ARC model. The evolving regulatory environment has further enhanced operational efficiency and improved resolution outcomes across the sector.

- Book value of assets acquired by ARCs surged ~57.9% to ₹ 16,19,124 crore, with SRs issued up 13.3% to ₹ 3,20,887 crore;
- SRs redemption improved to 41.8% (from 38.2% previous year);
- Banks' share in SRs dropped slightly from 59.1% to 58.9%, while QBs participation increased to 13.8% (from 13.1% previous year);
- Recovery rate under IBC improved to 36.6%. SARFAESI route remained the second-largest channel by amount; and

Board's Report (Contd.)

- Realisation value under IBC at liquidation stage improved to 170.1% at end-Sept 2025 vs 161.1% YoY;

Looking ahead, ARCs are well-positioned to leverage their expertise in resolution and restructuring to capitalize on acquisition opportunities, while simultaneously driving SR redemptions through effective recovery strategies. The combination of selective stress in the financial system, proactive regulatory measures, and strong recovery frameworks provides a balanced outlook for sustainable growth in the ARC industry.

Our Business Performance

During FY 26, JMFARC fortified its co-investment model and strategic partnerships with investors, enabling disciplined acquisitions and efficient capital deployment.

- We acquired dues of ₹ 3,298 crore during the financial year;
- Recoveries stood strong at ₹ 1,468 crore, underlining our focus on recoveries;
- SRs worth ₹ 1,393 crore were redeemed, reflecting our expertise in resolutions;
- Our AUM stands at ₹ 11,853 crore as of March 31, 2026 compared to ₹ 12,878 crore as of March 31, 2025. The portfolio is well-diversified across multiple sectors; and
- The outstanding contribution of JMFARC stood at ₹ 3,264 crore as of March 31, 2026, compared to ₹ 3,387 crore as of the previous year end.

Since inception till March 31, 2026:

- We have acquired total dues of ₹ 82,619 crore at a gross consideration of ₹ 25,525 crore.
- We have successfully completed 101 exits (Trusts) across various sectors, which is a testament to our strong track record and expertise in distressed asset resolution.

Over the last 12 months, JMFARC's share of recoveries stood at ₹ 669 crore, which has been primarily utilised towards repayment of debt, reinforcing our focus on balance sheet strength and financial discipline.

From a risk management perspective, acquisition of stressed assets are typically undertaken in partnership with strategic and financial investors, enabling prudent capital deployment and effective risk sharing. We remain focused on maximising recoveries through efficient resolution strategies and timely execution.

JMFARC is uniquely positioned to capitalise on the evolving distressed assets landscape. Our strong track record of over

15 years, backed by a robust parentage from JM Financial Group and a highly experienced professional team, provides a solid foundation for sustainable growth.

Going forward, we continue to pursue opportunities across both wholesale and retail stressed asset segments, strengthen our resolution capabilities and build a diversified and sustainable revenue base.

The Year in Numbers

Acquisition activities

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

Details of Financial Assets acquired by the Company	₹ in crore)	
	FY 2025-26	FY 2024-25
Dues acquired	3,298	1,559
Investment by the Company	417	344
Issue of Security Receipts to other investors	269	570
Total acquisition cost	686	914
Security Receipts acquired by the Company	162	11
Total outstanding dues acquired (Cumulative as on March 31, 2026)	82,619	79,321
Total gross acquisition cost (Cumulative as on March 31, 2026)	25,525	24,839

Resolution and Recovery activities

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

Details of Financial Assets resolved by the Company	₹ in crore)	
	FY 2025-26	FY 2024-25
Redemption of face value of SRs	1,393	2,459
Total Recovery	1,468	3,050

Assets under management

The synopsis of the category of the assets under management as on March 31, 2026 compared to the previous financial year is given below:

Comparison of assets under management	₹ in crore)	
	As on March 31, 2026	As on March 31, 2025
Corporate Accounts	7,610	7,836
Portfolio Accounts	2,753	3,201
Retail Accounts	1,490	1,841
Total	11,853	12,878

SRs issued and outstanding

The summary of SRs issued and outstanding as on March 31, 2026 as compared to the previous financial year is given below:

SRs issued, redeemed and outstanding	₹ in crore)	
	As on March 31, 2026	As on March 31, 2025
SRs issued during the year	686	914
SRs redeemed during the year*	1,711	2,536
SRs outstanding as at the end of the year	11,853	12,878

*SRs redeemed includes SRs written off due to the trust closure amounting to ₹ 318 crore during the FY 2025-26.

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, 2026 is ₹ 394 crore as against ₹ 325 crore in the previous year.

Borrowings

The Borrowings of the Company for the financial year ended March 31, 2026 is ₹ 1,508 crore as against ₹ 1,495 crore in the previous year.

Non-Convertible Debentures ("NCDs")

During the year, there were no fresh issuance of NCDs. The Company has redeemed 81,250 NCDs amounting to ₹ 725 crore.

The payment of interest and/or redemption amount on the NCDs, has been timely paid by the Company on their respective due dates.

Recovery Expense Fund

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

Debenture Redemption Reserve

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

Credit Lines from Banks and Financial Institutions

During the financial year under review, the Company had availed fresh term loan of ₹ 61 crore from Banks. An amount

aggregating to ₹ 146 crore remained outstanding by way of borrowing from various Banks as cash credit and term loan facilities.

Inter-Corporate Borrowings

As on March 31, 2026, Inter-Corporate Borrowings of ₹ 982 crore remained outstanding.

Debt Equity Ratio, Capital Adequacy Ratio and Net worth

Particulars	As of March 31, 2026
Capital Adequacy	18.26%
Net Worth	₹ 1,173.00 crore
Debt Equity Ratio	1.29 times

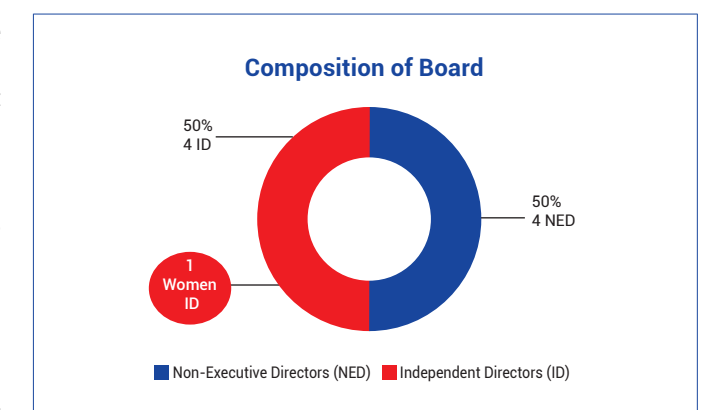
Directors and Key Managerial Personnel

Composition of the Board of Directors

The Company recognises and embraces the importance of diverse culture of the Board. The Board provides strategic direction, leadership and guidance to the Company's management and also monitors the performance of the Company with the objective of creating long-term value for the Company and its various stakeholders.

The Board is a blend of professionals having diverse skills, experience, knowledge, capabilities, expertise, attributes and educational qualifications, amongst others. It has a diverse mix of Non-Executive and Independent Directors representing an optimal mix of professionalism, knowledge and experience required for the financial services industry.

As on March 31, 2026, the Board of the Company comprises eight (8) directors viz., four (4) are Independent Directors including one (1) Women Independent Director and four (4) are Non-Executive Directors.



Board's Report (Contd.)

The brief profile of all the directors on the Board is available on the Company's website at www.jmfinancialarc.com/Home/Management.

Retirement by Rotation

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

A resolution seeking his re-appointment along with the brief particulars as required under the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India forms part of the Notice convening the 19th AGM of the Company.

None of the directors are disqualified from being appointed as 'Director', pursuant to Section 164 of the Act or under any other applicable laws.

Appointment of Ms. Jagi Panda

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on January 28, 2026, approved the appointment of Ms. Jagi Panda as an additional (independent) director of the Company subject to the receipt of necessary regulatory approvals.

Appointment of Dr. Anup Shah

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on May 7, 2026, approved the appointment of Dr. Anup Shah as an additional (independent) director of the Company subject to the receipt of necessary regulatory approvals.

Cessation of Mr. Pulkit Sekhsaria

Mr. Pulkit Sekhsaria (DIN: 00046409), Non- Executive Director, has ceased to be a Director of the Company consequent upon his resignation with effect from April 15, 2026.

Key Managerial Personnel

There were no changes in the composition of Key Managerial Personnel ("KMPs") during the year under review. Brief details of the composition of the KMPs as per Section 2(51) read with Section 203(1) of the Act are as follows:

Name of the KMP	Designation
Mr. Srinivasan Viswanathan	Chief Executive Officer
Mr. Sabyasachi Ray	Chief Financial Officer
Mr. Vineet Singh	Company Secretary and Compliance Officer

Re-appointment of the Chief Executive Officer

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on January 28, 2026, approved the re-appointment of Mr. Srinivasan Viswanathan as the Chief Executive Officer ("CEO") of the Company for a further period of three (3) years subject to receipt of approval from the Reserve Bank of India ("RBI"). The RBI vide its letter dated June 8, 2026, has approved the re-appointment of Mr. Srinivasan Viswanathan as the CEO of the Company for a period of three (3) years.

Declaration by the Independent Directors

Pursuant to the provisions of Section 149 of the Act, the Independent Directors of the Company, have submitted the requisite declaration confirming that each of them meets the criteria of independence as prescribed under the Act read with rules made thereunder and that they continue to comply with the Code of Conduct laid down under Schedule IV to the Act.

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 ("IICA") and the said registration is renewed and is active. Additionally, they have complied with the applicable requirements of the online proficiency self-assessment test conducted by the IICA.

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 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.

Fit and Proper declarations given by the Sponsor, Directors and the CEO

In accordance with the Reserve Bank of India (Asset Reconstruction Companies) Directions, 2025, the Company has received the requisite annual declarations and undertaking from the Sponsor, Directors and the CEO of the Company.

Directorships/memberships in other companies

None of the directors of the Company are holding the directorship beyond the limit of twenty (20) companies, including directorship of not more than ten (10) public companies.

Board Meetings

During the financial year 2025-26, the Board met four (4) times. The interval between the two (2) consecutive meetings was well within the maximum gap of one hundred and twenty (120) days. The Board meetings are held at the registered office of the Company in Mumbai. As permitted under Section 173(2) of the Act read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, the facility to participate in the meetings through video conferencing is also made available to the Board members as and when requested by them due to their inability to attend the meeting in person. The requisite quorum was present throughout all the meetings.

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

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

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

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/Committee. Clarification/queries, if any, on the items which are to be noted/taken on record by the Board/Committee are sought and resolved before the meeting itself. This ensures focused and effective discussions at the meetings.

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

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

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

Board's Report (Contd.)

The details of meetings held along with the attendance of the directors thereat during the financial year 2025-26 and at the last AGM held on July 30, 2025, 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 30, 2025 (Yes/No/ Not Applicable)
	1 April 30, 2025	2 July 29, 2025	3 October 30, 2025	4 January 28, 2026		
Mr. V P Shetty					100	
Mr. Pulkit Sekhsaria	L				75	
Ms. Rupa Vora					100	
Mr. Adi Patel					100	
Dr. Vijay Kelkar					100	L
Mr. Ameet Desai					100	L
Mr. Vishal Kampani					100	L
Mr. Munesh Khanna					100	
Overall attendance at the meeting (in %)	90	100	100	100		

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

Board Committees

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

Audit Committee Ms. Rupa Vora Mr. V P Shetty Mr. Ameet Desai	Nomination and Remuneration Committee Mr. Munesh Khanna Ms. Rupa Vora Mr. V P Shetty	Corporate Social Responsibility Committee Mr. V P Shetty Dr. Vijay Kelkar Mr. Vishal Kampani	Risk Management Committee Mr. Ameet Desai Mr. V P Shetty Mr. Adi Patel Mr. Sabyasachi Ray
Committee constituted for conversion of Debt into shares Mr. V P Shetty Mr. Adi Patel Ms. Rupa Vora Mr. Ameet Desai Mr. Munesh Khanna	Board Committee for Settlement Proposals Mr. Ameet Desai Mr. V P Shetty Mr. Munesh Khanna	Committee for Submission of Resolution Plan Mr. Munesh Khanna Mr. Adi Patel Ms. Rupa Vora	Issue and Allotment Committee Mr. V P Shetty Mr. Vishal Kampani Mr. Adi Patel
Asset Liability Management Committee Mr. Adi Patel Mr. Srinivasan Viswanathan Mr. Sabyasachi Ray Mr. Harish Lalchandani	Asset Acquisition Committee & Asset Resolution Committee Mr. Vishal Kampani Mr. Adi Patel Mr. Srinivasan Viswanathan Mr. Harish Lalchandani	Executive Committee for Acquisitions and Resolutions Committee Mr. Adi Patel Mr. Srinivasan Viswanathan Mr. Harish Lalchandani	Independent Advisory Committee Mr. Sujit Kumar Varma Mr. Sanjay D Kelkar

Chairman/ Chairperson Committee Members

Note: Stakeholders' Relationship Committee and Wilful defaulter – Identification Committee and Wilful defaulter – Review Committee have been dissolved with effect from May 12, 2026.

A. Audit Committee

The Audit Committee comprises of minimum three (3) directors, with Independent Directors forming a majority thereby meeting the requirements of Section 177 of the Act read with rules thereto and the RBI Guidelines for ARCs. All members of the Audit Committee are financially literate and possess relevant knowledge of the financial services industry.

Ms. Rupa Vora, an Independent Director and a qualified chartered accountant is the Chairperson of the Audit Committee.

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

During the financial year 2025-26, four (4) meetings of the Audit Committee were held and the attendance of the members thereat was as under.

Name of the Members	Position	Category	Number of Audit Committee meetings held				% of Attendance of the members
			1 April 30, 2025	2 July 29, 2025	3 October 30, 2025	4 January 28, 2026	
Ms. Rupa Vora	Chairperson	Independent Director					100
Mr. V P Shetty	Member	Non-Executive Director					100
Mr. Ameet Desai	Member	Independent Director					100
Overall attendance at the meeting (in %)			100	100	100	100	

- Present in Person - Attended through Video Conferencing

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

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

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;

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.

The Audit Committee annually meets credit rating agencies to discuss matter pertaining to related party transactions, internal financial control and other material disclosures made by the management, which have a bearing on rating of the listed NCDs.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (the "NRC") comprises of three (3) members, two (2) of whom are Independent Directors thereby meeting the requirements of Section 178 of the Act read with rules thereto and the RBI Guidelines for ARCs.

Mr. Munesh Khanna, an Independent Director, is the Chairman of the NRC.

The matters considered by the NRC during the year, inter alia, included determination of remuneration of key managerial personnel and senior managerial personnel, evaluating the profile of suitable candidates for the position of Independent Directors, key managerial personnel and senior managerial personnel, re-appointment as an Independent Director and recommending the same to

Board's Report (Contd.)

the Board, review of policies which includes succession planning, fit and proper declarations, performance evaluation of the Chairman, Board, the Committees and Chief Executive Officer and recommendation of commission to the directors, etc.

During the financial year 2025-26, two (2) meetings of the NRC were held and the attendance of the members thereat was as under.

Name of the Members	Position	Category	Number of NRC meetings held		% of Attendance of the members
			1	2	
			April 23, 2025	January 27, 2026	
Mr. Munesh Khanna	Chairman	Independent Director			100
Mr. V P Shetty	Member	Non-Executive Director			100
Ms. Rupa Vora	Member	Independent Director			100
Overall attendance at the meeting (in %)			100	100	

- Present in Person - Attended through Video Conferencing

The required quorum was present at all the NRC meetings.

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

- 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;
- 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 for an Independent Director. The candidate 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:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- 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;
- Formulating the criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- 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;

- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- Review the fit and proper status of the proposed/existing director, CEO and sponsors; and
- Such other functions as may be entrusted to it by the Board of Directors, from time to time.

The Company has adopted a Policy on Performance Evaluation and Remuneration of the Directors (the "Policy") for evaluating the performance of the Board as a whole, the Chairman, the Non-Executive Directors, the Independent Directors and the Chief Executive Officer. This Policy is also available on the website of the Company at www.jmfinancialarc.com/Home/Policies.

C. Corporate Social Responsibility Committee

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

Mr. V P Shetty, Non-Executive Director, is the Chairman of the CSR Committee.

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

The matters considered by the CSR Committee during the year, inter alia, included formulation of annual action plan, allocation of CSR spends on projects/activities in compliance with the Act and in line with CSR policy,

update on CSR projects/activities, update on allocation and expenditure for CSR projects/activities undertaken as per annual action plan, change in annual action plan, if any, and review/amendment in the CSR policy.

During the financial year 2025-26, two (2) meetings of the CSR Committee were held and the attendance of the members thereat was as under.

Name of the Members	Position	Category	Number of CSR Committee meetings held		% of Attendance of the members
			1	2	
			September 22, 2025	March 23, 2026	
Mr. V P Shetty	Chairman	Non-Executive Director			100
Dr. Vijay Kelkar	Member	Independent Director			100
Mr. Vishal Kampani	Member	Non-Executive Director	L	L	0
Overall attendance at the meeting (in %)			75	75	

- 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 CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
- 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 it by the Board of Directors, from time to time.

The update on the CSR activities undertaken by the Company through its philanthropic arm and implementing agency viz., JM Financial Foundation is provided in the

CSR section of the Boards' report forming part of this Annual Report.

D. Risk Management Committee

The Risk Management Committee ("RMC") comprises 4 (four) members, 1 (one) of which is an Independent Director.

Mr. Ameet Desai, an Independent Director, is the Chairman of the RMC.

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

During the financial year 2025-26, two (2) meetings of the RMC were held and the attendance of the members thereat was as under.

Name of the Members	Position	Category	Number of RMC meetings held		% of Attendance of the members
			1	2	
			April 24, 2025	October 30, 2025	
Mr. Ameet Desai	Chairman	Independent Director			100
Mr. Adi Patel	Member	Non-Executive Director			100
Mr. V P Shetty	Member	Non-Executive Director			100
Mr. Sabyasachi Ray	Member	Chief Financial Officer			100
Overall attendance at the meeting (in %)			100	100	

- Present in Person - Attended through Video Conferencing

Board's Report (Contd.)

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

- a) Formulation of detailed risk management policy which shall include:
 - i. A framework for identification of internal and external risks specifically faced by the entity, in particular including financial, operational, sectoral, 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; and
 - iii. Business continuity plan.
- b) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) Monitoring and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) Keeping the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any); and
- g) Such other functions as may be entrusted to it by the Board of Directors, from time to time.

E. 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, Mr. Adi Patel, Mr. Srinivasan Viswanathan, Chief Executive Officer and Mr. Harish Lalchandani, Head-legal.

F. Asset Resolution Committee

The Asset Resolution Committee is responsible for taking decisions on resolution strategy and administration of recoveries.

The Asset Resolution Committee comprises of Mr. Vishal Kampani, Mr. Adi Patel, Mr. Srinivasan Viswanathan, Chief Executive Officer and Mr. Harish Lalchandani, Head-legal.

G. Executive Committee for Acquisitions and Resolutions

The Executive Committee for Acquisitions and Resolutions ("Executive Committee") is constituted for considering both acquisition and resolution proposals involving investment by the Company (in case of acquisitions) or recovery/cash flow to the Company (in case of resolutions) of up to ₹ 10 crore each.

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

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

H. 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 four (4) members viz., Mr. Adi Patel, the Chairman, Mr. Srinivasan Viswanathan, the Chief Executive Officer, Mr. Sabyasachi Ray, the Chief Financial Officer and Mr. Harish Lalchandani, Head-Legal.

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.

I. Independent Advisory Committee

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

Mr. Sujit Kumar Varma is the Chairman of the IAC.

During the financial year 2025-26, eleven (11) meetings of the IAC were held and the attendance of the members thereat was as under:

Number of meetings held	Date of the Meeting	Mr. Sujit Kumar Varma (Chairman)	Mr. Sanjay D Kelkar (Member)	Overall attendance at the meeting (in %)
1	April 4, 2025	■	■	100
2	May 20, 2025	■	■	100
3	June 28, 2025	■	■	100
4	September 10, 2025	■	■	100
5	October 29, 2025	■	■	100
6	November 29, 2025	■	■	100
7	December 12, 2025	■	■	100
8	December 24, 2025	■	■	100
9	January 5, 2026	■	■	100
10	February 5, 2026	■	■	100
11	March 27, 2026	■	■	100
% of attendance of members		100	100	

■ - Present in Person ■ - Attended through Video Conferencing

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;
- 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 it by the Board of Directors or as specified under the RBI Guidelines, from time to time.

J. Board Committee for Settlement Proposals

The Board Committee for Settlement Proposals ("Board Committee") comprises of three (3) directors including two (2) independent directors, viz., Mr. Ameet Desai, Mr. V P Shetty and Mr. Munesh Khanna, in accordance with the RBI Guidelines for ARCs.

Mr. Ameet Desai, an Independent Director, is the Chairman of the Board Committee.

The role of the Board Committee among other things includes to review, deliberate and take decisions on settlement proposals with the borrowers, considering the recommendations put forth by the Independent Advisory Committee, review of quarterly report on settlement of accounts having principal outstanding of ₹ 1 crore or below.

Board's Report (Contd.)

During the financial year 2025-26, ten (10) meetings of the Board Committee were held and the attendance of the members thereat was as under.

Number of meetings held	Date of the Meeting	Mr. Ameet Desai (Chairman)	Mr. V P Shetty (Member)	Mr. Munesh Khanna (Member)	Overall attendance at the meeting (in %)
1	April 14, 2025	■	■	■	100
2	May 22, 2025	■	■	■	100
3	July 4, 2025	■	■	■	100
4	September 19, 2025	■	■	■	100
5	November 10, 2025	■	■	■	100
6	December 3, 2025	■	■	■	100
7	December 18, 2025	●	■	■	100
8	December 30, 2025	■	■	■	100
9	January 8, 2026	■	■	■	100
10	February 18, 2026	■	■	■	100
% of attendance of members		100	100	100	

● - Present in Person ■ - Attended through Video Conferencing

K. Issue and Allotment Committee

The Issue and Allotment Committee (the "Allotment Committee") consists of three (3) members viz., Mr. V P Shetty, 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.

Mr. V P Shetty, is the Chairman of the Allotment Committee.

During the financial year 2025-26, no meeting of the Allotment committee was held.

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

- Finalising the terms, conditions, tenor, security, appointment of debenture trustee, drafts of letter of offer (rights issue/preferential issue)/private placement offer letter for the issue of NCDs by the Company from time to time;
- Determination of the issue price of the Equity Shares to be issued by the Company from time to time;
- Approving the Letter of Offer for issue of Equity Shares on rights basis to the Members of the Company;
- Finalising the drafts of the private placement offer letter for issue of shares on preferential basis from time to time;
- Oversight of the process of the Company's issue of Equity Shares and/or NCDs, whether on rights basis or otherwise;

- Appointment of valuer, underwriter or merchant banker for the issue of Equity Shares and/or NCDs and the fixation of their fees;
- Finalising the basis of allotment and allotting the Equity Shares and/or NCDs to the applicants/subscribers of the said securities and any other securities from time to time;
- 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; and
- To note/approve transfer of shares and/or securities, from time to time.

L. Committee for Submission of Resolution Plan

The Committee for Submission of Resolution Plan ("Committee") consist of 3 (three) members viz., Mr. Munesh Khanna, Mr. Adi Patel and Ms. Rupa Vora.

Mr. Munesh Khanna, an Independent Director, is the Chairman of the Committee.

The role of the Committee shall among other things include taking decisions on submission of resolution plan under Insolvency and Bankruptcy Code, 2016.

During the financial year 2025-26, no meeting of the above Committee was held.

M. Committee constituted for Conversion of Debt into Shares

The Committee constituted for Conversion of Debt into Shares ("Committee") comprises of Mr. V P Shetty, Chairman, Ms. Rupa Vora, Mr. Adi Patel, Mr. Ameet Desai and Mr. Munesh Khanna.

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 2025-26, no meeting of the above Committee was held.

- Attendance at and active engagement in the discussion of business performance, competitive landscape and strategies;
- Development and monitoring of leadership teams;
- Compliance focus and insistence on ethical business practices;
- Nudging for long term focus areas such as Succession Planning, Business Continuity Planning etc.;
- Management of conflicts in Board discussion; and
- Management of Conflict of Interest.

Additionally, in accordance with the RBI Guidelines, the performance evaluation of the Chief Executive Officer was also conducted by the Nomination Remuneration Committee and the Board.

Policy on Appointment of Directors and their Remuneration

The Company recognizes and values the importance of a diverse culture on its Board. It believes that diverse Board will enhance the quality of the decisions by leveraging different skills, qualifications, professional experience and gender. The Company has an eminent, high-performing and diverse board. In terms of the applicable provisions of Section 178(3) of the Act, 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

The annual evaluation process of the Board of Directors, Individual Directors and the Board Committees was conducted in accordance with the provisions of the Act, and RBI Guidelines. The structured questionnaires on evaluation of performance of Board and its Committees, were framed in accordance with the Policy on performance evaluation and remuneration of the Directors.

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

Performance evaluation was conducted based on the following key principles and parameters as mentioned below:

- Providing effective leadership and strategic guidance to the management;
- Understanding the business, including the risks and regulatory landscape;

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

The Independent Directors of the Company met separately at their meeting held on March 25, 2026, without the attendance of Non-Independent Directors and members of the management and reviewed the performance of Non-Independent Directors, Chairman, CEO and various committee of the Board and assessed the quality, quantity and timeliness of the flow of information between the Company's management and the Board.

The Independent Directors expressed their satisfaction on the performance of the Non-Independent Directors of the Company and the Board as a whole, for the financial year 2025-26 and regarding the overall functioning of the Board Committees.

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:

- 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;
- appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of

Board's Report (Contd.)

the Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

- (d) the annual accounts have been prepared on a going concern basis;
- (e) internal financial controls to be followed by the Company had been laid down and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Policies and Procedures

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

Financial Asset Acquisition Policy

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

Financial Asset Resolution Policy

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

Investment Policy

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

Resource Planning/Borrowing Policy

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

Policy for Issue of Security Receipts

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

Credit Information Policy

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

Corporate Social Responsibility (CSR) Policy

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

Whistle Blower Policy

In accordance with Section 177 of the Act, the Company has adopted a whistle blower policy/vigil mechanism for the directors, employees of the Company or any other person who avails the mechanism, to approach the Audit Committee of the Company and to report their genuine concerns related to the Company and provide for adequate safeguards against victimisation of director(s) or employee(s) or any other person who report genuine concerns under the mechanism.

Grievance Redressal Policy

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

Policy on Insurance of Collateral

The Company has adopted a Policy on Insurance of Collateral laying down parameters and guidelines for insuring physical assets comprising the underlying security of 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 ("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, the Company has formulated the Fair Practices Code to ensure transparency and fairness in its operations.

Management Fees Policy

In accordance with the RBI Guidelines, the Company has formulated policy on the management fee, expenses and incentives, laying down process/model for charging management fee, expenses and recovery incentives claimed from trusts under the management.

Policy on Related Party Transactions

The Company has established a Policy on Related Party Transactions which sets out the process and manner of approval of transactions with related parties. The policy is also available on the website of the Company at www.jmfinancialarc.com/Home/Policies.

Policy on Succession Planning

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

The Company's succession planning framework deliberates on various factors including current tenure of directors, anticipated vacancies in key Board and Senior Management

positions, assessment of skills including skill-gaps, diversity, etc., to ensure orderly succession planning.

Policy for Preservation of Documents

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

Policy on Selection and Appointment of Directors

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

Policy on Performance Evaluation and Remuneration of Directors

The Policy on Performance Evaluation and Remuneration of the Directors has been framed for evaluating the performance of the Board as a whole, the Chairman, the Board Committees and the Individual Directors. Based on the same, annual performance evaluation was carried out by the NRC of the Board during the financial year 2025-26. The same was then recommended to the Board of Directors. 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 Settlement of Dues

In compliance with the RBI Guidelines for ARCs, the Company has adopted a Policy on Settlement of Dues. The Policy, inter alia, covers aspects such as cut-off date for one-time settlement eligibility, permissible sacrifice for various categories of exposures while arriving at the settlement amount and methodology for arriving at the realisable value of the security.

Policy on Submission of Resolution Plan

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

Board's Report (Contd.)

Policy on DAKSH

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

Know Your Customer/Anti-Money Laundering Policy

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

Code of conduct for Recovery Agents

In accordance with the RBI Guidelines, ARCs are required to lay down Code of Conduct for Recovery Agents (the "Code") and obtain their confirmation that they will abide by the said Code. The Code is also available on the website of the Company at www.jmfinancialarc.com/Home/Policies.

Asset Liability Management Policy

The Asset Liability Management Policy ("ALM Policy") is adopted to ensure prudent management of assets and liabilities for the Company. This policy addresses management and reporting of capital, liquidity and interest rate risk. ALM policy provides a comprehensive and dynamic framework for assessing, measuring, monitoring and managing ALM risks. It also involves altering the asset-liability portfolio in a dynamic way in order to manage ALM risks.

Statutory Auditors

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

Sharp & Tannan, the Statutory Auditors of the Company, have conducted the statutory audit for the financial year 2025-26 and have confirmed their independence and eligibility under the applicable provisions of the Act.

In accordance with the NFRA Circular dated January 7, 2026, regarding "Effective Communication between Statutory Auditors and Those Charged with Governance (TCWG)", the Company has adopted a framework for structured, two-way

communication between the Statutory Auditors and the Audit Committee/Board/TCWG. The framework includes detailed discussions on the audit scope, identification of TCWG, designation of nodal persons, frequency of meetings and the protocol to be followed.

Auditor's Report

The Auditor's Report both on standalone and consolidated financial statements of the Company for the financial year ended March 31, 2026 forms part of the Annual Report. The said report was issued by the Statutory Auditors with an unmodified opinion and does not contain any qualifications, reservations, adverse remarks or disclaimers. During the year under review, the Auditors have not reported any incidents of fraud to the Audit Committee of the Board under Section 143(12) of the Act. The notes to the accounts referred to in the auditor's report are self-explanatory and therefore do not call for any further explanation and comments.

Secretarial Auditors

Pursuant to Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendation of the Audit Committee, the Board at its meeting held on July 29, 2025, appointed M/s N.L. Bhatia and Associates, Company Secretaries, as the Secretarial Auditor of the Company to conduct audit of the secretarial records for the financial year 2025-26.

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

Compliance with Secretarial Standards

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

Internal Auditors

The Company maintains a robust Internal Audit function, operating on an audit plan approved by the Audit Committee, focusing on internal controls, governance and statutory compliance. Based on the recommendation of Audit Committee, the Board at its meeting held on April 30, 2025, appointed M/s. Aneja Associates, Chartered Accountants, as the Internal Auditors of the Company for the financial year 2025-26 in accordance with the applicable provisions of the Act.

At the beginning of each financial year, scope of internal audit plan is placed before Audit Committee and Board of Directors. The Audit Committee on a half yearly basis reviews the internal audit reports, which includes audit observations

and suggestions. The Audit Committee also reviews adequacy and effectiveness of internal controls based on such reports.

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

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

The CSR Projects of the Company were in accordance with the activities specified under Schedule VII to the Act and a brief overview on the same is available on the website of the Company at <https://www.jmfinancialarc.com/Home/CsrProjects>.

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

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

Risk Management

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

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

Internal Financial Control Systems and its Adequacy

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

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

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

The Company has also adopted Standard Operating Procedures 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

We will continue leveraging strategic partnerships and co-investment models with domestic investor and foreign funds to enhance acquisition prospects and secure timely exits. Our focus remains on building predictable, fee-based growth through diversified acquisitions, operational excellence in resolutions and disciplined risk management.

Opportunities and Threats

The Company believes that there are sizable opportunities in the acquisition of non-performing assets based on

Board's Report (Contd.)

co-investment model for increasing its corpus/assets under management.

The key threats to the business include:

- 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 59 personnel, as on March 31, 2026. 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 0.9 years to maximum experience of 42.56 years. The average age of the employees of the Company is 39.13 years. Of the total number of employees, 28 employees, constituting approximately 47% of the total number have been with the Company for more than 4 years. In terms of gender diversity, there are 17 female employees and 42 male employees.

Particulars of Loans, Guarantees and Investments

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

Particulars of Contracts or Arrangements with Related Parties

The Company has adopted a 'Policy on dealing with Related Party Transactions' and the said policy is uploaded on the website of the Company at www.jmfinancialarc.com/Home/Policies. The Audit Committee reviews this policy periodically.

All the related party transactions were placed before the Audit Committee for its review on a quarterly basis. An omnibus

approval of the Audit Committee had been obtained for the related party transactions which were repetitive in nature.

There were no material transactions of the Company falling under the scope of Section 188(1) of the Act with any of its related parties and hence, the disclosure of related party transactions as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC-2 is not applicable to the Company for the financial year 2025-26 and accordingly, does not form part of this Report.

The related party transactions as required under Ind AS 24 are reported in the standalone financial statements and the consolidated financial statements of the Company.

Change in nature of business

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

Significant and material orders

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

Annual Return

Pursuant to Sections 134(3)(a) and 92(3) of the Act, the Annual Return of the Company for the financial year 2025-26 has been placed on the Company's website at www.jmfinancialarc.com/Home/FinancialInformation.

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

The operations of the Company are neither energy intensive nor do they require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. The Company has, however, implemented adequate measures for conservation of energy.

During the financial year 2025-26, the Company has not earned foreign exchange from any of the transactions nor spent any amount in foreign exchange.

Vigil Mechanism/Whistle Blower Policy

The Company had adopted 'Whistle Blower Policy' for directors, employees and other stakeholders of the Company to report concerns about unethical behaviour. The policy provides a mechanism, which ensures adequate safeguards to employees, directors and other stakeholders from any victimisation on raising concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, and so on. The employees



of the Company have the right/option to report their concern/grievance to the Chairperson of the Audit Committee.

The policy is available on the website of the Company at www.jmfinancialarc.com/Home/Policies.

In addition to the above, the Company has also obtained annual affirmation from its employees stating that they have read, understood and familiarized themselves with the Whistle Blower Policy of the Company. Further, to enhance the efforts to promote greater awareness of the Whistle Blower Mechanism, the Company has rolled out Whistle Blower training available on the iLearn Portal.

During the financial year 2025-26, no complaints under this mechanism have been reported.

Maintenance of cost records

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

Safe Harbour

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

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

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

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

During the financial year 2025-26, no complaints were received from any of the employees of the Company, under this policy.

Other Disclosures

No disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares and ESOS) to the employees of the Company under any scheme.
3. No Commercial Papers (CPs) were issued.
4. There are no proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.
5. There was no instance of one-time settlement by the Company with any bank or financial institutions.

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, Registrar and Share Transfer Agent, National Securities Depository Limited and Central Depository Services (India) Limited and all other governmental and regulatory authorities for their continued co-operation and support.

The Board acknowledges the valuable support and cooperation extended by Credit Rating Agencies, Association of ARCs in India, bankers, financial institutions, lenders and all other stakeholders.

The Board also takes this opportunity to place on record its deep appreciation for the dedication, commitment and exemplary efforts of the employees at all levels, whose sustained, valuable contribution and dedication continue to drive the Company's performance and success.

For and on behalf of the Board of Directors

Munesh Khanna

Chairman

DIN: 00202521

Place: Mumbai

Date: May 12, 2026

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, 2026

1. Options granted during the financial year 2025-26	:	Nil
2. Options vested during the financial year 2025-26	:	6,68,929
3. Options exercised	:	Nil
4. Total number of shares arising as a result of exercise of options	:	Not applicable
5. Options lapsed	:	3,49,235
6. Exercise Price	:	Not applicable
7. Variation of terms of options	:	None
8. Money realized from the Employees by exercise of Options during the financial year 2025-26	:	Nil
9. Total number of options in force	:	27,05,257
10. Employee wise details of options granted to		
(i) Key managerial personnel	:	Not applicable
(ii) any other employee who receives a grant of options in any one year of option amounting to 5% or more options granted during that year	:	Not applicable
(iii) identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	:	Not applicable

Annexure II
FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[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
(CIN: U67190MH2007PLC174287)
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JM Financial Asset Reconstruction Company Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed 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, 2026**, complied with the statutory provisions listed hereunder 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 the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the applicable provisions of:

- The Companies Act, 2013 (the "**Act**") and the Rules made thereunder, as amended;
- The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder, as amended;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 ("**FEMA**") and the Rules and Regulations made thereunder, to the extent applicable;
- The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, to the extent applicable;

- The Master Direction - Reserve Bank of India (Asset Reconstruction Companies) Directions, 2025, ("**RBI Guidelines**"), as amended and to the extent applicable;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"):-
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Debenture trustee) Regulations, 1993 (in relation to the obligations of the Company);
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable for this financial year**
 - Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable for this financial year**
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; **Not Applicable for this financial year**
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable for this financial year**; and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable for this financial year**

Annexure II to Board's Report (Contd.)

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) with respect to Board and General Meetings.

We further report that, having regards to the compliance framework prevailing in the Company and the examination of the pertinent documents and records maintained thereof, it is ascertained, on a test-check basis, that the Company has predominantly adhered to the regulations as specified in **Annexure I** that are specifically applicable to its operations.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors/ Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable. **All the decisions have been taken unanimously and no dissent recorded in the minutes of Board Meetings.**

We further report that; there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that; during the audit period:

1. The Company has altered its Articles of Association to align with the Share Purchase Agreement executed between JM Financial Limited and JM Financial Credit Solutions Limited in the Annual General Meeting held on July 30, 2025.
2. The Company has revised the Borrowing limits to ₹ 4,000 crore in the Extra Ordinary General Meeting held on November 3, 2025.
3. 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 ₹ 3,750 crore (Rupees

Three Thousand Seven Hundred Fifty Crore only), on private placement basis and / or through public offer in the Extra Ordinary General Meeting held on November 3, 2025.

For N L Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800
P/R No.: 6392/2025

N L Bhatia
Partner
FCS: 1176

Place: Mumbai
Date: May 12, 2026

CP. No. 422
UDIN: F001176H000342506

List of other applicable laws (including statutory amendments made thereto or amendments thereof for the time being in force):

- a. Reserve Bank of India Act, 1934 and its circulars, master circulars, notifications issued thereunder to the extent applicable to Asset Reconstruction Companies;
- b. Prevention of Money Laundering Act, 2002 and its circulars, notifications;
- c. Anti-Money Laundering Regulation issued by RBI and various circulars and Guidelines thereunder.
- d. Tax Laws
 - Income Tax Act, 1961
 - Goods and Service Tax
- e. Employee Laws
 - Payment of Gratuity Act, 1972 and Payment of Gratuity (central) Rules, 1972
 - Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
 - Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & the scheme provided thereunder.
- f. The States Shops and Establishment Act, 1948
- g. Negotiable Instrument Act, 1881
- h. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Annexure A

To the Secretarial Audit Report of
JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
for the financial year ended March 31, 2026

To,
The Members,
JM Financial Asset Reconstruction Company Limited
(CIN: U67190MH2007PLC174287)
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400025

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the auditing standards issued by the Institute of Company Secretaries of India (ICSI) as amended from time to time and 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 correct facts are reflected in the Secretarial records.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For N L Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800
P/R No.: 6392/2025

N L Bhatia
Partner
FCS: 1176

Place: Mumbai
Date: May 12, 2026

CP. No. 422
UDIN: F001176H000342506

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

At JM Financial Group, we are committed to fostering inclusive development and driving meaningful impact for grassroots communities. This commitment is realised through:

- (a) Creating long-term impact through Corporate Social Responsibility (CSR) projects with collective action, collaborations and equitable opportunities for the underserved; and
- (b) Actively working towards community development, with a strong focus on integrated rural transformation, in predominantly difficult terrains of the country.

The Company undertakes CSR projects broadly falling within the thematic areas laid down in the Schedule VII to the Companies Act, 2013 (the "Act").

In accordance with Section 135 of the Act and Schedule VII thereto read with the Company's CSR Policy, the CSR obligation of the Company for the financial year 2025-26 was ₹ 1.47 crore. During the year, basis the CSR Committee's recommendations, the Board has approved the following CSR projects, namely:

- (i) **Women Empowerment and Livelihood Initiatives** – Implemented by way of Shri Vardhman Utkrshata Kendra with an aim of extending vocational skills training, to further opportunity and enhance women's livelihoods; and
- (ii) **Integrated Livestock Development Centres** – Implemented with an aim of providing 24*7 primary healthcare services to cattle, thereby improving farmers' and cattle's overall well-being.

The CSR Committee confirms that the implementation and monitoring of the CSR policy follows the CSR objectives and policy of the Company.

2. Composition of the CSR committee as on March 31, 2026:

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 - Non-Executive Director	2	0

3. Provide the web-link(s) where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Details of composition of CSR Committee	https://www.jmfinancialarc.com/Home/Management
CSR Policy	https://www.jmfinancialarc.com/Home/Policies
CSR Projects	https://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:

- (a) Average net profit of the Company as per Section 135(5): ₹ 73.04 crore
- (b) Two percent of average net profit of the Company as per Section 135(5): ₹ 1.47 crore
- (c) Surplus arising out of the CSR projects or programmers' 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)]: ₹ 1.47 crore

- 6. (a) Amount spent on CSR projects (Ongoing Project): ₹ 0.97 crore
- (b) Amount spent in Administrative Overheads: None
- (c) Amount spent on Impact Assessment, if applicable: Not applicable
- (d) Total amount spent for the financial year [(a)+(b)+(c)]: ₹ 0.97 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
1.47 crore	0.50 crore	April 28, 2026		Not applicable	

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

Sr. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the Company as per Section 135(5)	1.47 crore
ii.	Total amount spent for the financial year	0.97 crore
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer	
1.	2024-25	1.55 crore	1.55 crore	1.55 crore	Nil	Nil	None
2.	2023-24	2.20 crore	1.49 crore	0.88 crore	Nil	Nil	0.61 crore
3.	2022-23	3.74 crore	0.19 crore	0.19 crore	Nil	Nil	None

- 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: None
- 9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Considering the unspent balance of ₹ 0.50 crore towards ongoing projects, the same was transferred to the unspent CSR account and will be spent in accordance with the CSR Rules and Annual Action Plan.

For and on behalf of
JM Financial Asset Reconstruction Company Limited and the CSR Committee

Srinivasan Viswanathan
Chief Executive Officer

V P Shetty
Chairman of the CSR Committee
DIN: 00021773

Place: Mumbai
Date: May 12, 2026

Corporate Social Responsibility (CSR) and Philanthropic Giving

Guided by a long-term vision of holistic development, the CSR initiatives of JM Financial Group during FY 2025–26 continued to adopt a lifecycle approach to community progress. Through its CSR arm, JM Financial Foundation (“JMFF”), the Group strengthened interconnected pillars of education, healthcare, agriculture and water conservation, livelihoods, and sports development, supporting individuals and families across different stages of life.

Through this integrated approach, the Foundation deepened its engagement with underserved communities in rural Bihar and Maharashtra, addressing barriers to opportunity and enabling sustainable progress. From supporting a child’s education and a farmer’s productivity to enhancing women’s livelihoods and restoring eyesight among the elderly, the initiatives sought to strengthen community resilience and well-being.

In line with the CSR Policy and the Companies Act, 2013, JMFFARC contributed ₹ 1.47 crore towards CSR projects namely, Integrated Livestock Development Centres (“ILDC”) and Women Empowerment and Livelihood Initiatives. The following sections present progress achieved across these initiatives during FY 2025–26.

ILDC

Livestock remains a critical source of income, nutrition and resilience for marginal farmers in Jamui, Bihar. However, limited awareness of scientific animal husbandry practices, poor nutrition and inadequate access to quality veterinary services continue to constrain cattle productivity.

To address these challenges, JMFF launched the ILDC project in FY 2017–18. Today, the initiative operates through 22 para-veterinary clinics across Laxmipur, Khaira and Chakai blocks, managed by trained local youth known as Gopals, who provide round-the-clock livestock healthcare and advisory support.

Over the past seven years, Gopals have emerged as trusted frontline livestock service providers, delivering preventive, curative and extension services:

- Sustainability**
- Foder plots [541]
 - Cattle health camps [105]
 - Education sessions [730]

- Treatment & Support**
- First-Aid [7,625]
 - Infertility Treatment [1,804]

- High volume preventive treatments**
- Deworming [25,539]
 - De-ticking [23,892]

On average, every month, the Gopals:

- Provide 100+ deworming and de-ticking treatments;
- Extend first-aid care to 30+ animals;
- Conduct 3 farmer’s extension education sessions;
- Perform 7+ infertility treatments; and
- Visit 40+ farmers and their livestock, contributing to project outreach among 8,000+ farmers.



Project Gopal performing first-aid on a farmer’s cattle in Madhopur village of Chakai block in Jamui, Bihar



Project Gopal performing cattle de-ticking at Rajala village in Khaira block of Jamui, Bihar

Alongside healthcare services, the project promotes improved milk productivity through scientific animal husbandry and green fodder cultivation. During FY 2025–26, 633 kg of Sudan grass seed was distributed to 326 farmers. With a yield of approximately 1.40 kg per sq. ft., just 250 grams of seed produced an average of 2,286 kg of green fodder from one kattha¹ in a single harvest.

¹ A unit of land measurement in rural Bihar, equivalent to approx. 0.045 acres or 2,000 sq. ft.



Azolla plot (left) and Sudan grass green fodder plot (right) promoted with farmer beneficiaries

The project also promoted Azolla cultivation, a low-cost, nutrient-rich livestock feed containing 30–35% protein along with essential amino acids, vitamins and minerals, through the establishment of 215 demonstration plots.

Women Empowerment and Livelihood Initiatives

Inaugurated in Jamui, Bihar, in December 2024, Shri Vardhman Utkrshtata Kendra (“SVUK”) completed its first full year of operations in FY 2025–26. Established to formalise and strengthen women’s livelihoods through structured training in industrial tailoring and embroidery, the centre responds to strong local demand for market-linked skilling, quality standards and income-generation opportunities. During the year, the project transitioned from establishment to early livelihood outcomes through completion of training batches, emergence of micro-enterprises and operationalisation of a hub-and-spoke model.

The Industrial Tailoring programme completed four batches, each undergoing six months (750 hours) of training in



Embroidery trainees practising taught skills

industrial sewing machine operations, garment production, finishing standards and workflow efficiency. Training focused on high-demand products such as petticoats, salwar suits, blouses, frocks and alterations, while also incorporating entrepreneurship modules on pricing, marketing and customer management.

From the first batch of 40 trainees, 17 women established micro-enterprises, earning ₹ 7,000/- – ₹ 9,000/- per month, verified through JMFF home visits.

The Embroidery programme completed nine batches and evolved from a skill-based intervention into a product and enterprise-oriented model. Alongside traditional techniques such as Aari, Zardosi, Kantha and Sujni, the curriculum was aligned with market demand and integrated with tailoring to enable value addition on stitched garments.

To improve access and overcome mobility barriers, SVUK established its first village-level spoke centre in Kodasi village of Sikandra block in June 2025. Operating from a 270 sq. ft. community hall equipped with five traditional sewing machines, one Single Needle Lock Stitch machine and essential tools, the centre graduated 28 women through two batches of a four-month (350-hour) training programme.

To strengthen advanced skills and enterprise readiness, a five-day workshop was conducted for 69 trainees in December 2025, facilitated by industry experts from Raymond. The programme covered fabric science, quality standards, costing, enterprise planning and training methodologies. In addition, a trainer refresher course on men’s garments was organised in collaboration with Jan Shikshan Sansthan.



Micro-enterprises established by tailoring and embroidery trainees

Annexure IV

Annexure to the Board's Report:

Sr. No.	Content	Links
1.	Financial Statements (Section 136 of the Companies Act, 2013)	Click here
2.	Profile of Board of Directors and Committee Composition	Click here
3.	Policy on Performance Evaluation and Remuneration of the Directors	Click here
4.	Corporate Social Responsibility Policy	Click here
5.	Policy on Appointment of Directors and their Remuneration	Click here
6.	Policy on Related Party Transactions	Click here
7.	CSR Projects	Click here
8.	Annual Return – Form MGT-7	Click here
9.	Vigil Mechanism/Whistle Blower Policy	Click here



Independent Auditor's Report

To,
The Members of JM Financial Asset Reconstruction Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying statement of standalone financial statements of **JM Financial Asset Reconstruction Company Limited ("the Company")**, which comprise the balance sheet as at March 31, 2026, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows for the year ended on that date, including a summary of material accounting policies and other explanatory information (the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("**the Act**") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"), the relevant circulars, guidelines and directions issued by the Reserve Bank of India ("**RBI**") from time to time and other accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2026, and its net profit including other comprehensive income, the changes in equity and its cash flows for the period ended on that date.

Key Audit Matter

Fair Valuation of Investments in Security Receipts:

The valuation of the investments in security receipts in Trusts formed under distressed credit business is based on a recovery range provided by the External Rating Agency and other unobservable inputs (i.e. projection of future cash flows and expenses etc.). These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded.

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 Act 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 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.

Auditor's Response

Principal Audit Procedures Performed:

- We have tested the design and effectiveness of internal controls implemented by the management in respect to the valuation of the investments including those relating to the assessment of the recovery plan by the Asset Acquisition Committee for the determination of the 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.

Independent Auditor's Report (Contd.)

Key Audit Matter	Auditor's Response
<p>Initially, the Independent Committee finalizes the resolution strategy for each trust, which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners. The fair value of the investment can only be estimated based on the chosen resolution strategy, expected cash flows, recovery ranges provided by the external rating agency, collateral values, discount rates, proposed investor offer and other relevant assumptions. Further, the Company has applied judgements in estimating the cash flow.</p> <p>The Company has made investments in security receipts in trusts formed under distressed credit business aggregating to ₹ 1,858.04 crore as at March 31, 2026 carried at fair value. (Refer to note 9 to the Standalone Financial Statements).</p> <p>In view of the complexities and significant judgements involved we have considered the valuation of these investments as a key audit matter.</p>	<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; - Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; - Compared the management's assumption of discount rate with the supporting internal/ external evidence; - We assessed the reasonableness of the judgements in estimating the cash flows in response to corroborating the assumptions based on the information used by the Company, adopted/change in resolution strategy; and verified the accounting treatment applied; and - Read and assessed the disclosure made in the standalone financial statements for assessing 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 conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Company's Management & Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of

these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS and the relevant circulars, guidelines and directions issued by the RBI from time to time. 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 Statements 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 due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

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

our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 Act, we give in the "Annexure A" a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.

Independent Auditor's Report (Contd.)

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Standalone Financial Statements.
- (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 maintained for the purpose or preparation of Standalone Financial Statements.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, according to the information and explanation given to us, the remuneration (commission) payable by the Company to its directors during the year, is in accordance with the provisions of Section 197(16) of the Act. The remuneration paid to directors is not in excess of the limit laid down under Section 197(16) of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (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. The Company has disclosed the impact of pending litigations as of March 31, 2026, on its financial position in its Standalone Financial Statements - Refer notes 50 to the Standalone Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no. 52 (vi) (A), no funds (which are material either individually or in the aggregate), have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the 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. 52 (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, the Company has not declared/paid any dividend hence reporting under Rule 11 (f) is not applicable to that extent.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated

throughout the year for all relevant transactions recorded in the software. Moreover, the feature of the recording audit trail (edit log) facility is enabled at the database level to log any direct data changes pertaining to the accounting software used for maintaining books of account. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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:26042624XJHUF6147

Place: Mumbai
Date: May 12, 2026

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 the situation of Property, Plant and Equipment (PPE) and relevant details of Right of Use of Assets (ROU) of the Company.
 - (B) The Company has maintained proper records showing full particulars of the Intangible assets of the Company.
- (b) The PPE including relevant details of ROU 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 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 assets (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 clause(i)(d) of the Order is not applicable to the Company.
- (e) There is no proceeding that has 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 Paragraph 3 clause (i)(e) of the Order is not applicable to the Company.

- (ii) (a) The Company does not have any inventory considering the nature of the business. Accordingly, the reporting on Paragraph 3 clause(ii)(a) of the Order is not applicable to the Company.
- (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 and 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 the subsidiary, associates and 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, 2026 (₹ crore)	Due date	Extent of delay (in days)	Remarks, if any
4	355.17	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 and 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)	Total Overdue	Remarks, if any
4	239.17	100.91	340.08	-

- (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, reporting on Paragraph 3 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 require compliance with the provisions of Section 185 of the Act. Accordingly, reporting on clause 3 (iv) of the Order

is not applicable to the Company. However, in respect of the loans granted by the Company, to the subsidiary in the nature of trust considering the nature of business, the provision with respect to Section 186 of the Act has been complied with.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly, reporting on Paragraph 3 clause (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148 (1) of the Companies Act, 2013, for the business activities carried out by the Company. Accordingly, reporting on Paragraph 3 clause(vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, customs duty and 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, 2026, 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 the below tabulated form, which have not been deposited as at March 31, 2026.

Nature of the statute	Nature of dues	Forum where dispute is pending	The 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 Paragraph 3 clause (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:

Annexure A (Contd.)

- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) As disclosed by the management in note 51 (i) and as confirmed by us, the Company has not declared a willful defaulter by banks or financial institutions or other lenders. Accordingly, reporting on Paragraph 3 clause (ix) (b) of the Order is not applicable to the Company.
- (c) The Company has raised additional term loans from the Bank and NBFC and considering the nature of business, the same term loans were applied for the purpose for which the term 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 longterm 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 and 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 Paragraph 3 clause (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 money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on Paragraph 3 clause (x) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanation provided to us, during the year, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully or partially) as per Section 42 and Section 62 of the Act. Hence reporting requirements on Paragraph 3 clause (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 Act, has been filed by the auditors in the form ADT-4 as prescribed in 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 on 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 Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable 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 Act are not applicable to the Company.
- (xvi) The Company being a Securitisation and Reconstruction Company (SCRC) under Securitisation and Reconstruction of Financial Assets and 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 Paragraph 3 clause (xvi)(a)(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 clause (xvi)(d) of the Order is not applicable to the Company.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on Paragraph 3 clause of the Order is not applicable to the Company.
- (xviii) 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xix) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Act, in compliance with the second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting on Paragraph 3 clause (xx)(a) of the Order is not applicable for the year.
- (b) Based on audit procedures performed by us, in respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount 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: 26042624XJHUF6147

Place: Mumbai

Date: May 12, 2026

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 with reference to Standalone Financial Statements of **JM Financial Asset Reconstruction Company Limited ("the Company")** as of March 31, 2026, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's and Board of Director's Responsibility for Internal Financial Controls

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

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility for the Audit of the Internal Financial Controls with reference to Standalone Financial Statements

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements includes obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's 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 with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements 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

with reference to Standalone Financial Statements and such controls were operating effectively as at March 31, 2026, 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: 26042624XJHUF6147

Place: Mumbai
Date: May 12, 2026

Standalone Balance Sheet

as at March 31, 2026

Sr. No.	Particulars	Note No.	As at	
			March 31, 2026	March 31, 2025
(₹ in crore)				
ASSETS				
(I) Financial Assets				
(a)	Cash and cash equivalents	5	6.42	50.83
(b)	Bank balance other than (a) above	6	1.88	1.98
(c)	Trade Receivables	7	171.67	168.24
(d)	Loans	8	490.26	417.24
(e)	Investments	9	1,862.51	1,881.07
(f)	Other Financial Assets	10	54.00	50.96
Total Financial Assets			2,586.74	2,570.32
(II) Non-Financial Assets				
(a)	Current Tax Assets (Net)	11	54.45	33.86
(b)	Deferred Tax Assets (Net)	12	78.64	109.90
(c)	Property, Plant and Equipment	13	3.02	3.91
(d)	Other Intangible Assets	13	0.11	0.16
(e)	Other Non-Financial Assets	14	1.15	1.08
Total Non-Financial Assets			137.37	148.91
TOTAL ASSETS (I+II)			2,724.11	2,719.23
LIABILITIES AND EQUITY				
LIABILITIES				
(I) Financial Liabilities				
(a)	Trade Payables	15		
(i)	total outstanding dues of micro enterprises and small enterprises		0.28	0.28
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises		1.60	3.07
(b)	Debt Securities	16	287.04	1,025.18
(c)	Borrowings (Other than Debt Securities)	17	1,230.43	492.54
(d)	Lease Liabilities	18	2.97	4.25
(e)	Other Financial Liabilities	19	14.28	24.04
Total Financial Liabilities			1,536.60	1,549.36
(II) Non-Financial Liabilities				
(a)	Provisions	20	2.60	1.66
(b)	Other non-financial liabilities	21	12.32	8.09
Total Non-Financial Liabilities			14.92	9.75
(III) EQUITY				
(a)	Equity Share Capital	22	795.31	795.31
(b)	Other Equity	23	377.28	364.81
Total Equity			1,172.59	1,160.12
TOTAL LIABILITIES AND EQUITY (I+II+III)			2,724.11	2,719.23

The accompanying notes are an integral part of the standalone financial statements : 1 to 53

In terms of our report of even date attached

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

Parthiv S. Desai
Partner
Membership No.: (F) 042624

Place : Mumbai
Date : May 12, 2026

For and on behalf of the Board of Directors

Munesh Khanna
Chairman
(DIN - 00202521)

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date : May 12, 2026

Srinivasan Viswanathan
Chief Executive Officer

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

Sr. No.	Particulars	Note No.	For the year ended	
			March 31, 2026	March 31, 2025
(₹ in crore)				
I REVENUE FROM OPERATIONS				
(a)	Interest Income	24	62.82	39.86
(b)	Fees and Incentives	25	145.88	106.18
(c)	Net gain on fair value changes	26	15.25	58.45
			223.95	204.49
II Other Income				
			0.36	6.82
III Total Income (I+II)			224.31	211.31
IV EXPENSES				
(a)	Finance costs	28	141.37	191.34
(b)	Impairment on financial instruments (net)	29	2.71	(14.19)
(c)	Employee benefits expense	30	20.86	20.73
(d)	Depreciation and amortization expense	13	2.48	2.38
(e)	Other expenses	31	13.13	13.76
Total expenses			180.55	214.02
V Profit/(Loss) before exceptional items and tax (III-IV)			43.76	(2.71)
VI Exceptional items				
			(0.66)	-
VII Profit/(Loss) before tax (V+VI)			43.10	(2.71)
VIII Less : Tax expense				
Current tax			-	23.53
Deferred tax			31.26	3.55
Total tax expenses			31.26	27.08
IX Profit/(Loss) for the year (VII-VIII)			11.84	(29.79)
X Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss			(0.01)	(0.12)
(ii) Income tax on the above			#	(0.03)
Total Other Comprehensive Income			(0.01)	(0.09)
XI Total Comprehensive Income for the year (IX+X)			11.83	(29.88)
XII Earnings per equity share (Face value of ₹ 10 each)				
Basic (in ₹)			0.15	(0.41)
Diluted (in ₹)			0.15	(0.41)

Denotes amount less than ₹ 50,000/-

The accompanying notes are an integral part of the standalone financial statements : 1 to 53

In terms of our report of even date attached

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

Parthiv S. Desai
Partner
Membership No.: (F) 042624

Place : Mumbai
Date : May 12, 2026

For and on behalf of the Board of Directors

Munesh Khanna
Chairman
(DIN - 00202521)

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Srinivasan Viswanathan
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date : May 12, 2026

Statement of Changes in Standalone Equity

for the year ended March 31, 2026

A. EQUITY SHARE CAPITAL

Particulars	(₹ in crore)				
	Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026
Equity Share Capital	398.33	396.98	795.31	-	795.31

B. OTHER EQUITY

Particulars	Reserves and Surplus				Total Other Equity
	Securities Premium	Retained earnings	Impairment allowance reserve	Employee Stock Outstanding	
Balance as at April 1, 2024	283.18	(339.34)	243.73	6.44	194.01
Profit for the year	-	(29.79)	-	-	(29.79)
Addition during the year	198.49	-	-	2.19	200.68
Transfer on account of options not exercised	-	0.49	-	(0.49)	-
Re-measurement of defined benefit plan	-	(0.09)	-	-	(0.09)
Balance as at March 31, 2025	481.67	(368.73)	243.73	8.14	364.81

Particulars	Reserves and Surplus				Total Other Equity
	Securities Premium	Retained earnings	Impairment allowance reserve	Employee Stock Outstanding	
Balance as at April 1, 2025	481.67	(368.73)	243.73	8.14	364.81
Profit for the year	-	11.84	-	-	11.84
Addition during the year	-	-	-	0.64	0.64
Appropriation for Impairment reserve (Refer note 47(e))	-	(29.27)	29.27	-	-
Transfer on account of options not exercised	-	0.85	-	(0.85)	-
Re-measurement of defined benefit plan	-	(0.01)	-	-	(0.01)
Balance as at March 31, 2026	481.67	(385.32)	273.00	7.93	377.28

The accompanying notes are an integral part of the standalone financial statements : 1 to 53

In terms of our report of even date attached

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

Parthiv S. Desai
Partner
Membership No.: (F) 042624

For and on behalf of the Board of Directors

Munesh Khanna
Chairman
(DIN - 00202521)

Vineet Singh
Company Secretary

Place : Mumbai
Date : May 12, 2026

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Sabyasachi Ray
Chief Financial Officer

Srinivasan Viswanathan
Chief Executive Officer

Place : Mumbai
Date : May 12, 2026

Standalone Statement of Cash Flow

for the year ended March 31, 2026

Sr. No.	Particulars	(₹ in crore)	
		For the year ended March 31, 2026	For the year ended March 31, 2025
A	Cash flow from operating activities		
	Profit/(Loss) before exceptional items and tax	43.76	(2.71)
	Adjustment for:		
	Interest expenses	140.99	190.32
	Interest on lease liability	0.38	1.02
	Impairment of financial instruments (net)	2.71	(14.19)
	Depreciation and amortisation of expenses	2.48	2.38
	Net (Gain)/Loss on fair value changes	(15.25)	(57.64)
	Net (Gain)/Loss on mutual fund	#	(0.81)
	Net (Gain)/Loss on lease modification	-	(3.04)
	Net (Gain)/Loss on sale of Property, Plant and Equipment	-	#
	Amortisation of deferred employee compensation (ESOP)	0.64	2.19
	Interest income on fixed deposits	(0.03)	(3.06)
	Operating profit/(loss) before working capital changes	175.68	114.46
	Adjustment for:		
	(Increase)/Decrease in trade receivables	(3.40)	32.58
	(Increase)/Decrease in loans	(74.54)	168.01
	(Increase)/Decrease in other financial assets	(4.26)	9.48
	(Increase)/Decrease in other non financial assets	(0.07)	0.25
	(Increase)/Decrease in other bank balances	0.10	(0.99)
	Increase/(Decrease) in trade payable	(5.92)	(6.90)
	Increase/(Decrease) in provisions	0.27	(0.21)
	Increase/(Decrease) in other financial liability	(9.76)	(59.08)
	Increase/(Decrease) in other non financial liabilities	4.23	(4.56)
	Cash generated from/ (used in) operations	82.33	253.04
	Income tax refund/(paid) (net)	(20.59)	26.36
	Net cash generated from/ (used in) operating activities	61.74	279.40
B	Cash flow from investing activities		
	Payments for purchase of investment in Security Receipts	(578.07)	(354.64)
	Redemption of security receipts	611.88	925.90
	Purchase of Property, Plant and Equipment and Intangibles	(1.26)	(0.13)
	Proceed from sale of investment in equity instruments	-	6.22
	Payments for purchase of investment in mutual funds	(1.50)	(312.78)
	Redemption of mutual funds	1.50	313.59
	Sale of Property, Plant and Equipments	-	#
	Interest Income	0.03	3.06
	Net cash generated from/(used in) investment activities	32.58	581.22

Standalone Statement of Cash Flow

for the year ended March 31, 2026 (Contd.)

		(₹ in crore)	
Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
C	Cash flow from financing activities		
	Proceeds from issue of share capital (Including security premium)	-	595.48
	Repayment of debt securities	(719.12)	(789.73)
	Interest paid on debt securities and other borrowing	(155.61)	(280.90)
	Repayment of lease liability	(1.94)	(3.09)
	Proceeds from borrowing	1,975.00	915.00
	Repayment of borrowing	(1,237.06)	(1,309.20)
	Net cash generated from/(used in) financing activities	(138.73)	(872.44)
	Net increase/(decrease) in cash and cash equivalents	(44.41)	(11.82)
	Cash and cash equivalents at the beginning of the financial year/period	50.83	62.65
	Cash and cash equivalents at the end of the financial year/period	6.42	50.83

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

Cash and cash equivalents as per above comprise of the following:

		(₹ in crore)	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	
Cash and cash equivalents	6.42	50.83	
Bank overdrafts repayable on demand and used for cash management purposes	-	-	
Cash and cash equivalents in the statement of cash flows	6.42	50.83	

Denotes amount less than ₹ 50,000/-

The accompanying notes are an integral part of the standalone financial statements : 1 to 53

In terms of our report of even date attached

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

Parthiv S. Desai
Partner
Membership No.: (F) 042624

Place : Mumbai
Date : May 12, 2026

For and on behalf of the Board of Directors

Munesh Khanna
Chairman
(DIN - 00202521)

Vineet Singh
Company Secretary

Place : Mumbai
Date : May 12, 2026

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Sabyasachi Ray
Chief Financial Officer

Srinivasan Viswanathan
Chief Executive Officer

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. Basis of Preparation and presentation

2.1 Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act to the extent applicable and the guidelines prescribed by the RBI, to the extent applicable.

2.2 Basis of measurement

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

Historical cost is generally the original cost or transaction price of goods and services.

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

basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

2.3 Presentation of Financial Statements

The balance sheet and the statement of profit and loss are prepared and presented in the format prescribed in the Schedule III to the Act. The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

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

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

3. Material Accounting Policy Information

3.1 Investment in Subsidiary:

Subsidiaries are all entities over which the Company has control. Investment in Security Receipts of Subsidiaries are accounted at fair value under Ind AS 109 (refer note 46).

3.2 Revenue Recognition

Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised

Notes

forming part of the Standalone Financial Statements (Contd..)

good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

The Company is generally able to make reliable estimates after it has agreed to the following with the other parties to the transaction:

- (a) each party's enforceable rights regarding the service to be provided and received by the parties;
- (b) the consideration to be exchanged; and
- (c) the manner and terms of agreements or offer documents.

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

Recovery incentive is accounted over the period on a cash basis, i.e. as and when received by the Company, based on terms of the relevant trust deeds and offer document issued by the Trust.

The Company recognises followings income/(loss) pertaining to security receipts under the heading Net gain/(loss) on fair value changes on financial instruments at FVTPL.

- (i) Additional realisation of assets over Net Asset Value of security receipt is accounted as per the terms of relevant trust deed / offer document on actual

distribution from the trust after full redemption of the Net Asset Value of security receipts in the trust.

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

3.3 Leasing

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

The Company as a lessee

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

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

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

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

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

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

Lease liability has been presented in Note 18 "Lease Liabilities" and ROU asset has been presented in Note 13 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

3.4 Borrowing costs

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

Interest expenses are calculated using the EIR and all other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.5 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

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

Defined Benefit Obligation

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

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

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

Short term employee benefits

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

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forming part of the Standalone Financial Statements (Contd..)

Other long term benefits:

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

3.6 Income tax

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

Current Tax

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

Deferred tax

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.7 Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE not ready for the intended use on the date of the balance sheet is disclosed as "capital work-in-progress".

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 - 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
Intangible Assets	Useful life
Computer software	5 years

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

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

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

Intangible Assets

Intangible Assets are recognised when it is probable that the future economic benefits that are attributable to the 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 derecognition of an Intangible Asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized as profit or loss when the asset is derecognised.

Impairment losses on Non-Financial Assets

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

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

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

3.8 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when:

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

Notes

forming part of the Standalone Financial Statements (Contd..)

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

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

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

Contingent Liability is disclosed in case of:

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

Contingent Assets:

Contingent assets are not recognised in the financial statements.

3.9 Statement of Cash Flows

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

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

Cash and cash equivalents (including bank balances) shown in the statement of cash flows exclude items which are not available for general use as on the date of balance sheet.

3.10 Financial Instruments

Financial Instruments comprise of Financial Assets and Financial Liabilities. Financial Assets and Liabilities are recognized when the Company becomes the party to

the contractual provisions of the instruments. Financial Assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial Liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Financial Assets and Financial Liabilities are initially measured at fair value except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through profit or loss) are added to or deducted from the fair value of the Financial Assets or Financial Liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of Financial Assets or Financial Liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent Measurement of Financial Assets

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

Interest income

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

Classification of Financial Assets:

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

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the individual asset basis

and the Company's business model for managing the asset.

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 Assets at initial recognition. That principal amount may change over the life of the Financial Assets (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 derecognition 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 Assets.

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.

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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 30 days past due (DPD).** Stage 1 loans also include facilities where no significant increase in credit risk, improvement in credit risk and the loan has been reclassified from Stage 2.
- **Stage 2 - Under-performing assets having 31 to 90 DPD.** Stage 2 loans also include facilities, where significant increase in credit risk, improvement in credit risk and the loan has been reclassified from Stage 3.
- **Stage 3 - Under performing with overdue more than 90 DPD including Non-Performing Assets.**

For loans, the 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, the 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 obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial 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 unfavourable 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.

3.11 Share-based payment arrangements

Equity-settled share-based payments to employee of the Company are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments to employees is recognised as deferred employee compensation and is expensed in the statement of profit and loss over the vesting period with a corresponding increase in employee stock option outstanding in other equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognised any impact in profit or loss, such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment in other equity.

3.12 Cash and Cash Equivalents

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

3.13 Foreign currency translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary

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items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-Monetary Items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-Monetary Items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the statement of profit and loss in the period in which they arise.

3.14 Goods and Services Input Tax Credit

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

3.15 Commitments

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

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

Other commitments, if any, related normal course of business is not disclosed to avoid excessive details.

3.16 Earnings Per Share

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

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

4. Critical accounting judgments and key sources of estimation uncertainty

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

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

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

i) Fair value measurement and valuation processes

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in Note 42.

4A. Issue of new accounting standards or amendments to the existing standards

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and has determined that it does not have any impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement

of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments – Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and has determined that it does not have any impact in its financial statements.

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5 Cash and Cash Equivalents

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Balances with Banks		
- In Current Accounts	6.42	50.82
- In Deposits Account (maturity less than 3 months)	-	0.01
Total	6.42	50.83

6 Other Bank Balances

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Earmarked balance with banks:		
- In Current Account (refer note 6.1)	0.61	1.68
- In Deposit Account (refer note 6.2)	1.27	0.30
Total	1.88	1.98

6.1 Current account include amount maintained for expenses towards Corporate Social Responsibility.

6.2 In the current year, the balance in deposit accounts is earmarked against a liability related to a closed trust. In the previous year, fixed deposits includes amount of ₹ 0.11 crore carried fixed rate of interest and was for period of up to 12 months, and were lien marked against bank guarantees obtained by the Company.

7 Trade Receivables

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
At amortised cost :		
Unsecured considered good		
Trade Receivables (refer note 7.1 & 7.2)	216.59	213.19
Less: Impairment Loss Allowance (refer note 43)	(44.92)	(44.95)
Total	171.67	168.24

7.1 The Company's trade receivables arise in the normal course of business. Although certain balances are overdue beyond 90 days, the nature of the business, the existence of contractual safeguards and consistent historical recovery trend indicate that there is no significant increase in credit risk or evidence of credit impairment. These receivables are secured through contractual terms and are considered recoverable irrespective of their overdue status. Accordingly, the above disclosures are considered adequate.

7.2 Trade receivable ageing schedule

For the financial year 2025-26

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
Undisputed trade receivable - Considered good	10.39	5.38	5.18	25.91	169.73	216.59
Less: Impairment Loss Allowance	(0.23)	0.21	(0.41)	16.15	29.20	44.92
Total	10.62	5.17	5.59	9.76	140.53	171.67

For the financial year 2024-25

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 year	2 - 3 year	More than 3 years	
Undisputed trade receivable - Considered good	11.15	2.80	26.39	31.82	141.03	213.19
Less: Impairment Loss Allowance	-	0.72	5.66	14.94	23.63	44.95
Total	11.15	2.08	20.73	16.88	117.40	168.24

The above trade receivable mostly comprises of management fees recoverable from trusts which has a priority in the cashflows of the trust. Further these fees are payable by the trust to the Company only on realisation from the financial assets in the trust.

7.3 Information on the ageing of the unrealised management fee as per circular RBI/2022-23/182-DOR.ACC.REC.No.104/21.07.001/2022-23 dated February 20, 2023

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
A. Outstanding amount of unrealised management fees	216.59	213.19
Out of the above, amount outstanding for:		
B. Amounts where the net asset value of the security receipts has fallen below 50 per cent of the face value	175.46	179.13
C. Other amounts unrealised for:		
(i) More than 180 days but up to 1 year	5.36	2.35
(ii) More than 1 year but up to 3 years	11.46	15.61
(iii) More than 3 years	13.96	5.67
D. Allowances held for unrealised management fees (on B and C)	45.15	45.18
E. Net unrealised management fee receivable (B+C-D)	161.09	157.58

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8 Loan

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Loans secured by Tangible Asset	393.72	324.60
Interest accrued	105.01	99.59
Gross loan	498.73	424.19
Less: Impairment Loss Allowance (refer note 43)	(8.47)	(6.95)
Net Loan-Total	490.26	417.24

All loans are granted within India and to entities other than public sector (corporate loan).

9 Investments (At FVTPL)

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Unquoted		
Equity Instruments :		
1,31,07,380 of equity shares (right issue) of BRFL Textiles Private Limited of face value ₹ 10 each fully paid up (Previous year : 1,31,07,380 shares of face value ₹ 10 each)	4.47	4.47
Security receipts of trusts held in distressed credit business (refer note 9.2,9.3 and 46)	1,858.04	1,876.60
Total	1,862.51	1,881.07

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

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

9.3 Commitments:

In respect of one trust, the Company has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts along with yield of 10.70% p.a. compounded annually from June 19, 2019 till January 31, 2026. During the year, commitment has been fulfilled and outstanding as at March 31, 2026 is ₹ Nil (Previous year : ₹ 10.71 crore of one trust).



10 Other Financial Assets

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Recoverable from trusts	67.78	58.84
Earnest Money Deposits (refer note 10.1)	-	5.00
Interest receivable	#	-
Bank deposit (maturity more than 12 months) (refer note 10.3)	0.22	-
Advance to other	0.03	#
Security deposits:		
To Related Parties (refer note 40)	0.35	0.32
To Others (refer note 10.2)	0.61	0.57
Total	68.99	64.73
Less : Impairment loss allowance on recoverable from trusts (refer note 43)	(14.99)	(13.77)
Net Total	54.00	50.96

Denote amount below ₹ 50,000

10.1 In previous year, the Company had paid Earnest Money Deposit for participating in auctions conducted by the bank and financial institutions for the acquisition of stress financial assets as part of its ordinary course of business. The same amount was realised during the current financial year.

10.2 Includes interest-free security deposits assessed as per Ind AS 109 - Financial Instrument by recognising such deposits measured at fair value on initial recognition and subsequently carried at amortised cost using the effective interest method.

10.3 Balance in deposit accounts of ₹ 0.25 crore in current year carry fixed rate of interest and are for period more than 12 months and have lien against bank guarantees obtained by the Company.

11 Current Tax Assets (Net)

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Advance tax paid (net of provisions)	54.45	33.86
Total	54.45	33.86

12 Deferred Tax Liability/(Asset)

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Measurement of financial instruments at fair value	(43.73)	(88.96)
Impairment of financial instruments	(19.16)	(19.16)
Difference between books and tax written down value (WDV) of Property, Plant and Equipment	(0.26)	(0.26)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(15.49)	(1.52)
Total	(78.64)	(109.90)

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

For the year ended March 31, 2026

(₹ in crore)

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Measurement of financial instruments at fair value	(88.96)	45.23	-	(43.73)
Impairment of financial instruments	(19.16)	-	-	(19.16)
Difference between books and tax written down value (WDV) of Property, Plant and Equipment	(0.26)	-	-	(0.26)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(1.52)	(13.97)	-	(15.49)
Total DTL/(DTA)	(109.90)	31.26	-	(78.64)

For the year ended March 31, 2025

(₹ in crore)

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Measurement of financial instruments at fair value	(91.54)	2.58	-	(88.96)
Impairment of financial instruments	(20.10)	0.94	-	(19.16)
Difference between books and tax written down value (WDV) of Property, plant and equipment	(0.26)	-	-	(0.26)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(1.52)	0.03	(0.03)	(1.52)
Total DTL/(DTA)	(113.42)	3.55	(0.03)	(109.90)

13 Property, Plant and Equipment and Intangible Assets

As at March 31, 2026

Property, Plant and Equipment

(₹ in crore)

Particulars	Gross Block			As at March 31, 2026	Accumulated Depreciation			As at March 31, 2026	Net Block As at March 31, 2026
	As at April 1, 2025	Additions	Deductions		As at April 1, 2025	Addition	Deductions		
Owned Assets									
Freehold land	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and Fixtures	0.01	0.07	-	0.08	0.01	0.01	-	0.02	0.06
Office Equipments	0.08	0.03	-	0.11	0.08	0.01	-	0.09	0.02
Computers	1.09	0.24	-	1.33	0.75	0.15	-	0.90	0.43
Leasehold improvements	1.71	0.92	-	2.63	1.53	0.79	-	2.32	0.31
Leased Assets									
Office Premises (Right of Use assets - refer note 37)	13.56	-	-	13.56	10.20	1.41	-	11.61	1.95
Motor Vehicles (refer note 13.1)	-	0.28	-	0.28	-	0.06	-	0.06	0.22
Total	16.48	1.54	-	18.02	12.57	2.43	-	15.00	3.02



Intangible Assets

(₹ in crore)

Particulars	Gross Block			As at March 31, 2026	Accumulated Depreciation			As at March 31, 2026	Net Block As at March 31, 2026
	As at April 1, 2025	Additions	Deductions		As at April 1, 2025	Additions	Deductions		
Software (refer note 13.2)	0.65	-	-	0.65	0.49	0.05	-	0.54	0.11
Total	0.65	-	-	0.65	0.49	0.05	-	0.54	0.11

As at March 31, 2025

Property, Plant and Equipment

(₹ in crore)

Particulars	Gross Block			As at March 31, 2025	Accumulated Depreciation			As at March 31, 2025	Net Block As at March 31, 2025
	As at April 1, 2024	Additions	Deductions		As at April 1, 2024	Additions	Deductions		
Owned Assets:									
Freehold land	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and Fixtures	0.01	-	-	0.01	0.01	-	-	0.01	-
Office Equipments	0.08	-	#	0.08	0.07	0.01	#	0.08	-
Computers	1.07	0.07	(0.05)	1.09	0.66	0.14	(0.05)	0.75	0.34
Leasehold improvements	1.71	-	-	1.71	1.48	0.05	-	1.53	0.18
Leased Assets									
Office Premises (Right of Use assets - refer note 37)	22.33	1.26	(10.03)	13.56	11.68	2.13	(3.61)	10.20	3.36
Total	25.23	1.33	(10.08)	16.48	13.90	2.33	(3.66)	12.57	3.91

Denote amount below ₹ 50,000

Intangible Assets

(₹ in crore)

Particulars	Gross Block			As at March 31, 2025	Accumulated Depreciation			As at March 31, 2025	Net Block As at March 31, 2025
	As at April 1, 2024	Additions	Deductions		As at April 1, 2024	Additions	Deductions		
Software (refer note 13.2)	0.59	0.06	-	0.65	0.44	0.05	-	0.49	0.16
Total	0.59	0.06	-	0.65	0.44	0.05	-	0.49	0.16

Notes :

13.1 Vendor have a lien over assets taken on lease.

13.2 The intangible assets are other than internally generated.

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14 Other Non-Financial Assets

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	0.52	0.60
Balances with GST/Service Tax / VAT Authorities etc.	0.51	0.40
Other Non-Financial Assets	0.12	0.08
Total	1.15	1.08

15 Trade Payable

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (refer note 15.1)	0.28	0.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.60	3.07
Total	1.88	3.35

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

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.28	0.28
(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	0.28	0.28

Dues to Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

15.2 Trade payable ageing schedule :

Particulars	(₹ in crore)				Total
	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	
For the year 2025-26					
(i) MSME - Undisputed	0.28	–	–	–	0.28
(ii) Others - Undisputed	1.60	–	–	–	1.60
Total	1.88	–	–	–	1.88
For the year 2024-25					
(i) MSME - Undisputed	0.28	–	–	–	0.28
(ii) Others - Undisputed	3.07	–	–	–	3.07
Total	3.35	–	–	–	3.35

16 Debt Securities (Within India)

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Secured		
Non-Convertible Debentures (refer note 16.1, 16.2 and 16.3)	79.26	798.38
Add: Interest accrued	7.78	26.80
Total Secured	87.04	825.18
Unsecured		
Optionally Convertible Debentures (refer note 16.4)	200.00	200.00
Total Unsecured	200.00	200.00
Total	287.04	1,025.18

16.1 Non-Convertible Debentures secured by way of hypothecation and/ or pledge of certain identified security receipt and/ or priority loans.

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16.2 Maturity profile and rate of interest of NCDs/MLDs:

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Private Placement - Face value of ₹ 10,00,000 each		
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
Private Placement - Face value of ₹ 1,00,000 each		
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
9% Tranche D redeemable in the year 2026-27	30.00	30.00
10.20% Tranche E redeemable in the year 2026-27	50.00	50.00
10.21% Tranche F redeemable in the year 2025-26 [^]	–	50.00
Private Placement - Face value of ₹ 50,000 each		
10.21% Tranche B redeemable in the year 2025-26 [^]	–	200.00
Total	80.00	805.00

[^] redeemed fully or partly during the year ended March 31, 2026.

Maturity profile above is disclosed at face value which excludes cumulative impact of effective interest rate adjustment amounting to ₹ 0.74 crore (As at March 31, 2025 : ₹ 6.62 crore).

16.3 The Company has utilized money obtained by way of Non-Convertible Debentures for the purpose for which they were obtained.

16.4 The Company has issued 20,00,000, unlisted, unrated and unsecured Optionally Convertible Debentures (OCD) having face value of ₹ 1,000 each on March 4, 2024 to its shareholder, JM Financial Credit Solutions Limited. Conversion of said OCD shall be any time at option of the Company (Issuer of OCD). OCD shall be redeemable at any time and redemption shall be mutually decided by Issuer of OCD and Holder of OCD (JM Financial Credit Solutions Limited). The Company has recognised the OCD as liability in financial statement considering the ability to repay at any time within whole life of said instrument.

16.5 Additional disclosure pursuant to Ind AS 7 (Debt Securities Movement during the year)

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	1,025.18	1,897.90
Cash flows	(775.65)	(1,004.90)
Non-cash changes*	37.51	132.18
Closing balance	287.04	1,025.18

*Non-cash changes includes interest on debt securities.

17 Borrowings (other than debt securities)

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
At amortized cost		
Secured:		
Term loans from (refer note 17.1, 17.2 and 17.5)		
(a) Banks	76.00	67.10
(b) Others	–	14.02
Add: Interest accrued	0.02	0.07
	76.02	81.19
Other loans from banks (refer note 17.3)		
(a) Working Capital Demand Loans	–	64.18
(b) Cash Credit Facilities	70.30	15.06
Add: Interest accrued	–	–
	70.30	79.24
Unsecured:		
Inter corporate deposits (refer note 17.4)		
(a) From related party (refer note 40)	982.00	230.00
(b) From others	100.00	100.00
Add: Interest accrued but not due	2.11	2.11
	1,084.11	332.11
Total	1,230.43	492.54

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

17.2 Maturity profile and rate of interest of term loans:

Residual Maturities	(₹ in crore)		
	Interest range from		
	8% to 9%	9% to 10%	10% to 11%
As at March 31, 2026:			
Up to one year (April 26 to March 27)	36.07	–	3.33
Up to 1-3 years (April 27 to March 29)	36.60	–	–
Total	72.67	–	3.33
As at March 31, 2025:			
Up to one year (April 25 to March 26)	–	23.33	42.68
Up to 1-3 years (April 26 to March 28)	–	11.67	3.44
Total	–	35.00	46.12

Note:

- Maturity profile shown excluding effective interest rate impact amounting to ₹ 0.02 crore (As at March 31, 2025: ₹ 0.07 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.

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17.3 Other loans from banks in the nature of working capital and cash credit facilities are secured by way of pledge of certain identified security receipts.

17.4 Inter corporate deposits taken from related party for 122-364 days (Previous year : 184 days) and taken from others are for 344 days (Previous year : 709 days).

17.5 The Company has utilized money obtained by way of term loans for the purpose for which they were obtained.

17.6 The monthly asset cover statement submitted by the Company with banks / financial institutions from which borrowing is obtained on the basis of security of investment in security receipts are in agreement with the books of account.

17.7 All borrowings are made within India.

17.8 Additional disclosure pursuant to Ind AS 7 (Borrowing Movement during the year)

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	492.54	921.86
Cash flows	638.86	(482.03)
Non cash changes*	99.03	52.71
Closing balance	1,230.43	492.54

*Non-cash changes includes interest on borrowings.

18 Lease Liabilities

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
On Office premises (Refer note 37)	2.73	4.25
On Motor Vehicle (Refer note 18.1 and 37)	0.24	-
Total	2.97	4.25

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

18.2 Additional disclosure pursuant to Ind AS 7 (Lease liability movement during the year) :

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	4.25	14.02
Cash flows	(1.94)	(3.09)
Non-cash changes*	0.66	(6.68)
Closing balance	2.97	4.25

*Non-cash changes includes interest on lease and effect of lease modification.

19 Other Financial Liabilities

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Employee Benefits payable	6.89	5.58
Amount collected on behalf of trust	5.98	14.95
Provision for CSR Expenditure (Refer note 36)	1.11	3.23
Others	0.30	0.28
Total	14.28	24.04

20 Provisions

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Provision for Gratuity (Refer note 38)	2.27	1.37
Provision for compensated absence (Refer note 38)	0.33	0.29
Total	2.60	1.66

21 Other Non-Financial Liabilities

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Statutory Dues	10.96	7.68
Others	1.36	0.41
Total	12.32	8.09

22 Equity Share Capital

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Authorised		
1,85,00,00,000 (Previous year: 1,85,00,00,000) equity shares of ₹ 10 each	1,850.00	1,850.00
15,00,00,000 (Previous year: 15,00,00,000) redeemable preference shares of ₹ 10 each	150.00	150.00
	2,000.00	2,000.00
Issued, Subscribed and Paid-up		
79,53,10,930 (Previous year: 79,53,10,930) equity shares of ₹ 10 each fully paid-up	795.31	795.31
Total	795.31	795.31

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22.1 Terms and Rights

The Company has only one class of issued shares referred to as equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

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

22.2 Reconciliation of number of shares

Particulars	Number of equity shares	
	As at March 31, 2026	As at March 31, 2025
Shares outstanding at the beginning of the year	79,53,10,930	39,83,25,537
Shares issued during the year	–	39,69,85,393
Shares outstanding at the end of the year	79,53,10,930	79,53,10,930

22.3 Details of shareholding more than 5%

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:				
JM Financial Credit Solutions Limited	65,03,43,712	81.77%	65,03,43,712	81.77%
Mr. Narotam S Sekhsaria	5,68,66,072	7.15%	5,68,66,072	7.15%

22.4 Details of shareholding of promoters

S.No.	Particulars	As at March 31, 2026		As at March 31, 2025		% change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
1	JM Financial Credit Solutions Limited (JMFCSL)	65,03,43,712	81.77%	65,03,43,712	81.77%	0.00%

Note: JMFL has ceased to be the promoter of the Company with effect from March 18, 2025 pursuant to transfer of 57,09,32,034 equity shares to JMFCSL.

22.5 During the year 2024-25, the Company had allotted 39,69,85,393 equity shares of face value of ₹ 10 each at an issue price of ₹ 15 per share for an amount aggregating to ₹ 595.48 crore to the existing shareholders of the Company namely, JM Financial Limited and JM Financial Credit Solutions Limited, through the issuance of equity shares to them on right basis. The object of the issue was to raise the equity capital base, net owned funds and compliance of the capital adequacy ratio as per the RBI guidelines. The equity capital infusion had been duly accounted for under equity share capital and securities premium and all statutory and regulatory compliances with regard to allotment and reporting have been completed.

22.6 During the year 2024-25, JM Financial Limited ("JMFL") and JM Financial Credit Solutions Limited ("JMFCSL") had informed the Company that transfer of 57,09,32,034 equity shares from JMFL to JMFCSL representing 71.79% of the total paid up capital had been concluded on March 18, 2025. With this, JMFL had ceased to be the sponsor and JMFCSL was the sponsor of the Company. The transaction was undertaken with the prior approval of the Reserve Bank of India (RBI) vide its letter dated December 20, 2024. This change did not impact the management or control structure of the Company, and the Company continues to operate as an independent legal entity with no change in its governance or business operations. The Company had duly reported the changes in accordance with the requirements of applicable laws.

23 Other equity

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Securities premium reserve	481.67	481.67
Retained earnings	(385.32)	(368.73)
Impairment reserve (Refer note (c) & 47(e))	273.00	243.73
Employee Stock option outstanding (refer note 23.1(d))	7.93	8.14
Total	377.28	364.81

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

23.1 Nature of each reserves:

- Securities premium reserve represents premium received on equity shares issued which can be used on accordance with the provisions of the Companies Act, 2013 for specified purposes.
- Retained earnings are the profits that the Company has earned till date less any transfers to general reserve, statutory reserve, impairment reserve, dividends or other distributions to the shareholders.
- Impairment reserve represent reserve created as per Income Recognition, Asset Classification and Provisioning (IRACP) provided under RBI/2019-20/170 DOR (NBFC). CC. PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.
- Stock options outstanding account (net of deferred stock option expenses) relates to the stock options granted by the Company to its employees under Employee Stock Option Plan (Refer note 45).

24 Interest income

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
On loans (at amortised cost)	61.26	11.39
On others (at FVTPL)	1.53	25.41
On Fixed Deposits	0.03	3.06
Total	62.82	39.86

25 Fees and Incentives

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Management fees	145.34	103.64
Recovery Incentives Fees	0.54	2.54
Total	145.88	106.18

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26 Net gain on fair value changes

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial instruments designated at FVTPL		
Security Receipts (refer note 26.1 and 26.2)	15.25	55.70
Gain on mutual fund	#	0.81
Equity instruments	-	1.94
Total	15.25	58.45

Denote amount below ₹ 50,000

26.1 Investment in security receipts of face value of ₹ 58.89 crore in five trusts (Previous year : ₹ 12.01 crore) has been written off during the year and investment in security receipts of ₹ 73.18 crore has been written off during the year on sale.

26.2 Net Gain/(Loss) on fair value changes

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
- Realised gain/(loss)	12.03	184.44
- Unrealised gain/(loss)	3.22	(125.99)
Total	15.25	58.45

27 Other Income

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on Income tax refund	-	3.66
Other interest income	0.06	0.12
Gain on lease modification	-	3.04
Net gain on disposal of Property, Plant and Equipment	-	#
Miscellaneous income	0.30	#
Total	0.36	6.82

Denote amount below ₹ 50,000

28 Finance Cost

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
At Amortised cost:		
Interest on Debt Securities	37.51	132.18
Interest on Borrowings (Other than Debt Securities)	99.03	52.71
Others (refer note 28.1)	4.83	6.45
Total	141.37	191.34

28.1 Interest on others includes interest on lease obligations of ₹ 0.38 crore (Previous year : ₹ 1.02 crore).

29 Impairment of Financial Instruments

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
At amortised cost:		
Loans	1.52	(15.78)
Trade receivable	(0.03)	0.71
Financial Assets	1.22	0.88
Total	2.71	(14.19)

30 Employee Benefit Expenses

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, bonus, other allowances and benefits	19.01	17.37
Contribution to provident and other funds (Refer note 38)	0.81	0.77
Gratuity (refer note 38)	0.26	0.27
Share Based Payments to Employees (refer note 45)	0.68	2.25
Staff welfare expenses	0.10	0.07
Total	20.86	20.73

31 Other Expenses

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Rates and Taxes	0.07	0.33
Travelling Expenses	0.15	0.04
Repairs and Maintenance	0.09	0.18
Lease rental	0.17	0.23
Audit Expenses (refer note 31.1)	0.16	0.16
Support service charges	7.41	6.00
Insurance Expenses	0.19	0.25
Professional Fees	1.34	1.72
Director's commission & sitting fees	0.61	0.56
Electricity Expenses	0.12	0.21
Demat Charges	0.08	0.12
Conveyance Expense	0.04	0.03
Car Hire Charges	#	#
Manpower Expenses	0.23	0.04
Communication Expenses	0.04	0.04
Membership and Subscription	0.06	0.06
Printing and stationery	0.05	0.04
Information Technology Expenses	0.21	0.27
Donation	0.25	0.25
Corporate Social Responsibility (refer note 36)	1.47	2.98
Other Expenses	0.39	0.25
Total	13.13	13.76

Denotes amount below ₹ 50,000

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31.1 Payment to Auditors (Excluding Goods & Service Tax)

Particulars	₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Audit fees	0.09	0.09
In any other manner (Certifications, limited reviews, etc.)	0.07	0.05
Out of pocket	0.01	0.02
Total	0.16	0.16

32 Exceptional Items

Particulars	₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Security receipts	–	70.35
Loans	–	(70.35)
Post employee benefit expenses - Gratuity (refer note 38(c))	0.66	–
Total	0.66	–

During the year 2024-25, the Company had recognised exceptional items presented separately in accordance with the respective requirement of Ind AS 109 – Financial Instrument and Ind AS 1- Presentation of Financial Statements in respect of same financial assets/account/exposure on which impairment /expected credit loss on fair valuation of investments in multiple trusts and loans, respectively, had been recognised in previous year. The loss on fair valuation and the ECL Provision (impairment gain) offset each other on account of and result of realisation of assets, resulting in no net impact on the profit or loss for the year from this asset.

33 Income Tax

Particulars	₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	–	23.53
Deferred tax	31.26	3.55
Total income tax expenses recognised in the current year	31.26	27.08
Income tax expense recognised in other comprehensive income	#	(0.03)
Total income tax expenses	31.26	27.05

Denotes amount below ₹ 50,000

33.1 Reconciliation of total tax charge

Particulars	₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/ (loss) for the year	43.10	(2.71)
Income tax rate	25.17%	25.17%
Income tax expense	10.85	(0.68)
Tax Effect of:		
Effect of non-deductible expenses	0.43	0.81
Effect of unrecognised deferred tax assets (net)*	19.98	26.95
Deferred tax on Re-measurement of employee defined benefit obligation	#	(0.03)
Effect of deferred tax on unrecognised tax losses	–	–
Income tax expense recognised in profit and loss	31.26	27.05

denotes amount below ₹ 50,000

*Includes unrecognised deferred tax assets for the financial year 2025-26 in respect of deductible temporary differences of ₹ 79.41 crore (Previous year : ₹ 107 crore) including exceptional items pertaining to impairment loss/expected credit loss on fair valuation of investments in multiple trusts and loans. Considering the inherent uncertainties in the Company's business related to the timing and extent of recovery of financial assets and generation of future taxable income, the Company has adopted a prudent approach and has not recognised said deferred tax assets in the financial statements. These deferred tax assets may be recognised in future periods when there is convincing evidence of the availability of sufficient taxable profits against which such assets can be realised.

34 Earning per share

Earnings per share is calculated by dividing the profit attributed to equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Profit/(Loss) for the year attributable to equity shareholders - Basic EPS (₹ in crore.)	11.84	(29.79)
(b) Profit/(Loss) for the year attributable to equity shareholders - Diluted EPS (₹ in crore)	11.84	(29.79)
(c) Weighted average number of equity shares outstanding (Nos.)	79,53,10,930	39,83,25,537
(d) Add: Issue of right shares (Weighted average Nos.)	–	33,49,90,414
(e) Weighted average number of equity shares outstanding during the year for calculating basic earning per share (Nos.)	79,53,10,930	73,33,15,951
(f) Add : Effect of stock option scheme (Nos.)	6,10,547	* 3,49,689
(g) Weighted average number of equity shares outstanding during the year for calculating diluted earning per share (Nos.)	79,59,21,477	73,36,65,640
Basic earnings per share (₹) (a/e)	0.15	(0.41)
Dilutive earning per share (₹) (b/g)	0.15	(0.41)
Nominal value per share (₹)	10	10

* Includes some grants under ESOS are anti-dilutive and therefore considered as Nil.

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35 Segment Reporting

The Company operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Ind AS- 108 on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker.

The Company has one geographical segment identified based on its location of customers which is within India.

36 Corporate Social Responsibility

Details of expenses towards Corporate Social Responsibility as per Section 135 of the Act, 2013 read with Schedule VII there to:

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	With Company	In separate CSR Unspent account	With Company	In separate CSR Unspent account
a) Gross amount required to be spent by the Company during the year	1.47	2.98	0.97	1.43
b) Amount spent	0.97	1.43	0.50	1.55
Amount provided for on-going projects	0.50	1.55	1.47	2.98
Total	1.47	2.98	1.47	2.98
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	1.47	2.98	1.47	2.98
Total	1.47	2.98	1.47	2.98

Details of unspent obligations

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

Opening balance as on April 1, 2025					Closing balance as on March 31, 2026	
With Company	In separate CSR Unspent account	Amount required to be spent during the year	From Company's bank account	From separate CSR unspent account	With Company	In separate CSR Unspent account
1.55	1.68	1.47	0.97	2.62	0.50	0.61

Opening balance as on April 1, 2024					Closing balance as on March 31, 2025	
With Company	In separate CSR Unspent account	Amount required to be spent during the year	From Company's bank account	From separate CSR unspent account	With Company	In separate CSR Unspent account
2.20	0.74	2.98	1.43	1.26	1.55	1.68

* Unspent amount with company has been transferred to separate CSR account in succeeding year.

37 Leasing

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2026 :

Category of leased asset	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2025	Additions	Deletions	As at March 31, 2026	As at April 1, 2025	Additions	Deletions	As at March 31, 2026	As at March 31, 2026
Office Premises (ROU)	13.56	-	-	13.56	10.20	1.41	-	11.61	1.95
Motor Vehicle	-	0.28	-	0.28	-	0.06	-	0.06	0.22

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2025:

Category of leased asset	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2024	Additions	Deletions	As at March 31, 2025	As at April 1, 2024	Additions	Deletions	As at March 31, 2025	As at March 31, 2025
Office Premises (ROU)*	22.33	1.26	(10.03)	13.56	11.68	2.13	(3.61)	10.20	3.36

* addition and deletion is as result of lease modification - decrease in lease area and rent

During the year 2024-25, the Company renegotiated certain lease arrangements with lessors, resulting in a reduction in the leased area and a corresponding decrease in lease payments. These changes had been assessed as modifications to the original lease agreements under the provisions of Ind AS 116 – Leases. The Company had remeasured the lease liability based on the revised lease payments discounted using the revised discount rate (average borrowing interest rate of the JM Financial Group). The corresponding adjustment had been made to the Right of Use (RoU) asset. The impact of the lease modification was reduction in lease liability ₹ 8.87 crore, reduction in RoU ₹ 6.42 crore and gain on modification of ₹ 3.04 crore. There was no impact on the lease term or the classification of the lease.

During the year 2024-25, the Company entered into new lease arrangement for two office premises, resulting in recognition of Right of Use assets (RoU) of ₹ 1.26 crore and correspondence lease liability of ₹ 1.21 crore. The associated interest-free security deposits paid to lessors are assessed in accordance with the requirements of Ind AS 109 – Financial Instruments by recognising such deposits measured at fair value on initial recognition and subsequently carried at amortised cost using the effective interest method. Remaining portion of deposits of ₹ 0.05 crore recognised as RoU.

The following is the movement in lease liabilities during the year ended March 31, 2026 and March 31, 2025:

On Office premises

Particulars	As at	
	March 31, 2026	March 31, 2025
Opening balance	4.25	14.02
Add : Additions during the year	-	1.21
Less : Lease Modification (net) including impact of lease remeasurement	-	(8.91)
Add : Finance cost during the year	0.34	1.02
Less : Payment of lease liabilities	(1.86)	(3.09)
Closing balance	2.73	4.25

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On Motor Vehicle

Particulars	As at	
	March 31, 2026	March 31, 2025
Opening balance	–	–
Add : Additions during the year	0.28	–
Add : Finance cost during the year	0.04	–
Less : Payment of lease liabilities	(0.08)	–
Closing balance	0.24	–

Table showing contractual maturities of lease liabilities as at March 31, 2026 and March 31, 2025 on an undiscounted basis:

On Office Premises:

Particulars	As at	
	March 31, 2026	March 31, 2025
Not later than one year	1.37	1.85
Later than one year and not later than five years	1.69	3.06
Later than five years	–	–
Total lease commitment (on an undiscounted basis)	3.06	4.91
Less: Future Finance Charges	(0.33)	(0.66)
Total Lease Commitment	2.73	4.25

On Motor Vehicle

Particulars	As at	
	March 31, 2026	March 31, 2025
Not later than one year	0.10	–
Later than one year and not later than five years	0.20	–
Later than five years	–	–
Total Finance Lease Commitment (on an undiscounted basis)	0.30	–
Less: Future Finance Charges	(0.06)	–
Total Finance Lease Commitment	0.24	–

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



38 Employee Benefits

a) Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees. The employees of the Company are members of a retirement contribution plan operated by the Government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating ₹ 0.64 crore (Previous year ₹ 0.60 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 31 March 2026	As at 31 March 2025
Discount rate	6.90%	6.55%
Expected rate of salary increase	8.00%	8.00%
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

Particulars	₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	0.17	0.17
Past service cost	0.66	-
Net interest cost	0.09	0.10
Components of defined benefits recognised in profit or loss	0.92	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	(0.03)	0.02
- Actuarial (gain)/loss from change in financial assumptions	(0.04)	0.08
- Actuarial (gain)/loss from change in experience adjustments	0.08	0.03
Total amount recognised in OCI	0.01	0.12
Total	0.93	0.39

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, 2026	As at March 31, 2025
Present value of funded defined benefit obligation	2.27	1.37
Fair value of plan assets	-	-
Net liability/(asset) arising from defined benefit obligation	2.27	1.37

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

Particulars	₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Opening defined benefit obligation	1.37	1.50
Current service cost	0.17	0.17
Interest cost	0.09	0.10
Past service cost	0.66	-
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	(0.03)	0.02
- Actuarial (gain)/loss from change in financial assumptions	(0.04)	0.08
- Actuarial (gain)/loss from change in experience adjustments	0.08	0.03
Benefits paid	(0.04)	(0.49)
Liabilities extinguished on settlements	-	(0.03)
Closing defined benefit obligation	2.27	1.37

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

Particulars	₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Opening balance of fair value of plan assets	-	-
Employer contribution	0.04	0.49
Interest on plan assets	-	-
Administrative Expenses	-	-
Remeasurement due to :		
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	(0.04)	(0.49)
Asset acquired/(settled) on account of business combination or inter group transfer	-	-
Asset distributed on settlements	-	-
Closing balance of fair value of plan assets	-	-

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, 2026	As at March 31, 2025
Defined benefit obligation (base)	2.27	1.37

Particulars	As at March 31, 2026		As at March 31, 2025	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	2.21	2.30	1.35	1.40
Impact of increase in 50 bps on DBO	(2.38%)	1.37%	(2.10%)	1.67%
Defined benefit obligation on decrease in 50 bps	2.32	2.23	1.41	1.35
Impact of decrease in 50 bps on DBO	2.49%	(1.40%)	2.19%	(1.65%)

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.

There is no compulsion on the part of the Company to pre fund the liability of the plan. The Company's philosophy is to not to externally fund these liabilities but instead create an accounting provisions in its books of accounts and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company. The expected contribution payable to the plan next year is therefore Nil.

Notes

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Projected benefits payable:

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Expected benefits for year 1	0.37	0.25
Expected benefits for year 2	0.48	0.23
Expected benefits for year 3	0.29	0.35
Expected benefits for year 4	0.36	0.16
Expected benefits for year 5	0.25	0.21
Expected benefits for year 6	0.22	0.11
Expected benefits for year 7	0.20	0.09
Expected benefits for year 8	0.18	0.08
Expected benefits for year 9	0.16	0.07
Expected benefits for year 10 and above	0.85	0.34

The weighted average duration to the payment of these cash flows is 4.87 years (previous year : 4.28 years)

Compensated absences

As per Company's policy, provision of ₹ 0.33 crore (Previous year: ₹ 0.29 crore) has been made towards compensated absences, determined on the basis of independent actuarial valuation made at the end of each financial year using the projected unit credit method.

c) Code on Social Security, 2020

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Ministry of Labour and Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to the new Labour Codes. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. The Labour Codes, amongst other things, introduce changes, including a uniform definition of wages. These changes have resulted in increase in gratuity liability arising from past service by ₹ 0.66 crore in the statement of profit and loss. Considering the materiality and regulatory-driven, non-recurring nature of this development, the Company has accounted such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional item" in the statement of profit and loss for the year ended March 31, 2026. The Company continues to monitor the finalization of Central/State Rules and clarifications from the Government on various other aspects of the New Labour Codes and would give appropriate accounting effect of such developments in the period(s) in which they are notified.

39 Foreign Currency Exposure and Unhedged 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		155.86
VI.	Total Banking Exposure of the Company		
	(i) Term Loans Exposure (Outstanding amounts + Undisbursed)		90.00
	(ii) Working Capital Exposure (Limit sanctioned & accepted)		163.00

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.

Notes

forming part of the Standalone Financial Statements (Contd..)

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

Immediate Holding Company

JM Financial Credit Solutions Limited

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

(A) Ultimate Holding Company

JM Financial Limited

(B) Immediate Holding Company

JM Financial Credit Solutions Limited

(C) 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 Asset Management Limited
 Astute Investments
 CR Retail Malls (India) Limited

(D) Key Managerial Personnel

Whole Time Director or Chief Executive Office

Mr. Srinivasan Viswanathan - Chief Executive Officer

Non-Executive Directors

Mr. V P Shetty
 Mr. Pulkit Sekhsaria [Ceased w.e.f. April 15, 2026]
 Mr. Adi Patel
 Mr. Vishal Kampani

Independent Directors

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

Key Managerial Personnel of Ultimate Holding Company

Mr. Nimesh Kampani
 Mr. Vishal Kampani
 Mr. Adi Patel
 Mr. P S Jayakumar
 Ms. Roshini Bakshi
 Mr. Navroz Udawadia
 Mr. Pradip Kanakia
 Mr. Sumit Bose

Key Managerial Personnel of Holding Company

Mr. Vikram Pandit (Ceased w.e.f. May 5, 2025)
 Mr. Vishal Kampani
 Mr. Hariharan Aiyar
 Mr. Adi Patel
 Ms. Dipti Neelakantan
 Dr. Anup Shah (Ceased w.e.f. March 28, 2026)
 Mr. Satish Chand Mathur
 Mr. K. G. Krishnamurthy

(E) Entity controlled or jointly controlled or significantly influenced by Key Managerial Personnel of a Ultimate Holding Company of the Reporting Entity

JM Financial & Investment Consultancy Services Private Limited

(F) All Subsidiary Trusts of the Company

Name of the entity	Country of Incorporation	Proportion of ownership interest and voting power held by the Company	
		As at March 31, 2026 (%)	As at March 31, 2025 (%)
Subsidiary Trusts in India			
JMFARC - Pasupati SASF Trust	India	100%	100%
JMFARC - UCO Bank March 2011 Trust	India	100%	100%
JMFARC - Corp Apparel 2013 Trust	India	100%	100%
JMFARC - Central India 2013 Trust	India	100%	100%
JMFARC - Dena Bank March 2014 Trust	India	100%	100%
JMFARC - Gelatine March 2014 Trust	India	100%	100%
JMFARC - ICICI Bank July 2014 Trust	India	100%	100%
JMFARC - Axis Bank Cement March 2015 Trust	India	100%	100%
JMFARC - ICICI Bank Cement June 2015 Trust	India	100%	100%
JMFARC - United Bank Cement Sept 2015 Trust	India	100%	100%
JMFARC - ICICI Geometric Trust	India	15%	15%
JMFARC - Axis Bank February 2016 Trust	India	100%	100%

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Name of the entity	Country of Incorporation	Proportion of ownership interest and voting power held by the Company	
		As at March 31, 2026	As at March 31, 2025
JMFARC - OBC Cement March 2016 Trust	India	100%	100%
JMFARC - Axis Iris II March 2016 Trust	India	100%	100%
JMFARC - SBI Geometric October 2016 Trust	India	100%	100%
JMFARC - IRIS Cash 2016 Trust	India	100%	100%
JMFARC - Tata Capital December 2016 Trust	India	100%	100%
JMFARC - IDBI March 2017 Trust	India	100%	100%
JMFARC - BOB 2008 Trust	India	100%	100%
JMFARC - SME Retail 2011 Trust	India	100%	100%
JMFARC - IOB II March 2011 Trust	India	11%	11%
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%
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 - 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 - Metallics February 2018 Trust	India	92%	92%
JMFARC - Metallics July 2018 Trust	India	100%	100%
JMFARC - Federal Bank March 2013 Trust	India	100%	100%

Name of the entity	Country of Incorporation	Proportion of ownership interest and voting power held by the Company	
		As at March 31, 2026	As at March 31, 2025
JMFARC - Metallics November 2018 Trust	India	95%	95%
JMFARC - Metallics December 2018 Trust	India	94%	94%
JMFARC - KTK Metallics December 2018 Trust	India	94%	94%
JMFARC - Coated February 2021 Trust [^]	India	–	89%
Textile 2022 Trust	India	100%	100%
Real Estate May 2023 Trust	India	57%	57%
JMFARC - Fabrics September 2018 III - Trust *	India	39%	39%
JMFARC - Fabrics August 2018 II - Trust *	India	39%	39%
Retail May 2024 Trust	India	90%	90%
Rail December 2024-Trust	India	58%	51%
Iris March 2025 Trust	India	100%	100%
JMFARC - Fabrics June 2019 I Trust #	India	36%	–
Juhu Hotel March 2025 Trust@	India	50%	–
Water August 2025 Trust@	India	100%	–
EB Retail 2025 - Trust@**	India	47%	–
EB Retail December 2025 Trust@**	India	44%	–
Retail March 2026 - Trust@	India	50%	–

@ Trusts addition during the year

^ Trust closed during the year

* Subsidiary from May 31, 2024 by control through ability to direct relevant activities and influence variable returns.

Subsidiary from January 31, 2026 by control through ability to direct relevant activities and influence variable returns.

** Subsidiary by control through ability to direct relevant activities and influence variable returns.

b) Transactions with related parties :

Name of the Related Party	Nature of relationship	For the year ended	
		March 31, 2026	March 31, 2025
(₹ in crore)			
JM Financial Limited (JMFL)	(A)		
Inter Corporate Deposit taken		150.00	255.00
Inter Corporate Deposit paid		–	255.00
Interest on Inter Corporate Deposits		0.08	5.64
Rating Support Fees		3.85	4.89
Support Service Charges		6.80	4.25
Recovery of expenses		–	0.13
Reimbursement of Expenses		0.03	0.03
Issue of equity shares including security premium (Rights Issue)		–	536.05
Gratuity Liability received		–	0.03
Employee stock option expenses		0.04	0.07
JM Financial Properties and Holdings Limited (JMFPHL)	(C)		
Space and other related cost		0.62	2.48
Security Deposit received		–	1.75

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Name of the Related Party	Nature of relationship	(₹ in crore)	
		For the year ended March 31, 2026	For the year ended March 31, 2025
Reimbursement of Expenses		0.10	0.42
JM Financial Home Loans Limited (JMFL)	(C)		
Reimbursement of Expenses		#	#
JM Financial Products Limited (JMPL)	(C)		
Inter Corporate Deposit taken		635.00	430.00
Inter Corporate Deposit paid		415.00	687.00
Management Fees received		1.57	1.73
Interest on Inter Corporate Deposits paid		4.16	8.01
Support Service Charges		-	1.25
Reimbursement of Expenses		0.04	0.04
JM Financial Services Limited (JMFLS)	(C)		
Reimbursement of expenses		#	-
Repayment of NCD/MLD		-	0.20
Brokerage paid		0.01	0.08
JM Financial Credit Solutions Limited (JMCSL)	(B)		
Inter Corporate Deposit taken		1,129.00	230.00
Inter Corporate Deposit paid		747.00	-
Management Fees received		2.72	3.83
Interest on Inter Corporate Deposits paid		76.30	0.46
Issue of equity shares including security premium (Rights Issue)		-	59.43
Security deposit paid against lease		-	0.33
Reimbursement of expenses		0.05	0.17
Purchase of fixed assets		0.93	-
Subsidiary trusts - managed by the Company as trustee	(F)		
Management fees and incentives			
Real Estate May 2023 Trust		3.19	4.18
Retail May 2024 Trust		1.76	2.93
Rail December 2024 - Trust		16.47	3.65
Juhu Hotel March 2025 Trust		3.93	-
EB Retail 2025 - Trust		3.58	-
EB Retail December - Trust		0.33	-
Retail March 2026 - Trust		0.08	-
Net gain/(loss) on fair value changes - Income (Upside/Yield) distributed to beneficiary			
JMFARC - Tata Capital December 2016 Trust		7.19	60.42
JMFARC - Allahabad Bank Textile June 2017 Trust		6.49	-
JMFARC - Federal Bank June 2017 Trust		4.80	2.88
JMFARC - Federal Bank March 2013 Trust		-	4.77
JMFARC - Axis Bank February 2016 Trust		-	5.29
JMFARC - Gelatine March 2014 Trust		13.42	-
JMFARC - Coated February 2021 - Trust		1.23	-
JMFARC - Woods October 2017 Trust		0.07	-
JMFARC - Retail June 2011 - Trust		0.09	-
Retail May 2024 Trust		0.75	-
Deccan 2021 Trust		-	29.60

Name of the Related Party	Nature of relationship	(₹ in crore)	
		For the year ended March 31, 2026	For the year ended March 31, 2025
Deccan June 2022 - Trust		-	3.17
Deccan January 2023 Trust		-	34.64
Textile 2022 - Trust		-	10.06
Others		-	1.62
Interest Income			
Real Estate May 2023 Trust		-	0.06
Rail December 2024 Trust		0.27	-
Investment in security receipts			
Juhu Hotel March 2025 Trust		102.89	-
Water August 2025 Trust		50.00	-
EB Retail 2025 - Trust		95.44	-
Rail December 2024 - Trust		88.00	255.00
Iris March 2025 Trust		-	5.00
EB Retail December 2025 Trust		13.95	-
Retail March 2026 - Trust		61.00	-
Retail May 2024 Trust		-	29.55
Redemption of security receipts			
JMFARC - Gelatine March 2014 - Trust		6.28	-
Rail December 2024 - Trust		76.15	-
Retail May 2024 Trust		8.83	-
JMFARC - Tata Capital December 2016 - Trust		-	66.98
JMFARC - Central India 2013 - Trust		0.17	22.98
Real Estate May 2023 Trust		-	13.00
JMFARC - Fabrics August 2018 I - Trust		10.63	-
JMFARC Federal Bank June 2017 Trust		-	2.88
JMFARC Federal Bank March 2013 Trust		-	4.77
JMFARC - Woods October 2017 Trust		-	9.79
JMFARC ALHB Bank Textile June 2017 Trust		0.01	-
Deccan 2021 Trust		-	39.11
Deccan June 2022 - Trust		-	6.20
Textile 2022 - Trust		-	149.73
Deccan January 2023 Trust		-	129.31
Deccan September 2023 Trust		-	106.81
JMFARC Alphahealth 2018 - Trust		175.20	-
Aranya Trust		119.67	-
Others		160.98	37.50
Advance Recoverable from trusts given/(repaid) (net)			
JMFARC Gelatine March 2014 Trust		(0.79)	0.33
JMFARC Fabrics August 2018 I Trust		(1.71)	(2.52)
JMFARC Central India 2013 Trust		0.08	(2.93)
JMFARC Corp I 2013 Trust		0.02	0.14
JMFARC Federal Bank March 2013 Trust		0.01	0.03
JMFARC Coated February 2021 Trust		0.04	0.01

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Name of the Related Party	Nature of relationship	(₹ in crore)	
		For the year ended March 31, 2026	For the year ended March 31, 2025
Juhu Hotel March 2025 Trust		1.83	–
Rail December 2024 - Trust		0.99	–
Real Estate May 2023 Trust		0.91	–
Water August 2025 Trust		0.53	–
Others		(0.80)	(2.00)
Key Managerial Personnel	(D)		
Remuneration (refer note (d))		2.68	2.25
Repayment of NCD		–	0.20

c) Closing balances

Name of the Related Party	Nature of relationship	(₹ in crore)	
		As at March 31, 2026	As at March 31, 2025
Inter Corporate Deposit payable			
JM Financial Limited (JMFL)	(A)	150.00	–
JM Financial Credit Solutions Ltd (JMFCSL)	(B)	612.00	230.00
JM Financial Products Limited (JMFPPL)	(C)	220.00	–
Security Deposit Receivable			
JM Financial Properties and Holdings Limited (JMFPHL)	(C)	0.46	0.46
JM Financial Credit Solutions Limited (JMFCSL)	(B)	0.33	0.33
Optionally Convertible Debenture			
JM Financial Credit Solutions Limited (JMFCSL)	(B)	200.00	200.00
Trade Payable			
JM Financial Limited (JMFL)	(A)	1.04	2.36
Advance Recoverable given/(repaid) (net) and Trade receivables			
JM Financial Services Limited (JMFSL)	(C)	–	#
Subsidiaries Trust	(F)		
JMFARC Fabrics August 2018 I Trust		0.06	1.77
JMFARC Coated February 2021 Trust		0.06	0.02
Rail December 2024 Trust		5.30	3.94
JMFARC Fabrics August 2018 II- Trust		6.83	7.43
Real Estate May 2023 Trust		3.61	–
JMFARC Fabrics September III Trust		0.91	0.88
JMFARC - Fabrics June 2019 I Trust		6.26	–
Juhu Hotel March 2025 Trust		6.07	–
Others		2.35	9.92
Key Managerial Personnel	(D)	1.05	0.68

Denote amount below ₹ 50,000

d) Remuneration to KMP were as follows

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Short Term Employee Benefits	2.00	1.63
(b) Post Employment Benefits	0.07	0.06
(c) Other Benefits*	0.61	0.56
Total	2.68	2.25

* Other benefits includes directors sitting fees and commissions.

- e) Remuneration excludes provision for gratuity and compensated absences as the incremental liability has been accounted for Company as a whole.
- f) There are no provisions for doubtful debts/ advances or amounts written off or written back for debts due from/ due to related parties.
- g) The transactions disclosed above are exclusive of GST.

Note: The Company enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

41 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation 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.

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Borrowings (Debt securities and borrowing other than debt securities)	1,517.47	1,517.72
Less: Cash and cash equivalents	(6.42)	(50.83)
Net Debt	1,511.05	1,466.89
Total equity	1,172.59	1,160.12
Net Debt to equity ratio	1.29	1.26

Notes

forming part of the Standalone Financial Statements (Contd..)

42 Fair value measurement

a) Fair value hierarchy and method of valuation:

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognized and measured at fair value and b) measured at amortized cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 fair value measurements are those derived from quoted prices of equity instruments.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The input factors considered are estimated cash flows, collateral values, other assumptions, etc.

b) Categories of Financial Instruments:

As at March 31, 2026

(₹ in crore)

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	6.42	6.42	-	-	-	-
Other bank balances	-	-	1.88	1.88	-	-	-	-
Trade receivables (net)	-	-	171.67	171.67	-	-	-	-
Loans (net)	-	-	490.26	490.26	-	-	-	-
Investments	1,862.51	-	-	1,862.51	-	-	1,862.51	1,862.51
Other financial assets (net)	-	-	54.00	54.00	-	-	-	-
Total	1,862.51	-	724.23	2,586.74	-	-	1,862.51	1,862.51
Financial Liabilities								
Trade payables	-	-	1.88	1.88	-	-	-	-
Debt securities	-	-	287.04	287.04	-	-	-	-
Borrowing (other debt securities)	-	-	1,230.43	1,230.43	-	-	-	-
Lease liabilities	-	-	2.97	2.97	-	-	-	-
Other financial liabilities	-	-	14.28	14.28	-	-	-	-
Total	-	-	1,536.60	1,536.60	-	-	-	-

As at March 31, 2025

(₹ in crore)

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	50.83	50.83	-	-	-	-
Other Bank balances	-	-	1.98	1.98	-	-	-	-
Trade receivables (net)	-	-	168.24	168.24	-	-	-	-
Loans (net)	-	-	417.24	417.24	-	-	-	-
Investments	1,881.07	-	-	1,881.07	-	-	1,881.07	1,881.07
Other financial assets (net)	-	-	50.96	50.96	-	-	-	-
Total	1,881.07	-	689.25	2,570.32	-	-	1,881.07	1,881.07
Financial Liabilities								
Trade payables	-	-	3.35	3.35	-	-	-	-
Debt securities	-	-	1,025.18	1,025.18	-	-	-	-
Borrowing (other debt securities)	-	-	492.54	492.54	-	-	-	-
Lease liabilities	-	-	4.25	4.25	-	-	-	-
Other financial liabilities	-	-	24.04	24.04	-	-	-	-
Total	-	-	1,549.36	1,549.36	-	-	-	-

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, 2026	87.04	86.95
As at March 31, 2025	825.18	828.25

*carrying amount including accrued interest.

2 Except for those Financial Instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised 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 (adequate provisions for contingencies/appropriate discounting of the cash flows) have been made by considering credit risk, uncertainties associated with prevailing economic condition, timing of the recoveries, strategy which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners and the value at which the collaterals are expected to be recovered for determination of fair value of the financial assets.

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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, 2026 and March 31, 2025

Particulars	(₹ in crore)	
	Investment in Equity Share	Investment in Security Receipts
As at April 1, 2024	4.47	2,462.51
Acquisitions made	-	354.64
(Realisations) made	-	(925.90)
Net Gain/(Loss) on fair value changes	-	(14.65)
Balance as at March 31, 2025	4.47	1,876.60
Acquisitions made	-	578.07
(Realisations) made	-	(611.88)
Net Gain/(Loss) on fair value changes	-	15.25
Balance as at March 31, 2026	4.47	1,858.04

e) Sensitivity for instruments

Nature of the instrument	Fair Value as at March 31, 2026	Fair Value as at March 31, 2025	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2026*		Sensitivity Impact for the year ended March 31, 2025*	
					FV Increase	FV Decrease	FV Increase	FV Decrease
					Investment in Security receipts	1,858.04	1,876.60	Estimated cash flow based on realisation of collaterals value, etc.
Investment in Equity Shares	4.47	4.47	Market approach – Comparable companies' approach and Net book value	5%	0.22	(0.22)	0.22	(0.22)

* above sensitivity is determined at percentage of outstanding security receipts at cost and fair value/market value of equity shares considering the normal course of business excluding exceptional item disclosed in note 32

f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realised. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

43 Financial risk management

The Company's activities expose it to credit risks, liquidity risks and market risks.

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

The Company has established Risk Management Committee and Asset Acquisition Committee, responsible for identifying, developing, monitoring and mitigating all the risks related to its business. The Committees reports to the Board of Directors on regular basis.

i) Credit risk

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

In order to minimize credit risk, the Company has tasked its Risk Management Committee and Asset Acquisition Committee to develop and maintain the Company's credit risk grading's.

Company has classified its receivables into 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);

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, 2026

Particulars	(₹ in crore)			
	As at March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount-opening balance	70.51	-	353.68	424.19
New assets originated or purchased	107.51	-	40.80	148.31
Assets derecognised or repaid (excluding write offs)	(15.03)	-	(58.74)	(73.77)
Gross carrying amount- closing balance	162.99	-	335.74	498.73

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As at March 31, 2025

Particulars	As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount-opening balance	162.77	–	429.43	592.20
New assets originated or purchased	48.12	–	–	48.12
Assets derecognised or repaid (excluding write offs)	(13.88)	–	(202.25)	(216.13)
Transfer to Stage 3	(126.50)	–	126.50	–
Gross carrying amount- closing balance	70.51	–	353.68	424.19

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

As at March 31, 2026

Particulars	As at March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.16	–	5.79	6.95
New assets originated or purchased	1.52	–	–	1.52
ECL allowance - closing balance	2.68	–	5.79	8.47

As at March 31, 2025

Particulars	As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2.67	–	90.41	93.08
New assets originated or purchased	0.56	–	–	0.56
Assets derecognised or repaid (excluding write offs)	–	–	(86.69)	(86.69)
Transfer to stage 3	(2.07)	–	2.07	–
ECL allowance - closing balance	1.16	–	5.79	6.95

2 For other receivables under distressed credit business:

For the purpose of measuring the expected credit loss, including the lifetime expected credit loss allowances for other receivables under distress credit business, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. ECL rates are based on actual credit loss experience over the past six years and the ECL rate is calculated by averaging loss rates over past six years.

There is no credit period defined for other receivables and amount is due on the date of invoice/ debit note. Interest is charged on overdue amount as per terms agreed.

Movement of provision for impairment

As at March 31, 2026

Particulars	As at March 31, 2026		
	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	44.95	13.77	58.72
Addition	(0.03)	1.22	1.19
Closing balance	44.92	14.99	59.91

As at March 31, 2025

Particulars	As at March 31, 2025		
	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	44.24	12.89	57.13
Addition	0.71	0.88	1.59
Closing balance	44.95	13.77	58.72

The ageing of trade receivables :

Particulars	As at	
	March 31, 2026	March 31, 2025
Past due 1–180 days	10.39	11.15
More than 180 days	206.20	202.04
	216.59	213.19

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 ₹ 92.70 crore and ₹ 83.77 crore as of March 31, 2026 and March 31, 2025 respectively, from its bankers for working capital requirements. The Company also has bank balances of ₹ 6.42 crore as on March 31, 2026.

Notes

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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.

As at March 31, 2026

Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	1,517.47	1,517.47	1,480.87	36.60	-	-
Trade payables	1.88	1.88	1.88	-	-	-
Lease liabilities	2.97	2.97	1.25	1.68	0.04	-
Other Financial Liabilities	14.28	14.28	14.28	-	-	-
Total	1,536.60	1,536.60	1,498.28	38.28	0.04	-
Financial Assets						
Cash and cash equivalents	6.42	6.42	6.42	-	-	-
Other Bank balances	1.88	1.88	1.88	-	-	-
Trade receivables (net)	171.67	171.67	29.01	142.66	-	-
Loans (net)	490.26	490.26	287.35	202.91	-	-
Investment	1,862.51	1,862.51	1,689.90	163.79	8.82	-
Other Financial Assets (net)	54.00	54.00	24.31	29.69	-	-
Total	2,586.72	2,586.72	2,038.85	539.05	8.82	-

As at March 31, 2025

Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	1,517.72	1,517.72	1,323.35	194.37	-	-
Trade payables	3.35	3.35	3.35	-	-	-
Lease Liabilities	4.25	4.25	1.52	2.04	0.69	-
Other Financial Liabilities	24.04	24.04	23.43	0.61	-	-
Total	1,549.36	1,549.36	1,351.65	197.02	0.69	-
Financial Assets						
Cash and cash equivalents	50.83	50.83	50.83	-	-	-
Other Bank balances	1.98	1.98	1.98	-	-	-
Trade receivables (net)	168.24	168.24	23.89	144.35	-	-
Loans (net)	417.24	417.24	2.70	414.54	-	-
Investment	1,881.07	1,881.07	1,207.36	639.72	30.47	3.52
Other Financial Assets (net)	50.96	50.96	22.59	28.05	0.32	-
Total	2,570.30	2,570.30	1,309.33	1,226.66	30.79	3.52



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 2024-25 was addressed through refinancing via bank facilities and other refinancing options. This gap included inter-corporate deposits payable to related parties, which were callable, and bank working capital balances, which were annually renewable.

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

As at March 31, 2026

Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	1,517.47	1,518.19	1,481.59	36.60	-	-
Trade payables	1.88	1.88	1.88	-	-	-
Lease Liabilities	2.97	3.06	1.37	1.69	-	-
Other Financial Liabilities	14.28	14.28	14.28	-	-	-
Total	1,536.60	1,537.41	1,499.12	38.29	-	-

As at March 31, 2025

Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	1,517.72	1,524.35	1,329.23	195.12	-	-
Trade payables	3.35	3.35	3.35	-	-	-
Lease Liabilities	4.25	4.91	1.85	2.34	0.72	-
Other Financial Liabilities	24.04	24.04	23.43	0.61	-	-
Total	1,549.36	1,556.65	1,357.86	198.07	0.72	-

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. The 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.

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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:

Borrowings	As at March 31, 2026		As at March 31, 2025	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Fixed rate borrowings	1,161.26		1,128.38	
Floating rate borrowings	146.30		160.36	
Total	1,307.56		1,288.74	

* Exclude Optionally Convertible Debenture (refer note 16.4)

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, 2026 would decrease/ increase by ₹ 1.46 crore (Previous year: decrease/ increase by ₹ 1.60 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 unquoted equity instruments as at March 31, 2026 aggregate to ₹ 4.47 (Previous year ₹ 4.47 crore). If price of equity instruments decrease/ increase by 5%, the Company's profit for the year ended March 31, 2026 would be decrease/ increase by ₹ 0.22 (Previous year: decrease/ increase by ₹ 0.22 crore).

44 Maturity Analysis of Assets and Liabilities

Sr. No.	Particulars	As at March 31, 2026			As at March 31, 2025		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS						
(1)	Financial Assets						
(a)	Cash and cash equivalents	6.42	–	6.42	50.83	–	50.83
(b)	Other bank balances	1.88	–	1.88	1.98	–	1.98
(c)	Trade Receivables	29.01	142.66	171.67	23.89	144.35	168.24
(d)	Loans	287.35	202.91	490.26	2.70	414.54	417.24
(e)	Investments	1,689.91	172.60	1,862.51	1,207.37	673.70	1,881.07
(f)	Other Financial Assets	24.31	29.69	54.00	22.59	28.37	50.96
	Total Financial Assets	2,038.88	547.86	2,586.74	1,309.36	1,260.96	2,570.32
(2)	Non-Financial Assets						
(a)	Current tax Assets (Net)	–	54.45	54.45	–	33.86	33.86
(b)	Deferred tax Assets (Net)	–	78.64	78.64	–	109.90	109.90
(c)	Property, Plant and Equipment	–	3.02	3.02	–	3.91	3.91
(d)	Other Intangible Assets	–	0.11	0.11	–	0.16	0.16
(e)	Other Non-Financial Assets	1.15	–	1.15	1.08	–	1.08
	Total Non-Financial Assets	1.15	136.22	137.37	1.08	147.83	148.91
	Total Assets	2,040.03	684.08	2,724.11	1,310.44	1,408.79	2,719.23

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026			As at March 31, 2025		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	LIABILITIES AND EQUITY						
	LIABILITIES						
(1)	Financial Liabilities						
(a)	Trade Payables	1.88	–	1.88	3.35	–	3.35
(b)	Debt Securities	287.04	–	287.04	945.93	79.25	1,025.18
(c)	Borrowings (Other than Debt Securities)	1,193.83	36.60	1,230.43	377.42	115.12	492.54
(d)	Lease Liabilities	1.25	1.72	2.97	1.52	2.73	4.25
(e)	Other Financial Liabilities	14.28	–	14.28	23.43	0.61	24.04
	Total Financial Liabilities	1,498.28	38.32	1,536.60	1,351.65	197.71	1,549.36
(2)	Non-Financial Liabilities						
(a)	Provisions	0.70	1.90	2.60	0.54	1.12	1.66
(b)	Other non-financial liabilities	12.32	–	12.32	8.09	–	8.09
	Total Non-Financial Liabilities	13.02	1.90	14.92	8.63	1.12	9.75
	Total Liabilities	1,511.31	40.22	1,551.52	1,360.28	198.83	1,559.11
	Net (A-B)	528.72	643.86	1,172.59	(49.84)	1,209.96	1,160.12

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 has been balanced through refinancing/ others modes of borrowings and fresh infusion of equity.

45 Employee Stock Option Scheme

45.1 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 10, 2024 20,000 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 ₹
10 May 2025	Series-XIX-B	5,000	Excercised	Seven years from the date of Grant	1
10 May 2026	Series-XIX-B	5,000	Unvested	Seven years from the date of Grant	1
10 May 2027	Series-XIX-B	5,000	Unvested	Seven years from the date of Grant	1
10 May 2028	Series-XIX-B	5,000	Unvested	Seven years from the date of Grant	1

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

Particulars	Number of outstanding options	
	As at 31 March 2026	As at 31 March 2025
Outstanding at the beginning of the year	20,000	-
Granted during the year	-	20,000
Exercised during the year	(5,000)	-
Outstanding at the end of the year	15,000	20,000
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.04 crore (Previous year: ₹ 0.07 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.

45.2 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 year 2025-26, the Nomination and Remuneration Committee has not granted any stock options (previous year : Nil options) to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

During the year 2024-25, the Company approved a modification to its Employee Stock Option Scheme (ESOS) in accordance with the applicable regulations and the approval of the Board of Directors / Shareholders. The modification involved a change in the exercise price of outstanding stock options granted to eligible employees under the scheme. Effective from May 16, 2024, the exercise price of outstanding options revised from ₹ 28.46 for Series I, ₹ 29.69 for Series II and ₹ 33.63 for Series III to ₹ 11.25 for all series to continue incentivising and retaining key talent.

As per Ind AS 102 – Share-based Payment, this modification had been accounted for as a repricing of the stock options. The incremental fair value arising from the modification, determined as the difference between the fair value of the modified options and the original options as on the date of modification, had been calculated using the Black-Scholes option pricing model and will be recognized as an expense over the remaining vesting period. The impact of the modification on the statement of profit and loss for the year 2024-25 was an additional expense of ₹ 1.53 crore, with a corresponding increase in stock option outstanding under equity.

The details of options are as under:

Particulars	As at March 31, 2026	As at March 31, 2025
	Outstanding at the beginning of the year	30,54,492
Less: Forfeited/cancelled during the year	(3,49,235)	(3,87,699)
Outstanding at end of the year	27,05,257	30,54,492
Exercisable at end of the year	22,14,624	18,94,930

The Company follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Details of options granted under various series are as under :

Particulars	Series I	Series II	Series III
Grant date	16 April 2020	19 April 2021	04 May 2022
Options granted	15,81,444	9,09,549	19,60,749
Options forfeited/cancelled till March 31, 2026	(8,82,974)	(3,74,661)	(4,88,850)
Outstanding at end of year	6,98,470	5,34,888	14,71,899
Exercisable at end of year	6,98,470	5,34,888	9,81,266
Vesting of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options
Exercise period	Within 3 years from the date of vesting	Within 3 years from the date of vesting	Within 3 years from the date of vesting
Exercise price as per original scheme	₹ 28.46	₹ 29.69	₹ 33.63
Exercise price as per new scheme	₹ 11.25	₹ 11.25	₹ 11.25
Pricing formula	As was determined by the Nomination and Remuneration Committee	As was determined by the Nomination and Remuneration Committee	As was determined by the Nomination and Remuneration Committee

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.64 crore (Previous year: ₹ 2.19 crore).

46 Schedule of Security Receipts

Name of Trust	As at March 31, 2026		As at March 31, 2025	
	No. of SRs	Amount (₹ in crore)	No. of SRs	Amount (₹ in crore)
A) Subsidiary Trusts (at fair value)				
JMFARC - Pasupati- SASF - Trust	250,000	-	250,000	-
JMFARC - UCO Bank March 2011 - Trust	16,500	-	16,500	-
JMFARC - Corp Apparel 2013 -Trust	120,000	0.01	120,000	0.01
JMFARC - Central India 2013 - Trust	289,360	-	289,360	-
JMFARC - Dena Bank March 2014 - Trust	67,000	-	67,000	0.92
JMFARC - Gelatine March 2014 - Trust	628,672	0.06	628,672	6.34
JMFARC - ICICI Bank July 2014 - Trust	20,000	-	20,000	-
JMFARC - Axis Bank Cement March 2015 - Trust	230,000	12.13	230,000	12.13
JMFARC - ICICI Bank Cement June 2015 - Trust	170,500	8.80	170,500	8.80
JMFARC - United Bank Cement September 2015 - Trust	180,000	14.17	180,000	14.17
JMFARC - ICICI Geometric - Trust	61,500	-	61,500	-
JMFARC - Axis Bank February 2016 - Trust	87,500	-	87,500	-
JMFARC - OBC Cement March 2016 - Trust	49,700	1.55	49,700	1.55
JMFARC - Axis Iris II March 2016 - Trust	60,000	6.54	60,000	6.00
JMFARC - SBI Geometric October 2016 - Trust	453,000	-	453,000	-
JMFARC - IRIS Cash 2016 - Trust	426,200	39.18	426,200	44.22

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Name of Trust	As at March 31, 2026		As at March 31, 2025	
	No. of SRs	Amount (₹ in crore)	No. of SRs	Amount (₹ in crore)
JMFARC - Tata Capital December 2016 - Trust	130,000	15.91	130,000	16.96
JMFARC - IDBI March 2017 - Trust	30,000	1.05	30,000	1.31
JMFARC - IRIS IIFL May 2017 - Trust	27,500	1.97	27,500	2.25
JMFARC - IRIS Cash July 2017 - Trust	264,000	9.15	264,000	10.36
JMFARC - Woods October 2017 - Trust	187,500	0.02	187,500	0.02
JMFARC - IRIS Cash March 2018 - Trust	78,500	2.31	78,500	2.60
JMFARC - Fabrics June 2018 - Trust	830,000	14.02	830,000	19.00
JMFARC - Metallica July 2018 - Trust	166,500	-	166,500	-
JMFARC - Fabrics August 2018 I - Trust	8,020,000	144.92	8,020,000	202.40
JMFARC - Fabrics September 2018 I - Trust	753,500	14.29	753,500	19.33
JMFARC - Fabrics September 2018 II - Trust	535,300	10.10	535,300	13.73
JMFARC - PNB IRIS II September 2018 - Trust	11,510	1.17	11,510	1.15
JMFARC - Fabrics March 2019 I - Trust	337,800	6.39	337,800	8.67
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	17.43	1,000,000	17.43
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	-	36,000	-
JMFARC - Allahabad Bank Textile June 2017 - Trust [^]	-	-	69,000	0.01
JMFARC - Federal Bank June 2017 - Trust	1,572,000	0.24	1,572,000	0.24
JMFARC - Metallica February 2018 - Trust	1,221,809	-	1,221,809	-
JMFARC - Metallica November 2018 - Trust	656,405	-	656,405	-
JMFARC - Metallica December 2018 - Trust	675,629	-	675,629	-
JMFARC - KTK Metallica 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	13.33	707,500	18.15
JMFARC - Fabrics June 2019 III - Trust	183,100	3.45	183,100	4.70
JMFARC - Fabrics December 2019 I - Trust	49,100	0.95	49,100	1.26
JMFARC - March 2018 - Trust	1,200,000	93.85	1,200,000	93.85
JMFARC - Fabrics September 2020 - Trust	100,900	1.91	100,900	2.59
JMFARC - Fabrics November 2020 - Trust	508,000	9.43	508,000	13.01
JMFARC - Coated February 2021 - Trust [^]	-	-	3,905,900	-
Textile 2022 - Trust	1,428,228	38.08	1,428,228	15.08
Real Estate May 2023 Trust	1,980,000	127.73	1,980,000	132.23
JMFARC - Fabrics August 2018 II - Trust	380,000	7.39	380,000	9.75
JMFARC - Fabrics September 2018 III - Trust	40,200	0.78	40,200	1.03
Iris March 2025 Trust	50,000	5.00	50,000	5.00
Retail May 2024 Trust	295,500	3.59	295,500	12.41

Name of Trust	As at March 31, 2026		As at March 31, 2025	
	No. of SRs	Amount (₹ in crore)	No. of SRs	Amount (₹ in crore)
Rail December 2024-Trust@	3,430,000	325.19	2,550,000	255.00
JMFARC - Fabrics June 2019 I - Trust Class A \$*	335,700	26.00	-	-
JMFARC - Fabrics June 2019 I - Trust Class B*	151,200	-	-	-
Juhu Hotel March 2025 Trust@	1,028,850	130.40	-	-
Water August 2025 Trust@	500,000	50.00	-	-
EB Retail 2025 - Trust@	954,400	57.19	-	-
EB Retail December 2025 Trust@	139,500	8.53	-	-
Retail March 2026 - Trust@	610,000	61.00	-	-
Total		1,289.32		977.77
B) Non Subsidiary Trusts (at fair value)				
JMFARC - BOI 2009 - Trust	48,600	-	48,600	-
JMFARC - Swarna 2011 - Trust [^]	-	-	72,199	0.65
JMFARC - Swarna II 2012 - Trust Class A [^]	-	-	66,200	0.01
JMFARC - Swarna II 2012 - Trust Class B [^]	-	-	12,500	0.31
JMFARC - OBC March 2014 - Trust	34,500	-	34,500	-
JMFARC - Fed Gelatine March 2014 - Trust	17,500	-	17,500	-
JMFARC - OBC March 2014 II - Trust	4,760	0.20	4,760	0.25
JMFARC - UBOI March 2014 - Trust	66,750	-	66,750	-
JMFARC - SBI Ceramics June 2014 - Trust	156,000	0.12	156,000	0.12
JMFARC - Indian Bank June 2014 - Trust	32,200	-	32,200	-
JMFARC - Vijaya Bank June 2014 - Trust	25,360	-	25,360	-
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	0.07	32,625	0.07
JMFARC - LVB Ceramics September 2014 - Trust	27,900	0.06	27,900	0.06
JMFARC - SBOP Ceramics December 2014 - Trust	11,850	0.03	11,850	0.03
JMFARC - SBH Ceramics December 2014 - Trust	60,000	0.11	60,000	0.11
JMFARC - SBT Ceramics March 2015 - Trust	23,250	0.06	23,250	0.06
JMFARC - SBI Steel March 2015 - Trust	93,150	-	93,150	-
JMFARC - SBM Ceramics March 2015 - Trust	12,750	0.03	12,750	0.03
JMFARC - Karnataka Bank Cement March 2015 - Trust	49,500	1.78	49,500	1.78
JMFARC - Vijaya Bank Ceramics March 2015 - Trust	27,000	0.03	27,000	0.03
JMFARC - SBH Cement June 2015 - Trust	66,000	2.44	66,000	2.44
JMFARC - United Bank Textile September 2015 - Trust	27,075	0.64	27,075	0.64
JMFARC - PNB Ceramics November 2015 - Trust	401,640	1.02	401,640	1.02
JMFARC - Corp Bank Ceramics September 2015 - Trust	46,065	0.10	46,065	0.10
JMFARC - SBOP Geometric - Trust	61,560	-	61,560	-
JMFARC - Dena Ceramics January 2016 - Trust	15,750	0.03	15,750	0.03
JMFARC - UBOI Steel March 2016 - Trust	63,000	-	63,000	-
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	0.10	57,180	0.10

Notes

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Name of Trust	As at March 31, 2026		As at March 31, 2025	
	No. of SRs	Amount (₹ in crore)	No. of SRs	Amount (₹ in crore)
JMFARC - EXIM Ceramics March 2016 - Trust	17,101	0.04	17,101	0.04
JMFARC - UCO Geometric March 2016 - Trust	88,965	-	88,965	-
JMFARC - KVB Iris II March 2016 - Trust	37,500	3.64	37,500	4.20
JMFARC - Indian Bank March 2016 - Trust	97,515	-	97,515	-
JMFARC - ICICI Bank September 2016 - Trust	855,495	15.40	855,495	15.32
JMFARC - IOB March 2016 - Trust	50,250	1.26	50,250	1.26
JMFARC - Iris March 2016 - Trust	1,000,165	23.40	1,000,165	25.37
JMFARC - Exim Iris March 2016 - Trust	60,000	1.13	60,000	0.38
JMFARC - Axis Iris March 2016 - Trust	150,000	4.24	150,000	6.07
JMFARC - Andhra Resin September 2016 - Trust	37,605	#	37,605	#
JMFARC - Dena SEZ September 2016 - Trust	7,335	-	7,335	0.18
JMFARC - IDBI Geometric Dec 2016 - Trust	41,250	-	41,250	-
JMFARC - IRIS December 2016 - Trust	31,110	1.64	31,110	1.57
JMFARC - IRIS UBOI December 2016 - Trust	16,005	0.67	16,005	0.59
JMFARC - IRIS PNB January 2017 - Trust	41,550	1.54	41,550	1.37
JMFARC - IOB CHN March 2017 - Trust	37,500	-	37,500	3.49
JMFARC - IRIS United March 2017 - Trust	66,900	0.61	66,900	0.19
JMFARC - SBP March 2017 - Trust	31,665	1.09	31,665	1.58
JMFARC - IRIS UCO March 2017 - Trust	38,310	1.16	38,310	0.88
JMFARC - SBP Retreat March 2017 - Trust^	-	-	77,600	-
JMFARC - SBI Retreat March 2017 - Trust^	-	-	166,800	-
JMFARC - SBI Tollways March 2017 - Trust	153,000	2.70	153,000	2.70
JMFARC - Karnataka Bank September 2017 - Trust	20,310	0.12	20,310	0.10
JMFARC - Allahabad Bank December 2017 - Trust	76,275	3.89	76,275	5.49
JMFARC - Motors December 2017 - Trust	94,500	4.73	94,500	4.73
JMFARC - IOB Metallics February 2018 - Trust	360,000	-	360,000	-
JMFARC - Township February 2018 - Trust^	-	-	480,000	-
JMFARC - IRIS Canara March 2018 - Trust	18,225	0.83	18,225	0.88
JMFARC - Alphahealth 2018 - Trust**	110,700	6.32	1,780,700	143.23
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	1.66	33,000	1.74
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	3.67	462,500	3.95
JMFARC - SBI March 2014 I - Trust	173,750	0.67	173,750	0.67
JMFARC - SBI March 2014 II - Trust	45,250	1.52	45,250	1.52
JMFARC - Cosmos March 2014 - Trust	154,500	1.32	154,500	1.32
JMFARC - Indian Bank March 2014 - Trust	44,500	-	44,500	-
JMFARC - BOI March 2014 II - Trust	215,750	-	215,750	-
JMFARC - OBC June 2014 - Trust	8,915	-	8,915	-
JMFARC - Karnataka Bank December 2014 - Trust	172,500	1.44	172,500	3.08
JMFARC - CSB September 2015 - Trust	63,000	0.01	63,000	0.01



Name of Trust	As at March 31, 2026		As at March 31, 2025	
	No. of SRs	Amount (₹ in crore)	No. of SRs	Amount (₹ in crore)
JMFARC - SBH December 2015 - Trust	73,380	-	73,380	-
JMFARC - KVB March 2016 - Trust	355,095	0.72	355,095	0.72
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	139.22
JMFARC - PNB March 2017 - Trust	222,075	-	222,075	7.33
JMFARC - SBT March 2017 - Trust	55,875	1.79	55,875	2.40
JMFARC - LTF June 2017 - Trust	600,000	-	600,000	5.64
JMFARC - Central Bank Retail 2011 - Trust	88,872	-	88,872	-
JMFARC - Fabrics June 2019 I - Trust Class A \$*	-	-	232,500	21.56
JMFARC - Fabrics June 2019 I - Trust Class B*	-	-	151,200	-
Victory Real Estate 2021 Trust	60,000	6.00	60,000	6.00
Realty March 2022 Trust	607,500	45.56	607,500	45.56
Retail June 2022 - Trust	2,490,540	9.06	2,490,540	23.63
Aranya - Trust	6,005,000	234.57	6,005,000	354.25
Indus 2024 - Trust	106,500	3.75	106,500	7.61
Indus 2024 Pool 2 - Trust	103,500	3.94	103,500	7.88
Indus 2024 Pool 3 - Trust	90,000	5.05	90,000	6.09
AC Retail September 2024 Trust	33,000	1.92	33,000	3.01
Indus 2024 Pool 4 - Trust	69,200	4.03	69,200	6.42
Indus 2024 Pool 5 - Trust	66,100	4.40	66,100	6.42
Indus 2024 Pool 6 - Trust	75,500	4.41	75,500	7.07
Mortgage Retail A 2024 Trust@	21,500	1.66	-	-
AC Retail 2025 Trust@	33,000	2.85	-	-
Total		568.72		898.83

Denotes amount less than ₹ 50,000

@ trusts added during the year or additional investment made in security receipts of existing trust

^ trusts closed during the year

\$ includes security receipts bought back during the year

* subsidiary from January 31, 2026

** portion of investment sold during the year

Notes

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47 Additional disclosure

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

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

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost (₹ in crore)	% to total
Sponsor			
Indian Overseas Bank	763, Anna Salai, Chennai	827.91	3.24%
Sponsor Total		827.91	3.24%
Non- Sponsors			
Piramal Finance Limited (<i>formally known as Piramal Capital & Housing Finance Limited</i>)	601, 6th Floor, Amity Building, Agastya Corporate Park, Kamani Junction, Opp Fire Station, LBS Marg, Kurla (West) Mumbai – 400 070.	4,219.00	16.53%
State Bank of India (SBI & erstwhile Associate Bank's)	State Bank Bhavan, Corporate Centre, Madame Cama Marg, Mumbai, Maharashtra – 400 021	3,709.89	14.53%
Equitas Small Finance Bank Limited	4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai, Tamil Nadu, India - 600002	184.00	0.72%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	1,362.75	5.34%
Canara Bank	112 J. C. Road, Bangalore	1,206.06	4.72%
UCO Bank	Biplabi Trailokya Maharaj Sarani, Kolkata - 700001	1,066.49	4.18%
Union Bank of India	Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai-400021	1,065.75	4.18%
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	1,062.09	4.16%
ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051	884.65	3.47%
HDFC Limited	Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020	863.89	3.38%
JM Financial Credit Solutions Limited#	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	695.00	2.72%
Bank of Baroda	Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400023	631.67	2.47%
Axis Bank	Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400005	612.76	2.40%
Poonawalla Fincorp Limited	601, 6th Floor, Zero One IT Park, Survey no 79/1, Ghorpadi, Mundhwa Road, Pune - 411036	727.36	2.85%
Central Bank of India	Chandermukhi, Nariman Point, Mumbai 400021	513.63	2.01%
Prudent ARC Limited	Unit No. 611, 6th Floor, D Mall, Plot A-1, Netaji Subhash Place, Pitampura, New Delhi, Delhi 110034	550.00	2.15%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005	464.21	1.82%
Indian Overseas Bank *	763, Anna Salai, Chennai	427.73	1.68%
Federal bank	Federal Towers, Aluva, Ernakulum, Kerala - 683101	402.00	1.57%
Indian Bank	254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014	355.01	1.39%
IndusInd Bank Limited	11th Floor, Tower 1, One World Centre, 841, S.B. Marg, Elphinstone Road, Mumbai - 400 013	340.36	1.33%

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost (₹ in crore)	% to total
Yes Bank	9th floor Nehru Centre, Worli, Mumbai - 400018	338.51	1.33%
Cosmos Co-operative Bank Ltd	Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030	309.00	1.21%
L&T Infrastructure Finance Company Limited	3rd Floor, Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400 098	308.43	1.21%
Karur Vysya Bank	Erode Road, Karur - 639002	296.41	1.16%
JM Financial Products Limited	7th Floor Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	263.67	1.03%
Diwan Housing Finance Limited	3rd Floor, DHFL House, 19 Sahar Raod, Vile Parle (East), Mumbai - 400 099	240.00	0.94%
IDBI Bank	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	232.32	0.91%
Karnataka Bank	Mahavira Circle, Kankanadi, Mangalore - 575002	220.39	0.86%
L&T Finance Limited	City 2, Plot No. 177, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai 400 098	92.38	0.36%
Standard Chartered Bank	23, Narain Manzil, Barakhamba Road, New Delhi - 110001	89.84	0.35%
Sicom Ltd	Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400093	84.65	0.33%
South Indian Bank	SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680001	79.33	0.31%
Catholic Syrian Bank	CSB Bhavan, St. Mary's College Road, Thrissur,	63.75	0.25%
Bank of Maharashtra	Lokmangal" 1501, Shivajinagar, Pune 411005	59.33	0.23%
Lakshmi Vilas Bank	LVB House,4/1,Sardar Patel Road, guindy,Chennai - 600032. Tamil Nadu	51.32	0.20%
HSBC	52/60, M. G. Road, Fort, Mumbai - 400001	49.03	0.19%
VSJ Investments Pvt. Ltd	G-12, Raheja Centre, 214 Fress Press Journal Marg, Nariman Point, Mumbai 400 021.	43.67	0.17%
Stressed Assets Stabilisation Fund	IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai 400005	31.20	0.12%
Ratnakar Bank	One India Bulls Center, Tower 2 , 6th Floor,841, Senapati Bapat Marg,Lower Parel (W),Mumbai 400013	25.00	0.10%
Tata Capital Financial Services Limited	One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400001	24.50	0.10%
Assets Care & Reconstruction Enterprise Ltd (ACRE)	13, 2nd Floor, Mohandev Building, Tolstoy Marg, New Delhi, Delhi 110001	228.47	0.90%
Tyger Capital Pvt Ltd	One BKC, C-Wing 1004/5, 10th Floor, Bandra Kurla Complex, Bandra East, Mumbai - 400 051	58.30	0.23%
HUDCO	HUDCO Bhawan, Core-7-A,India Habitat Centre,Lodhi Road, New Delhi - 110 003	21.34	0.08%
Bank of Bahrain & Kuwait B.S.C	Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400021	19.19	0.08%
Deutsche bank	DB House, Hazarimal Somani Marg, Fort, Mumbai 400001	18.35	0.07%
Small Industries Development Bank of India	Samruddhi Venture Park, Upper Ground Floor, MIDC Road, Marol, Andheri East. Mumbai – 400 093	15.13	0.06%
Kotak Mahindra Bank Limited	27 BKC, Plat No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	8.37	0.03%
Life Insurance Corporation of India	Yogakshema, Jeevan Bima Marg, Mumbai - 400021	7.64	0.03%
Specified Undertaking of UTI	UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	7.39	0.03%

Notes

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Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost (₹ in crore)	% to total
Barclays PLC	801, Ceejay House, Annie Besant Road, Worli, Mumbai 400 018	7.30	0.03%
KKR India Financial Services Pvt. Ltd.	Regus CitiCentre, Level 6, 10/11, Dr. Radhakrishna Salai, Tamil Nadu, Chennai 600 004	6.75	0.03%
Phoenix ARC Private Limited	158, 5th Floor, Dani Corporate Park, CST Road, MMRDA Area, Kalina, Santacruz East, Mumbai, Maharashtra 400098	6.13	0.02%
Rupee Co-operative Bank	2062, Sadashiv Peth, Astang Ayurved Building, Pune-411030	6.00	0.02%
IFCI Ltd	Earnest House, 9th Floor, NCPA Marg, Nariman Point, Mumbai 400021	5.12	0.02%
SBI Global Factors Limited	6th Floor, Metropoliton Building, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	4.50	0.02%
BNP Paribas	Unit No 203, Sakar II, Ellisbridge, Ahmedabad 380006	3.39	0.01%
SBM Bank (Mauritius) Limited	101, Raheja Centre, Nariman Point, Mumbai 400 021	3.27	0.01%
IFCI Factors Limited	10Th Floor, IFCI Tower, 61 Nehru Place, New Delhi 110 019	3.13	0.01%
Pegasus Assets Reconstruction Private Limited	507, Dalamal House, Nariman Point, Mumbai 400 021	3.10	0.01%
India Infoline Finance Limited (IIFL)	12A-10, 13th Floor, Parinee Crescenzo, C-38 & C-39, G Block, Behind MCA, Bankdra Kurla Complex, Bandra (East), Mumbai 400 051	2.75	0.01%
IL & FS Financial Services Limited	IL & FS Financial Centre, Plat C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051	2.27	0.01%
The Saraswat Co-op Bank Ltd	Mittal Court 'A' Wing 1st Floor, Nariman Point, Mumbai - 400004	2.19	0.01%
NKGSB Co-Operative Bank Ltd.	Laxmi Sadan, 361, V. P. Road, Mumbai 400 004	2.10	0.01%
CTBC Bank Co Limited	UGF, Birla Tower, 25, Barakhamba Raod, New Delhi - 110 001	2.02	0.01%
Dhanalakshmi Bank	Dhanalaxmi Buildings, Naickanal, Thrissur, Kerala - 680001	1.59	0.01%
The Nashik Road Deolali Vyapari Sahakari Bank Ltd	Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422101	1.50	0.01%
Omkara Asset Reconstruction Pvt Ltd.	C/515, Kanakia Zillion, Junction of L.B.S Road & CST Road B.K.C Annexe Near Equinox, Kurla West, Mumbai 400070	1.07	0.00%
UTI Mutual Fund	UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051	0.75	0.00%
Barclays Bank PLC	801-808 Ceejay House, Shivsagar Estate Dr Annie Besant Road, Worli, Mumbai – 400018	0.60	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%
Dombivali Nagari Sahakari Bank Limited	"Madhukunj" P-52, M.I.D.C. Kalyan Shil Road, Sonarpada, Dombivli (East) - 421 204.	0.16	0.00%
Non Sponsors Total		24,697.31	96.76%
Grand Total		25,525.22	100.00%

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.

JM Financial Credit Solutions Limited has become a sponsor with effect from March 18, 2025. Hence, acquisitions before this date has been grouped in Non Sponsor acquisitions.



Value of financial assets acquired from following banks has combined into financial assets of merged entity.

- With effect from April 1, 2017, State Bank of Mysore, State Bank of Travancore, State Bank of Patiala, State Bank of Bikaner and Jaipur and State bank of Hyderabad are merged with State Bank of India.
 - With effect from April, 2019, Vijaya Bank and Dena Bank are merged with Bank of Baroda.
 - With effect 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	5,059.09	19.82%
Real Estate	4,700.96	18.42%
Retail	4,097.22	16.05%
Textiles	2,984.55	11.69%
Iron & Steel	1,561.31	6.12%
Pharmaceuticals	1,430.19	5.60%
Ceramics	886.56	3.47%
Healthcare	626.43	2.45%
Infrastructure	1,001.69	3.92%
Chemicals	297.43	1.17%
Plywood/ laminates	276.51	1.08%
Airlines	238.75	0.94%
Power	217.40	0.85%
Shipping	195.00	0.76%
Cement	171.52	0.67%
Information Technology	146.33	0.57%
Media	139.71	0.55%
Trading	130.83	0.51%
Metals	125.54	0.49%
Leather	107.15	0.42%
Coal	101.80	0.40%
Plastics	92.79	0.36%
Packaging	92.79	0.36%
Food Products	87.82	0.34%
Others	755.85	2.96%
Total	25,525.22	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.
- The acquisition price in the tables (a) and (b) above includes financial assets acquired till March 31, 2026 including financial assets resolved till date.
- 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.

Notes

forming part of the Standalone Financial Statements (Contd..)

- c) Details of related parties as per the accounting standards and the amounts due to and from them : Refer note 40
- d) Additional disclosure as per RBI Notification No. DBNS. PD (SC/RC). 8/ CGM (ASR) dated April 21, 2010 and RBI/DOR/2024-25/116 DoR.FIN.REC.16/26.03.001/2024-25 dated April 24, 2024

Particulars	₹ in crore (face value)
Value of financial assets acquired during the financial year either in its own books or in the books of the trust	686.07
Value of financial assets realized during the financial year*	1,193.76
Value of financial assets outstanding for realization as at the end of the financial year	10,143.60
Value of Security Receipts redeemed partly during the financial year	1,166.47
Value of Security Receipts redeemed fully during the financial year (including write-offs)	544.91
Value of Security Receipts pending for redemption as at the end of the financial year	11,852.55
Value of Security Receipts which could not be redeemed as a result of non-realization of the financial asset as per the policy formulated by the Securitization Company or Reconstruction Company under Paragraph 7(6)(ii) or 7(6)(iii) and under Paragraph 10.2 or 10.3 as per Master direction dated April 24, 2024	6,211.45
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 ₹ 150.16 crore of financial asset written-off due to trust closure.

- e) Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170, DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 as per Para 2 of Prudential Floor of ECL

₹ in crore						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5) = (3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	162.98	2.67	160.31	-	2.67
	Stage 2	-	-	-	-	-
	Stage 3	227.18	3.73	223.45	227.18	(223.45)
Subtotal		390.16	6.40	383.76	227.18	(220.78)
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful						
Up to 1 year	Stage 3	108.57	2.07	106.50	54.29	(52.22)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		108.57	2.07	106.50	54.29	(52.22)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-

(₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5) = (3)-(4)	6	(7) = (4)-(6)
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	162.98	2.67	160.31	-	2.67
	Stage 2	-	-	-	-	-
	Stage 3	335.75	5.80	329.95	281.47	(275.67)
	Total	498.73	8.47	490.26	281.47	(273.00)

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.

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 ₹ 281.47 crore

As of March 31, 2026, two loan accounts belonging to the same borrower group had outstanding interest that remained unserviced for over 180 days.

In consideration to the aforesaid orders issued by the Honourable Supreme Court of India, the said accounts are classified as Standard Assets. However, the provision as required under the extant RBI guidelines for Non - Performing Advances amounting to ₹ 227.18 crore is carried for these borrower accounts.

In the matter of Unitech Limited, the Adjudicating Authority under the Prevention of Money Laundering Act, 2002 (the "Act") issued an order dated February 21, 2024, upholding the attachment of property held by the Company as one of the collaterals against loans acquired in the Trust (as a Trustee) and an additional loan given to the Borrower Group as referred to above ("Borrower Group"). The Company has appealed against the aforesaid order before the Appellate Tribunal. Considering the total security against the loans acquired from the Borrower Group and the expected cash flows to the Company as per the documented waterfall, the Company believes that the above proceedings do not have a material impact on its financial position. The Company views these legal proceedings as arising in the normal course of its asset reconstruction business.

In addition, in respect of one loan account which was classified as 'Non-Performing Assets' in previous year, an additional provision of ₹ 29.27 crore has been made on reclassification of the account from "Substandard" category to "doubtful" category in accordance with the asset classification norms prescribed by the Reserve Bank of India (RBI).

Notes

forming part of the Standalone Financial Statements (Contd..)

i) Additional disclosure as per RBI Notification No. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated August 5, 2014 (for acquisitions made after August 5, 2014):

- a) None of the assets have been acquired during the year at a price higher than the book value (value of assets declared by seller bank in the auction)
- b) Assets (i.e. total purchase consideration paid at the trust level) have been disposed off during the financial year at a discount of more than 20% of its valuation as on the previous year end

(₹ in crore)

Name of Trust	Acquisition price	Outstanding SRs	Redemption during FY 2025-26	NAV as on March 31, 2026
Not Applicable	-	-	-	-

c) Trusts where the value of the SRs (i.e. Net Asset Value) have declined more than 20% below the acquisition value during the year.

Name of Trust	Acquisition price (₹ in crore)	SRs outstanding (₹ in crore)	NAV % as on March 31, 2026
JMFARC - Alphahealth 2018 - Trust	442.80	351.24	72%
JMFARC - Allahabad Bank December 2017 Trust	50.85	50.85	0%
JMFARC - SBT March 2017 - Trust	37.25	37.25	0%
JMFARC - SBP March 2017 - Trust	21.11	21.11	0%
JMFARC - SBH Cement June 2015-Trust	44.00	44.00	0%
JMFARC - Karnataka Bank Cement March 2015 - Trust	33.00	33.00	0%
JMFARC - OBC Cement March 2016 - Trust	4.97	4.44	0%
JMFARC - Motors December 2017 Trust	63.00	63.00	0%
Indus 2024 Pool 2 - Trust	69.00	52.50	50%
Indus 2024 - Trust	71.00	50.33	50%
JMFARC - IRIS PNB January 2017 - Trust	27.70	27.49	0%
JMFARC - IRIS IIFL May 2017 - Trust	2.75	2.33	0%

* This is as per management estimate as on March 31, 2025. Net Asset Value of these trusts are as per last NAV declaration, there is no movement of more than 20%

- d) There was no outsourced agency, which was owned/ controlled by a director of the ARC.
- e) Assets acquired under IBC - type and value of assets acquired under IBC, the sector-wise distribution based on business of the corporate debtor.

(₹ in crore)

Year of Acquisition	Type	Value of assets acquired (acquisition cost)	Sector of the business
FY 2019-20	Debts of textile company	200.00	Textiles



- f) Implementation status of the resolution plans approved by the Adjudicating Authority on a quarterly basis :
The Resolution Plan approved by NCLT has been implemented. The Board of Alok Industries Ltd oversees the operations of the Company. There is a team of qualified and experienced professionals who are managing the day to day operations under the supervision and guidance of the Board.
- g) Information on the ageing of the unrealised management fee recognised in their books as a part of the Notes to Accounts in the annual financial statements : Refer Note 7.3

48 Pursuant to notification issued by the Ministry of Corporate Affairs (MCA) dated August 16, 2019, on Companies (Share Capital and Debentures) Rules, 2014, ('Rules') the Company is not required to create DRR and as per MCA notification dated 5th June, 2020, the Company is also exempted to invest or deposit a sum which shall not be less than 15% of the amount of the Debentures issued and maturing during the financial year.

49 Disclosure of ratios:

Sr. No.	Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2026	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2025
a)	Capital to risk-weighted assets ratio (CRAR)	1,840.86	336.10	18.26%	2,156.64	687.82	31.89%
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, 2026	As at March 31, 2025
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.

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.

Notes

forming part of the Standalone Financial Statements (Contd..)

- (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.
- (xi) In accordance with the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company has maintained its books of account using accounting software that incorporates a feature of recording an audit trail (edit log) of each and every transaction. The audit trail functionality has been operated consistently throughout the financial year for all transactions recorded in the software and has also been enabled at the database level to capture direct modifications impacting the books of account. The audit trail has been maintained without any tampering and preserved by the Company in compliance with the applicable statutory requirements for record retention.
- 52** The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.
- 53** The Standalone Financial Statements are approved for issue by the Board of Directors at its meeting held on : May 12, 2026

For and on behalf of the Board of Directors

Munesh Khanna
Chairman
(DIN - 00202521)

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Srinivasan Viswanathan
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date : May 12, 2026

Independent Auditor's Report

To The Board of Directors

JM Financial Asset Reconstruction Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **JM Financial Asset Reconstruction Company Limited ("the Parent 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, 2026, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, including a summary of material accounting policies and other explanatory information (The "**Consolidated Financial Statements**" / "**Statements**").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("**the Act**") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"), the relevant circulars, guidelines and directions issued by the Reserve Bank of India ("**RBI**") from time to time and other accounting principles generally accepted in India, of the consolidated financial position of the Parent Company as at March 31, 2026, and its consolidated profit including consolidated other comprehensive income,

the consolidated changes in equity and its consolidated cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (**SAs**) specified under Section 143(10) of the Act. 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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.

Key Audit Matter

Fair Valuation of the Group's Financial Instruments

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

Auditor's Response

Principal Audit Procedures Performed:

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

Independent Auditor's Report (Contd.)

Key Audit Matter	Auditor's Response
<p>Initially, the Independent Committee finalizes the resolution strategy for each trust, which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners. The fair value of the investment can only be estimated based on the chosen resolution strategy, expected cash flows, recovery ranges provided by the external rating agency, collateral values, discount rates, proposed investor offer and other relevant assumptions. Further, the Group has applied judgements in estimating the cash flows.</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 ₹ 568.72 crore as at March 31, 2026; and - Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating ₹ 1,979.41 crore as at March 31, 2026. <p>(Refer to notes 9 & 10 in 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>	<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; - Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; - Compared the management's assumption of discount rate with the supporting internal/ external evidence; - We assessed the reasonableness of the judgements in estimating the cash flows in response to corroborating the assumptions based on the information used by the group, adopted/change in resolution strategy; and verified the accounting treatment applied; and - Read and assessed the disclosure made in the consolidated financial statements to assess compliance with respect to the disclosure requirements.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

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

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion 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 and Board of Director's Responsibility for the Consolidated Financial Statements

The Parent Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the

consolidated financial position, consolidated financial performance including consolidated total 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 Ind AS and the relevant circulars, guidelines and directions issued by the RBI from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 Statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, management is responsible for assessing the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate their respective entities or to cease operations or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise due to 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information on the entities within the Group to express an opinion on the Consolidated Financial Statements.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so

Independent Auditor's Report (Contd.)

would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to the preparation of aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors of the Parent Company, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to the Consolidated Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on Auditor's Report of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over the financial reporting of those companies.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, according to the information and explanation given to us, the remuneration (Commission) payable by the Parent Company to its directors during the year, is in

accordance with the provisions of Section 197(16) of the Act. The remuneration paid to directors is not in excess of the limit laid down under Section 197(16) of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (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. The Company has disclosed the impact of pending litigations as of March 31, 2026, on its financial position in its Consolidated Financial Statements - Refer note 51 to the Consolidated Financial Statements;
 - 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 during the year;
 - iv. (a) The Management of the Parent Company, has represented to us that, to the best of their knowledge and belief as stated in note no. 52 (vi) (A), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management of the Parent Company, has represented, to us that, to the best of their knowledge and belief note no 52 (vi) (B), no funds (which are material either

individually or in the aggregate) have been received by the Parent Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the year, Parent Company has not declared/paid any dividend hence reporting

under Rule 11(f) is not applicable to that extent; and

- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable only to the parent company as the subsidiaries are in the form of trusts. Based on our examination which included test checks, the parent company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Moreover, the feature of the recording audit trail (edit log) facility is enabled at the database level to log any direct data changes pertaining to the accounting software used for maintaining books of account. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Parent company as per the statutory requirements for record retention.

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 Act, to be included in Auditor's report, according to information and explanation given to us, and based on the CARO report issued by us for the parent company included in the consolidated financial statements, have unfavourable remarks or qualifications in their CARO report w.r.t. Parent Company.

Sr. No.	Name of the Entity	CIN	Parent / Subsidiary Company	Clause Number of the CARO Report
1	JM Financial Asset Reconstruction Company Limited	U67190MH2007PLC174287	Parent Company	iii (c) & (d) vii (b)

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

Parthiv S. Desai
Partner
Membership No.: (F) 042624
UDIN: 26042624PLJWGH5764

Place: Mumbai
Date: May 12, 2026

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 with reference to Consolidated Financial Statements of **JM Financial Asset Reconstruction Company Limited ("the Parent Company")** as of March 31, 2026 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's and Board of Director's Responsibility for the Internal Financial Controls

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

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent 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 for the Audit of the Internal Financial Controls with reference to Consolidated Financial Statements

Our responsibility is to express an opinion on the Parent Company's internal financial controls with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Parent Company's internal financial control with reference to Consolidated Financial Statements 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 Parent Company's internal financial control with reference to Consolidated Financial Statements 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 Parent 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 Parent Company are being made only in accordance with authorisations of management and directors of the Parent Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Parent Company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements 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 Parent Company has, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such controls were operating effectively as at March 31, 2026, based on the internal financial control over financial reporting criteria

established by the Parent 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: 26042624PLJWGH5764

Place: Mumbai
Date: May 12, 2026

Consolidated Balance Sheet

as at March 31, 2026

Sr. No.	Particulars	Note No.	As at	
			March 31, 2026	March 31, 2025
(₹ in crore)				
ASSETS				
(I) Financial Assets				
A	Cash and cash equivalents	5	74.33	170.22
B	Bank balances other than (A) above	6	1.88	1.98
C	Trade Receivables	7	149.68	155.65
D	Loans	8	490.26	417.24
E	Investments	9	573.19	903.30
F	Other Financial Assets	10	2,020.82	1,447.53
Total Financial Assets (I)			3,310.16	3,095.92
(II) Non Financial Assets				
A	Current tax assets (net)	11	54.45	33.86
B	Deferred tax assets (net)	12	86.11	117.47
C	Property, Plant and Equipment	13	3.02	3.91
D	Other Intangible Assets	13	0.11	0.16
E	Other Non-Financial Assets	14	1.15	1.08
Total Non Financial Assets (II)			144.84	156.48
Total Assets (I+II)			3,455.00	3,252.40
LIABILITIES AND EQUITY				
LIABILITIES				
(I) Financial Liabilities				
A	Trade Payables	15		
(i) total outstanding dues of micro and small enterprises			0.28	0.28
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			1.98	3.08
B	Debt Securities	16	287.04	1,025.18
C	Borrowings (Other than Debt Securities)	17	1,230.43	492.54
D	Lease Liabilities	18	2.97	4.25
E	Other Financial Liabilities	19	76.97	137.88
Total Financial Liabilities (I)			1,599.67	1,663.21
(II) Non-Financial Liabilities				
A	Provisions	20	2.60	1.66
B	Other Non-Financial Liabilities	21	15.91	12.49
Total Non-Financial Liabilities (II)			18.51	14.15
(III) EQUITY				
A	Equity Share capital	22	795.31	795.31
B	Other Equity	23	381.22	368.44
Equity attributable to owners of the Company			1,176.53	1,163.75
C	Non-Controlling interests		660.29	411.29
Total Equity (III)			1,836.82	1,575.04
Total Liabilities and Equity (I+II+III)			3,455.00	3,252.40

The accompanying notes are an integral part of the Consolidated Financial Statements : 1 to 54

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

Chartered Accountants

Firm's Registration No.: 109983W

For and on behalf of the Board of Directors
Parthiv S. Desai
 Partner
 Membership No.(F): 042624

Munesh Khanna
 Chairman
 (DIN - 00202521)

Rupa Vora
 Chairperson -
 Audit Committee
 (DIN - 01831916)

Srinivasan Viswanathan
 Chief Executive Officer

Vineet Singh
 Company Secretary

Sabyasachi Ray
 Chief Financial Officer

 Place: Mumbai
 Date: May 12, 2026

 Place: Mumbai
 Date: May 12, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

Sr. No.	Particulars	Note No.	For the year ended	
			March 31, 2026	March 31, 2025
(₹ in crore)				
(I) INCOME :				
Revenue from operations				
	Interest Income	24	62.73	39.86
	Fees and Incentives	25	116.54	95.43
	Net gain on fair value changes	26	131.00	34.43
Total Revenue from operations			310.27	169.72
(II) Other Income			0.36	6.82
(III) Total Income (I+II)			310.63	176.54
(IV) Expenses :				
	Finance Costs	28	141.37	204.34
	Impairment of Financial Instruments (net)	29	2.64	(14.50)
	Employee Benefits Expenses	30	20.86	20.73
	Depreciation and amortisation expenses	13	2.48	2.38
	Others expenses	31	29.63	24.28
Total Expenses			196.98	237.23
(V) Profit/(Loss) before exceptional items and tax (III-IV)			113.65	(60.69)
(VI) Exceptional items			(0.66)	-
(VII) Profit/(Loss) before tax (V+VI)			112.99	(60.69)
(VIII) Less : Tax Expenses:				
	Current tax		-	23.53
	Deferred tax		31.36	3.70
Total tax expenses			31.36	27.23
(IX) Profit/(Loss) for the year (VII-VIII)			81.63	(87.92)
(X) Other Comprehensive Income				
	Items that will not be reclassified to profit or loss	40		
	- Actuarial gain/(losses) on post-retirement benefit plans		(0.01)	(0.12)
	- Income tax on the above		#	(0.03)
Total other comprehensive income			(0.01)	(0.09)
(XI) Total Comprehensive Income (IX+X)			81.62	(88.01)
(XII) Net Profit/(Loss) for the year attributable to:				
	Owners of parent company		12.15	(29.30)
	Non-controlling interests		69.48	(58.62)
(XIII) Other Comprehensive Income attributable to:				
	Owners of parent company		(0.01)	(0.09)
	Non-controlling interests		-	-
(XIV) Total Comprehensive Income attributable to:				
	Owners of parent company		12.14	(29.39)
	Non-controlling interests		69.48	(58.62)
(XV) Earnings per equity share (Face value of ₹ 10 each)				
	Basic Earning per share (in ₹)	34	0.15	(0.40)
	Diluted Earning per share (in ₹)		0.15	(0.40)

Denotes amount less than ₹50,000/-

The accompanying notes are an integral part of the Consolidated Financial Statements : 1 to 54

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

Chartered Accountants

Firm's Registration No.: 109983W

For and on behalf of the Board of Directors
Parthiv S. Desai
 Partner
 Membership No.(F): 042624

Munesh Khanna
 Chairman
 (DIN - 00202521)

Rupa Vora
 Chairperson -
 Audit Committee
 (DIN - 01831916)

Srinivasan Viswanathan
 Chief Executive Officer

 Place: Mumbai
 Date: May 12, 2026

Vineet Singh
 Company Secretary

 Place: Mumbai
 Date: May 12, 2026

Sabyasachi Ray
 Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

A. EQUITY SHARE CAPITAL

Particulars	Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026
Equity Share Capital	398.33	396.98	795.31	-	795.31

B. OTHER EQUITY

Particulars	Securities Premium	Retained earnings	Capital reserves on change in interest without loss of control	Initial Corpus	Impairment Reserve	Stock Option Outstanding	Attributed to owners of the Company	Non-Controlling Interest	Total
Balance as at April 1, 2024	283.18	(364.36)	28.15	0.01	243.73	6.44	197.15	173.34	370.49
Profit for the year	-	(29.30)	-	-	-	-	(29.30)	(58.62)	(87.92)
Addition during the year	198.49	-	-	-	-	2.19	200.68	262.45	463.13
Redemption of security receipts	-	-	-	-	-	-	-	(16.00)	(16.00)
Initial Corpus	-	-	-	#	-	-	#	-	#
Transfer on account of options not exercised	-	0.49	-	-	-	(0.49)	-	-	-
Change in controlling interest	-	-	-	-	-	-	-	50.12	50.12
Re-measurement of defined benefit plans	-	(0.09)	-	-	-	-	(0.09)	-	(0.09)
Balance as at March 31, 2025	481.67	(393.26)	28.15	0.01	243.73	8.14	368.44	411.29	779.73

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

Particulars	Securities Premium	Retained earnings	Capital reserves on change in interest without loss of control	Initial Corpus	Impairment Reserve	Stock Option Outstanding	Attributed to owners of the Company	Non-Controlling Interest	Total
Balance as at April 1, 2025	481.67	(393.26)	28.15	0.01	243.73	8.14	368.44	411.29	779.73
Profit for the year	-	12.15	-	-	-	-	12.15	69.48	81.63
Addition during the year	-	-	-	-	-	0.64	0.64	238.50	239.14
Redemption of security receipts	-	-	-	-	-	-	-	(54.73)	(54.73)
Initial Corpus	-	-	-	#	-	-	#	-	#
Transfer on account of options not exercised	-	0.85	-	-	-	(0.85)	-	-	-
Share of distribution of Income	-	-	-	-	-	-	-	(4.25)	(4.25)
Appropriation for Impairment reserve (refer note 23.2)	-	(29.27)	-	-	29.27	-	-	-	-
Re-measurement of defined benefit plans	-	(0.01)	-	-	-	-	(0.01)	-	(0.01)
Balance as at March 31, 2026	481.67	(409.54)	28.15	0.01	273.00	7.93	381.22	660.29	1,041.51

Denotes amount less than ₹50,000/-

The accompanying notes are an integral part of the Consolidated Financial Statements : 1 to 54

In terms of our report of even date attached

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 109983W

Parthiv S. Desai
Partner
Membership No.(F): 042624

Munesh Khanna
Chairman
(DIN - 00202521)

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Srinivasan Viswanathan
Chief Executive Officer

Vineet Singh
Company Secretary
Place: Mumbai
Date: May 12, 2026

Sabyasachi Ray
Chief Financial Officer

Consolidated Statement of Cash Flow

for the year ended March 31, 2026

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
A Cash flow from operating activities		
Profit/(Loss) before exceptional items and tax	113.65	(60.69)
Adjustment for		
Interest expenses	140.99	203.32
Interest on lease liability	0.38	1.02
Impairment of financial instruments (net)	2.64	(14.50)
Depreciation and amortisation of expenses	2.48	2.38
Net (Gain)/Loss on fair value changes	(131.00)	(33.62)
Net (Gain)/Loss on mutual fund	#	(0.81)
Net (Gain)/Loss on lease modification	-	(3.04)
Net (Gain)/Loss on sale of Property, Plant and Equipment	-	#
Amortisation of deferred employee compensation (ESOP)	0.64	2.19
Interest income on fixed deposits	(0.22)	(3.12)
Operating profit/(loss) before working capital changes	129.56	93.13
Change in operating assets and liabilities		
(Increase)/Decrease in financial assets of trusts	282.50	725.79
(Increase)/Decrease in trade receivables	6.00	41.42
(Increase)/Decrease in long term loans and advances	(74.54)	168.01
(Increase)/Decrease in other financial assets	(0.82)	3.15
(Increase)/Decrease in non financial assets	(0.07)	0.25
(Increase)/Decrease in other bank balances	0.10	(0.99)
Increase/(Decrease) in trade payables	(5.55)	(6.91)
Increase/(Decrease) in financial liabilities	(67.15)	59.19
Increase/(Decrease) in non financial liabilities	3.43	(8.65)
Increase/(Decrease) in provisions	0.27	(0.21)
Cash generated from/(used in) operations	273.73	1,074.18
Income tax refund/(paid) (net)	(20.59)	26.36
Net cash generated from/ (used in) operating activities	253.14	1,100.54
B Cash flow from investing activities		
Payments for purchase of investment in Security Receipts	(166.79)	(65.09)
Redemption of Security Receipts	427.78	336.89
Payment for acquisition of subsidiary trusts, net of cash acquired	(411.27)	(289.55)
Effect of change in controlling interest	#	#
Proceed from sale of investment in equity instruments	-	6.22
Payments for purchase of investment in mutual funds	(1.50)	(312.78)
Redemption of mutual funds	1.50	313.59
Payments for purchase of Property, Plant and Equipment and Intangibles	(1.26)	(0.13)
Sale of Property, Plant and Equipment	-	#
Interest Income	0.22	3.12
Net cash generated from/(used in) investment activities	(151.32)	(7.73)

Consolidated Statement of Cash Flow

for the year ended March 31, 2026 (Contd..)

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
C Cash flow from financing activities		
Proceeds from issue of share capital (including security premium)	-	595.48
Repayment of debt securities	(719.12)	(789.73)
Proceeds from borrowing	1,975.00	915.00
Repayment of borrowing	(1,237.06)	(1,386.20)
Interest paid on debt securities and other borrowings	(155.61)	(309.61)
Repayment of lease liabilities	(1.94)	(3.09)
Share of distribution of Income (Non controlling interest)	(4.25)	-
Redemption of security receipts (Non controlling interest)	(54.73)	(16.00)
Net cash generated from/(used in) financing activities	(197.71)	(994.15)
Net increase/(decrease) in cash and cash equivalents	(95.89)	98.66
Cash and cash equivalents at the beginning of the financial year/period	170.22	71.56
Cash and cash equivalents at the end of the financial year/period	74.33	170.22

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

Cash and cash equivalents as per above comprise of the following:

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash and cash equivalents	74.33	170.22
Bank overdrafts repayable on demand and used for cash management purposes	-	-
Cash and cash equivalents in the statement of cash flows	74.33	170.22

Denotes amount less than ₹ 50,000/-

The accompanying notes are an integral part of the Consolidated Financial Statements : 1 to 54

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

Chartered Accountants
Firm's Registration No.: 109983W

Parthiv S. Desai
Partner
Membership No.(F): 042624

Place: Mumbai
Date: May 12, 2026

For and on behalf of the Board of Directors

Munesh Khanna
Chairman
(DIN - 00202521)

Vineet Singh
Company Secretary

Place: Mumbai
Date: May 12, 2026

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Sabyasachi Ray
Chief Financial Officer

Srinivasan Viswanathan
Chief Executive Officer

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 Trusts 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 cConsolidated Financial Statements.

2 Basis of Preparation and presentation

2.1 Statement of Compliance

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

2.2 Basis of measurement

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

Historical cost is generally the original cost or transaction price of goods and services.

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

transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

2.3 Presentation of financial statements

The balance sheet and the statement of profit and loss are prepared and presented in the format prescribed in the Schedule III to the Act. The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

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

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

3 Material Accounting Policy information

3.1 Basis of consolidation

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

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

- has the ability to use its power to affect its returns.

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

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

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

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

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

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

between members of the Group are eliminated in full on consolidation.

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

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

3.2 Associates

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

3.3 Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/ duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. PPE not ready for the intended use on the date of the balance sheet is disclosed as "capital work-in-progress".

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:

Notes

forming part of the Consolidated Financial Statements (Contd..)

- a) the amount of the initial measurement of the lease liability which is the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease;
- b) any lease payments made at or before the commencement date, less any lease incentives received;
- c) any initial direct costs incurred by the lessee; and
- d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

(Also refer to policy on leases, borrowing costs and impairment of assets below).

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

Tangible Assets - 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
Intangible Assets	Useful life
Computer software	5 years

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

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

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

Intangible Assets

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

Intangible Assets not ready for the intended use on the date of balance sheet are disclosed as "Intangible Assets under development". Intangible Assets are 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 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 recognised as profit or loss when the asset is derecognised.

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 recognised as an impairment loss in the statement of profit and loss.

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

3.4 Revenue Recognition

Revenue is recognised 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 recognises 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 recognised on accrual basis over the life of the contract as per terms of the relevant trust deed/ offer documents. The fees are recognised on accrual basis till the NAV of the Trust is recoverable and not wholly impaired.

Recovery incentive is accounted over the period on a cash basis, i.e. as and when received by the Group, based on terms of the relevant trust deeds and offer document issued by the Trust.

The Group recognises following income/(loss) under the heading Net gain/(loss) on fair value changes on financial instruments at FVTPL.

- (i) Additional realisation of assets over Net Asset Value of security receipt is accounted as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the Net Asset Value of security receipts in the trust.
- (ii) Net appreciation/ depreciation in Net Asset Value of security receipts is considered as fair value gain/ (loss) on change in investment and credit impaired financial assets.

3.5 Leasing

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

The Group as a lessee

The Group assesses, whether the contract is, or contains, a lease if the contract involves—

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

The Group at the inception of the lease contract recognises 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 include 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

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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 recognises 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 recognises any remaining amount of the re-measurement in the statement of profit and loss.

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

Lease liability has been presented in Note 18 "Lease Liabilities" and ROU asset has been presented in Note 13 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub lease is classified as a finance lease or an operating lease by reference to the ROU asset arising from the head-lease.

3.6 Borrowing costs

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

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

3.7 Employee benefits

Retirement benefit costs and termination benefits: Defined Contribution Plan

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

Defined Benefit Obligation

The Company's 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 recognises 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 recognised 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 recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other long-term employee benefits

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

3.8 Income Tax

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

Current Tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.9 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

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

Contingent Assets:

Contingent assets are not recognised in the financial statements.

3.10 Statement of Cash Flows

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

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

Cash and cash equivalents (including bank balances) shown in the statement of cash flows exclude items which are not available for general use as on the date of balance sheet.

3.11 Cash and Cash Equivalents

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

3.12 Financial Instruments

Financial Instruments comprise of Financial Assets and Financial Liabilities. Financial assets and liabilities are

recognised when the Group becomes the party to the contractual provisions of the instruments.

Financial Assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial Liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

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

Subsequent Measurement of Financial Assets

All 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; and
- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

Debt instruments at amortised cost or at FVTOCI

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

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

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

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

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

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

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

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 recognised in profit or loss.

Reclassifications

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

Impairment of financial assets:

The Group applies the expected credit loss model for recognising impairment loss on financial assets

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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 30 days past due (DPD).** Stage 1 loans also include facilities where no significant increase in credit risk, improvement in credit risk and the loan has been reclassified from Stage 2.
- **Stage 2 - Under-performing assets having 31 to 90 DPD.** Stage 2 loans also include facilities, where significant increase in the credit risk, has improved improvement in credit risk and the loan has been reclassified from Stage 3.
- **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 derecognises a financial asset when the Group has transferred the right to receive cash flows from the financial assets or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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 recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Write off

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

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

Financial Liabilities

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

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

Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at 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-recognises 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 recognised in profit or loss.

3.13 Share-based payment arrangements

Equity-settled share-based payments to employee of the Group are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments to employees is recognised as deferred employee compensation and is expensed in the Statement of Profit and Loss over the vesting period with a corresponding increase in employee stock option outstanding in other equity.

At the end of each year, the Group revisits its estimate of the number of equity instruments expected to vest and recognised any impact in profit or loss, such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment in other equity.

3.14 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss (before Other Comprehensive Income) for the year attributable to equity shareholders (after

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deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

3.15 Commitments

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

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

Other commitments if any related to normal course of business are not disclosed to avoid excessive details.

3.16 Foreign currency translation

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

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

3.17 Goods and Services Input Tax Credit

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

4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognised 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 recognised 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 recognised in the Consolidated Financial Statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Fair value measurement and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. The Group engages third party external rating agencies to perform the valuations. The Management works closely with the qualified external rating agencies to establish the appropriate valuation techniques and inputs to the model.

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

ii) Consolidation of trusts under distressed credit business

The Group's shareholding in security receipts of certain trusts formed in respect of distressed credit business is less than 50% and are being consolidated as subsidiaries, based on the management evaluation of right to variable returns determined on the basis of expected cash flow in form of management fees, recovery incentives, upside income and investment and priority on said cash flow determined that the Group has a control over these Trusts in terms of Ind AS 110- Consolidated Financial Statements.

4A Issue of new accounting standards or amendments to the existing standards

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and has determined that it does not have any impact in its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments – Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and has determined that it does not have any impact in its financial statements.

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5 Cash and Cash Equivalents

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Balances with Banks		
- In Current account	11.80	72.18
- In Deposits account (maturity less than 3 months)	62.53	98.04
Total	74.33	170.22

6 Other Bank Balances

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Earmarked balance with banks:		
- In current account (refer note 6.1)	0.61	1.68
- In deposit account (refer note 6.2)	1.27	0.30
Total	1.88	1.98

6.1 Current account includes amount maintained for expenses towards Corporate Social Responsibility.

6.2 In the current year, the balance in deposit accounts is earmarked against a liability related to a closed trust. In the previous year, fixed deposits includes amount of ₹ 0.25 crore carried fixed rate of interest and was for period of up to 12 months, and were lien marked against bank guarantees obtained by the Group.

7 Trade Receivables

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
At amortized cost:		
Unsecured considered good :		
Trade receivables (refer note 7.1 & 7.2)	194.60	200.60
Less: Impairment Loss allowance (refer note 44)	(44.92)	(44.95)
Total	149.68	155.65

7.1 The Group's trade receivables arise in the normal course of business. Although certain balances are overdue beyond 90 days, the nature of the business, the existence of contractual safeguards and consistent historical recovery trend indicate that there is no significant increase in credit risk or evidence of credit impairment. These receivables are secured through contractual terms and are considered recoverable irrespective of their overdue status. Accordingly, the above disclosures are considered adequate.



7.2 Trade receivable ageing schedule

For the financial year 2025-26

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 - 2 year	2 - 3 year	More than 3 years	
Undisputed trade receivable - Considered good	2.69	2.50	5.18	24.62	159.61	194.60
Less : Impairment loss allowance	(0.23)	0.21	(0.41)	16.15	29.20	44.92
Total	2.92	2.29	5.59	8.47	130.41	149.68

For the financial year 2024-25

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 - 2 year	2 - 3 year	More than 3 years	
Undisputed trade receivable - Considered good	7.21	2.80	25.57	30.36	134.66	200.60
Less : Impairment loss allowance	-	0.72	5.66	14.94	23.63	44.95
Total	7.21	2.08	19.91	15.42	111.03	155.65

The above trade receivables mostly comprises of management fees recoverable from trusts which has a priority in the cash flows of the trust. Further these fees are payable by the trust to the Group only on realisation from the financial assets in the trust.

8 Loans

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Loans secured by tangible assets	393.72	324.60
Interest accrued	105.01	99.59
Gross Loan	498.73	424.19
Less: Impairment Loss allowance (refer note 44)	(8.47)	(6.95)
Net Loan-Total	490.26	417.24

All loans are granted within India and to entities other than public sector (corporate loan).

Notes

forming part of the Consolidated Financial Statements (Contd..)

9 Investments (At FVTPL)

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Unquoted		
Equity instruments		
1,31,07,380 of equity shares (right issue) of BRFL Textiles Private Limited of face value ₹ 10 each fully paid up (Previous year : 1,31,07,380 shares of face value ₹ 10 each)	4.47	4.47
a) Security receipts of trusts held in distressed credit business (refer notes 9.2,9.3 and 48)	568.72	898.83
Total	573.19	903.30

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

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

9.3 Commitments:

In respect of one trust, the Group has given a commitment to the security receipt holders for purchase/ arrangement 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 from June 19, 2019 till January 31, 2026. During the year, commitment has been fulfilled and outstanding as at March 31, 2026 is ₹ Nil (Previous year : ₹ 10.71 crore of one trust).

10 Other Financial Assets

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Financial Assets under Distressed Credit Business (carried at FVTPL)	1,979.41	1,405.79
Recoverable from trusts	54.31	48.81
Earnest Money Deposits (refer note 10.1)	-	5.00
Interest receivable	#	-
Bank deposit (maturity more than 12 months) (refer note 10.3)	0.22	-
Advance to others	0.03	#
Security deposits		
To Related Parties (refer note 41)	0.35	0.32
To Others (refer note 10.2)	0.61	0.57
Total	2,034.93	1,460.49
Less : Impairment loss allowance recoverable from trusts (refer note 44)	(14.11)	(12.96)
Net Total	2,020.82	1,447.53

Denote amount below ₹ 50,000

10.1 In previous year, the Group had paid Earnest Money Deposit for participating in auctions conducted by Bank and Financial Institutions for the acquisition of stress financial assets as part of its ordinary course of business. The same amount was realised during the current financial year.

10.2 Includes interest-free security deposits assessed as per Ind AS 109 - Financial Instrument by recognising such deposits measured at fair value on initial recognition and subsequently carried at amortised cost using the effective interest method.



10.3 Balance in deposit accounts of ₹ 0.20 crore in current year carry fixed rate of interest and are for period more than 12 months and is lien marked against bank guarantees obtained by the Group.

11 Current Tax Assets

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Advance tax paid (net of provision for taxes)	54.45	33.86
Total	54.45	33.86

12 Deferred Tax Liability/(Asset)

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Measurement of Financial instruments at fair value	(51.42)	(96.74)
Impairment of financial instruments	(18.94)	(18.95)
Difference between books and tax written down value (WDV) of Property, Plant and Equipment	(0.26)	(0.26)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(15.49)	(1.52)
Total	(86.11)	(117.47)

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

For the year ended March 31, 2026

Particulars	(₹ in crore)			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
a) Measurement of financial instruments at fair value	(96.74)	45.32	-	(51.42)
b) Impairment on financial instruments	(18.95)	0.01	-	(18.94)
c) Difference between books and tax WDV of PPE	(0.26)	-	-	(0.26)
d) Others (43B, 35D, etc. allowances)	(1.52)	(13.97)	-	(15.49)
Total - DTL/(DTA)	(117.47)	31.36	-	(86.11)

For the year ended March 31, 2025

Particulars	(₹ in crore)			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
a) Measurement of financial instruments at fair value	(99.26)	2.52	-	(96.74)
b) Impairment on financial instruments	(20.10)	1.15	-	(18.95)
c) Difference between books and tax WDV of PPE	(0.26)	-	-	(0.26)
d) Others (43B, 35D, etc. allowances)	(1.52)	0.03	(0.03)	(1.52)
Total - DTL/(DTA)	(121.14)	3.70	(0.03)	(117.47)

Notes

forming part of the Consolidated Financial Statements (Contd..)

13 Property, Plant and Equipment and Intangible Assets

As at March 31, 2026

Property, Plant and Equipment

(₹ in crore)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2025	Additions	Deductions	As at March 31, 2026	As at April 1, 2025	Additions	Deductions	As at March 31, 2026	As at March 31, 2026
Owned Assets									
Freehold Land	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and fixtures	0.01	0.07	-	0.08	0.01	0.01	-	0.02	0.06
Office equipment	0.08	0.03	-	0.11	0.08	0.01	-	0.09	0.02
Computers	1.09	0.24	-	1.33	0.75	0.15	-	0.90	0.43
Leasehold improvements	1.71	0.92	-	2.63	1.53	0.79	-	2.32	0.31
Leased Assets									
Office premises (Right of use assets - refer note 35)	13.56	-	-	13.56	10.20	1.41	-	11.61	1.95
Motor Vehicles (refer note 13.1)	-	0.28	-	0.28	-	0.06	-	0.06	0.22
Total	16.48	1.54	-	18.02	12.57	2.43	-	15.00	3.02

Intangible Assets

(₹ in crore)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2025	Additions	Deductions	As at March 31, 2026	As at April 1, 2025	Addition	Deductions	As at March 31, 2026	As at March 31, 2026
Software (refer note 13.2)	0.65	-	-	0.65	0.49	0.05	-	0.54	0.11
Total	0.65	-	-	0.65	0.49	0.05	-	0.54	0.11

As at March 31, 2025

Property, Plant and Equipment

(₹ in crore)

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	As at March 31, 2025
Owned Assets									
Freehold Land	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and fixtures	0.01	-	-	0.01	0.01	-	-	0.01	-
Office equipment	0.08	-	#	0.08	0.07	0.01	#	0.08	-
Computers	1.07	0.07	(0.05)	1.09	0.66	0.14	(0.05)	0.75	0.34
Leasehold improvements	1.71	-	-	1.71	1.48	0.05	-	1.53	0.18
Leased Assets									
Office premises (Right of use assets - refer note 35)	22.33	1.26	(10.03)	13.56	11.68	2.13	(3.61)	10.20	3.36
Total	25.23	1.33	(10.08)	16.48	13.90	2.33	(3.66)	12.57	3.91

Denote amount below ₹ 50,000

Intangible Assets

(₹ in crore)

Particulars	Gross block			Accumulated depreciation			Net block		
	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	As at April 1, 2024	Addition	Deductions	As at March 31, 2025	As at March 31, 2025
Software (refer note 13.2)	0.59	0.06	-	0.65	0.44	0.05	-	0.49	0.16
Total	0.59	0.06	-	0.65	0.44	0.05	-	0.49	0.16

Notes :

13.1 Vendor have a lien over assets taken on lease.

13.2 The Intangible assets are other than internally generated.

14 Other Non-Financial Assets

(₹ in crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid expenses	0.52	0.60
Balances with GST/Service Tax / VAT Authorities etc.	0.51	0.40
Other non-Financial Assets	0.12	0.08
Total	1.15	1.08

Notes

forming part of the Consolidated Financial Statements (Contd..)

15 Trade Payable

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Trade Payable		
Total outstanding dues of micro enterprises and small enterprises (refer note 15.1)	0.28	0.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.98	3.08
Total	2.26	3.36

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

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.28	0.28
(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	0.28	0.28

Dues to Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

15.2 Trade payable ageing schedule :

Particulars	(₹ in crore)				Total
	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	
For the financial year 2025-26					
(i) MSME - Undisputed	0.28	-	-	-	0.28
(ii) Others - Undisputed	1.98	-	-	-	1.98
Total	2.26	-	-	-	2.26
For the financial year 2024-25					
(i) MSME - Undisputed	0.28	-	-	-	0.28
(ii) Others - Undisputed	3.08	-	-	-	3.08
Total	3.36	-	-	-	3.36

16 Debt Securities (Within India)

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Secured		
Non Convertible Debentures (refer note 16.1, 16.2, and 16.3)	79.26	798.38
Add: Interest accrued	7.78	26.80
Total Secured	87.04	825.18
Unsecured		
Optionally Convertible Debenture (refer note 16.4)	200.00	200.00
Total Unsecured	200.00	200.00
Total	287.04	1,025.18

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

16.2 Maturity profile and rate of interest of NCDs/MLDs:

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Private Placement - Face value of ₹ 10,00,000 each		
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
Private Placement - Face value of ₹ 1,00,000 each		
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
9% Tranche D redeemable in the year 2026-27	30.00	30.00
10.20% Tranche E redeemable in the year 2026-27	50.00	50.00
10.21% Tranche F redeemable in the year 2025-26 [^]	-	50.00
Private Placement - Face value of ₹ 50,000 each		
10.21% Tranche B redeemable in the year 2025-26 [^]	-	200.00
Total	80.00	805.00

[^] redeemed fully or partly during the year ended March 31,2026.

Maturity profile above is disclosed at face value which excludes cumulative impact of effective interest rate adjustment amounting to ₹ 0.74 crore (As at March 31, 2025 : ₹ 6.62 crore).

16.3 The Group has utilized money obtained by way of Non-convertible debentures for the purpose for which they were obtained.

16.4 The Group has issued 20,00,000, unlisted, unrated and unsecured Optionally Convertible Debentures (OCD) having face value of ₹ 1,000 each on March 4, 2024 to its shareholder JM Financial Credit Solutions Limited. Conversion of said OCD shall be any time at option of the Company (Issuer of OCD). OCD shall be redeemable at any time and redemption shall be mutually decided by Issuer of OCD and Holder of OCD (JM Financial Credit Solutions Limited). The Group has recognised the OCD as liability in financial statement considering the ability to repay at any time within whole life of said instrument.

Notes

forming part of the Consolidated Financial Statements (Contd..)

16.5 Additional disclosure pursuant to Ind AS 7 (Debt Securities Movement during the year)

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	1,025.18	1,897.90
Cash flows	(775.65)	(1,004.90)
Non cash changes*	37.51	132.18
Closing balance	287.04	1,025.18

*Non cash changes includes interest on debt securities

17 Borrowings (other than debt securities)

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
At amortized cost		
Secured:		
Term loans from (refer note 17.1,17.2 and 17.5)		
(a) Banks	76.00	67.10
(b) Others	-	14.02
Add: Interest accrued	0.02	0.07
	76.02	81.19
Other loans from banks (refer note 17.3)		
(a) Working capital demand loans	-	64.18
(b) Cash credit facilities	70.30	15.06
Add: Interest accrued	-	-
	70.30	79.24
Unsecured:		
Inter corporate deposits (refer note 17.4)		
(a) From related party (refer note 41)	982.00	230.00
(b) From others	100.00	100.00
Add: Interest accrued but not due	2.11	2.11
	1,084.11	332.11
Total	1,230.43	492.54

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

17.2 Maturity profile and rate of interest of term loans:

Residual Maturities	(₹ in crore)		
	Interest range from		
	8% to 9%	9% to 10%	10% to 11%
As at March 31, 2026:			
Up to one year (April 26 to March 27)	36.07	-	3.33
Up to 1-3 years (April 27 to March 29)	36.60	-	-
Total	72.67	-	3.33
As at March 31, 2025:			
Up to one year (April 25 to March 26)	-	23.33	42.68
Up to 1-3 years (April 26 to March 28)	-	11.67	3.44
Total	-	35.00	46.12

Note:

- Maturity profile shown excluding effective interest rate impact amounting to ₹ 0.02 crore (As at March 31, 2025 : ₹ 0.07 crore).
- The rate of interest of above term loans are linked with MCLR, Repo rate and T-Bill of banks and subject to change from time to time. Classification of term loans based on interest rates has been done on interest rate prevalent as on the relevant reporting period ends.

17.3 Other loans from banks in the nature of working capital and cash credit facilities are secured by way of pledge of certain identified security receipts.

17.4 Inter corporate deposits taken from related party are for 122-364 days (Previous year : 184 days) and taken from others are for 344 days (previous year : 709 days).

17.5 The Group has utilized money obtained by way of term loans for the purpose for which they were obtained.

17.6 The monthly asset cover statement submitted by the Group with banks / financial institutions from which borrowing is obtained on the basis of security of investment in security receipts are in agreement with the books of account.

17.7 All borrowings are made within India.

17.8 Additional disclosure pursuant to Ind AS 7 (Borrowing Movement during the year)

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	492.54	1,015.27
Cash flows	638.86	(588.44)
Non cash changes*	99.03	65.71
Closing balance	1,230.43	492.54

*Non cash changes includes interest on borrowings

Notes

forming part of the Consolidated Financial Statements (Contd..)

18 Lease liabilities

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
On Office Premises (refer note 35)	2.73	4.25
On Motor Vehicle (refer note 18.1 and 35)	0.24	–
Total	2.97	4.25

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

18.2 Additional disclosure pursuant to Ind AS 7 (Lease liability Movement during the year)

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance	4.25	14.02
Cash flows	(1.94)	(3.09)
Non cash changes*	0.66	(6.68)
Closing balance	2.97	4.25

*Non cash changes includes interest on lease and effect of lease modification

19 Other Financial Liabilities

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Employee Benefits payable	6.89	5.58
Amount collected on behalf of trust	3.17	9.24
Provision for CSR Expenditure (refer note 37)	1.11	3.23
Undistributed collection in trusts	65.50	119.55
Others	0.30	0.28
Total	76.97	137.88

20 Provisions

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
- Gratuity (refer note 40)	2.27	1.37
- Compensated absence (refer note 40)	0.33	0.29
Total	2.60	1.66



21 Other Non-Financial Liabilities

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Statutory Dues	12.65	8.90
Other	3.26	3.59
Total	15.91	12.49

22 Equity Share Capital

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Authorised		
1,85,00,00,000 (Previous year: 1,85,00,00,000) equity shares of ₹ 10 each	1,850.00	1,850.00
15,00,00,00,000 (Previous year: 15,00,00,00,000) redeemable preference shares of ₹ 10 each	150.00	150.00
	2,000.00	2,000.00
Issued, Subscribed and Paid-up		
79,53,10,930 (Previous year: 79,53,10,930) equity shares of ₹ 10 each fully paid-up	795.31	795.31
Total	795.31	795.31

22.1 Terms and rights

The Company has only one class of issued shares referred to as equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

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

22.2 Reconciliation of number of shares

Particulars	Equity Shares	
	As at March 31, 2026	As at March 31, 2025
Shares outstanding at the beginning of the year	79,53,10,930	39,83,25,537
Shares issued during the year	–	39,69,85,393
Shares outstanding at the end of the year	79,53,10,930	79,53,10,930

Notes

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22.3 Details of shareholding more than 5%

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:				
JM Financial Credit Solutions Limited	65,03,43,712	81.77%	65,03,43,712	81.77%
Mr. Narotam S Sekhsaria	5,68,66,072	7.15%	5,68,66,072	7.15%

22.4 Details of shareholding of promoters

S.No.	Particulars	As at March 31, 2026		As at March 31, 2025		% change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
1	JM Financial Credit Solutions Limited (JMFCSL)	65,03,43,712	81.77%	65,03,43,712	81.77%	0.00%

Note: JMFL has ceased to be the promoter of the Parent Company with effect from March 18, 2025 pursuant to transfer of 57,09,32,034 equity shares to JMFCSL.

22.5 During the year 2024-25, the Parent Company had allotted 39,69,85,393 equity shares of face value of ₹ 10 each at an issue price of ₹ 15 per share for an amount aggregating to ₹ 595.48 crore to the existing shareholders of the Parent Company namely, JM Financial Limited and JM Financial Credit Solutions Limited, through the issuance of equity shares to them on right basis. The object of the issue was to raise the equity capital base, net owned funds and compliance of the capital adequacy ratio as per the RBI guidelines. The equity capital infusion has been duly accounted for under equity share capital and securities premium and all statutory and regulatory compliances with regard to allotment and reporting have been completed.

22.6 During the year 2024-25, JM Financial Limited ("JMFL") and JM Financial Credit Solutions Limited ("JMFCSL") had informed the Parent Company that transfer of 57,09,32,034 equity shares from JMFL to JMFCSL representing 71.79% of the total paid up capital had been concluded on March 18, 2025. With this, JMFL had ceased to be the Sponsor and JMFCSL was the Sponsor of the Parent Company. The transaction was undertaken with the prior approval of the Reserve Bank of India (RBI) vide its letter dated December 20, 2024. This change did not impact the management or control structure of the Parent Company, and the Parent Company continues to operate as an independent legal entity with no change in its governance or business operations. The Parent Company had duly reported the changes in accordance with the requirements of applicable laws.

23 Other equity

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Reserve and surplus:		
Securities Premium Reserve	481.67	481.67
Capital reserve on change in interest without loss of control	28.15	28.15
Retained earnings	(409.54)	(393.26)
Employee Stock option outstanding (refer note 23.1(e))	7.93	8.14
Impairment reserve (refer note 23.2)	273.00	243.73
Initial Corpus	0.01	0.01
Total	381.22	368.44

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



23.1 Nature of each reserves:

- Securities premium reserve represents premium received on equity shares issued which can be used on accordance with the provisions of the Act, 2013 for specified purposes.
- Capital reserve on acquisitions/ disposals represents reserves created on acquisition / disposal of subsidiaries without loss of control.
- Retained earnings are the profits that the Group has earned till date less any transfers to general reserve, impairment reserve, statutory reserve, dividends or other distributions to the shareholders.
- Initial corpus is corpus contributed by the Group for setting up of a Trust under SARFAESI Act for acquisition of account under distressed credit business.
- Stock options outstanding account (net of deferred stock option expenses) relates to the stock options granted by the Group to employees under an Employee Stock Option Plan (refer note no.39)
- Impairment allowance reserve represents reserve created in accordance with the Reserve Bank of India (RBI) circular no. RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 on implementation of Indian Accounting Standard. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

23.2 During the year, Impairment Reserve has been created in accordance with Income Recognition, Asset Classification and Provisioning (IRACP) provided under RBI /2019-20/ 170 DOR (NBFC). CC. PD. No. 109/ 22.10.106/2019-20 dated March 13, 2020. Total provision as required under the extant RBI guidelines for Non - Performing Advances is ₹ 281.47 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, 2026, two loan accounts belonging to the same borrower group have outstanding interest which has not been serviced for more than 180 days.

In consideration to the aforesaid orders issued by the Honourable Supreme Court of India, the two accounts are classified as Standard. However, the provision as required under the extant RBI guidelines for Non - Performing Advances amounting to ₹ 227.18 crore is carried for these borrower accounts.

In February 2024, the Adjudicating Authority (Under the Prevention of Money Laundering Act, 2002) (The Act) issued an order attaching certain properties held by the Group as one of the collaterals against loans acquired in trust (as a trustee) and additional loan given to the borrower group as referred to above ('borrower group'). The above order was pursuant to the action initiated by the Enforcement Directorate against the borrower group under the above Act. The Group has appealed against the aforesaid order in appropriate forum. The Group views these legal proceedings as arising in the normal course of Asset Reconstruction business. Considering the total security against the loans acquired of the borrower group and the expected cashflows to the Group as per the documented waterfall, the Group believes that the above proceedings do not have a material impact on the financial position of the Group.

In addition, in respect of one loan account which was classified as 'Non-Performing Asset' in previous year, an additional provision of ₹ 29.27 crore has been made on reclassification of the account from "Substandard" category to "Doubtful" category in accordance with the asset classification norms prescribed by the Reserve Bank of India (RBI).

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24 Interest income

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income		
On loans (at amortized cost)	61.26	11.39
On others (at FVTPL)	1.25	25.35
On fixed deposit (at amortised cost)	0.22	3.12
Total	62.73	39.86

25 Fees and Incentives

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Management Fees	116.05	93.74
Recovery Incentives Fees	0.49	1.69
Total	116.54	95.43

26 Net gain on fair value changes

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
On financial instruments designated at FVTPL:		
Security Receipts and Financial assets (refer note 26.1 and 26.2)	131.00	31.68
Equity instruments	-	1.94
Mutual fund	#	0.81
Total	131.00	34.43

Denote amount below ₹ 50,000

26.1 Investment in security receipts of face value of ₹ 58.89 crore in five trusts (Previous year : ₹ 12.01 crore) has been written off during the year and investment in security receipts of ₹ 73.18 crore has been written off during the year on sale.

26.2 Net Gain/(Loss) on fair value changes

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Realised gain/(loss)	25.42	195.67
Unrealised gain/(loss)	105.58	(161.24)
Total	131.00	34.43

27 Other Income

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on income tax refund	-	3.66
Other interest income	0.06	0.12
Gain on lease modification	-	3.04
Net gain on disposal of property, plant and equipment	-	#
Miscellaneous income	0.30	#
Total	0.36	6.82

Denote amount below ₹ 50,000

28 Finance Cost

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
At amortized cost:		
Interest on Debt Securities	37.51	132.18
Interest on Borrowings (Other than Debt Securities)	99.03	65.71
Others (refer note 28.1)	4.83	6.45
Total	141.37	204.34

28.1 Interest on others includes interest on lease obligations of ₹ 0.38 crore (Previous year : ₹ 1.02 crore).

29 Impairment of Financial Instruments

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
At amortised Cost		
Loans	1.52	(15.78)
Trade Receivables	(0.03)	0.71
Advances	1.15	0.57
Total	2.64	(14.50)

30 Employee benefits

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, bonus, other allowances and benefits	19.01	17.37
Contribution to provident and other funds (refer note 40)	0.81	0.77
Gratuity (refer note 40)	0.26	0.27
Share Based Payments to employees (refer note 39)	0.68	2.25
Staff welfare expenses	0.10	0.07
Total	20.86	20.73

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31 Other Expenses

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Rate & Taxes	5.76	2.20
Legal & professional fees	6.27	4.80
Lease rentals	0.17	0.23
Corporate social responsibility (refer note 37)	1.47	2.98
Support service charges	7.41	6.00
Donation	0.25	0.25
Manpower Expenses	1.30	1.52
Director's commission & sitting fees	0.61	0.56
Travelling Expenses	0.22	0.14
Repairs & Maintenance	0.09	0.18
Auditors remuneration (refer note 31.1)	0.25	0.25
Insurance Expenses	0.52	0.66
Electricity Expenses	0.12	0.21
Demat charges	0.17	0.21
Conveyance Expense	0.04	0.04
Car hire charges	0.01	0.01
Resolution expenses	4.17	3.19
Miscellaneous expenses	0.80	0.85
Total	29.63	24.28

31.1 Payment to Auditors (Excluding Goods & Service Tax)

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Audit fees	0.17	0.18
In any other matters (certification, limited review, etc.)	0.07	0.05
Out of pocket expenses	0.01	0.02
Total	0.25	0.25

32 Exceptional items

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Security receipts	-	2.14
Financial Assets under Distressed Credit Business (carried at FVTPL)	-	68.21
Loans	-	(70.35)
Post employee benefit expenses - Gratuity (refer note 40(c))	0.66	-
Total	0.66	-



During the year 2024-25, the Group had recognised exceptional items presented separately in accordance with the respective requirement of Ind AS 109 – Financial Instrument and Ind AS 1- Presentation of Financial Statements in respect of same financial assets/account/exposure on which impairment /expected credit loss on fair valuation of investments in multiple trusts and loans, respectively, had been recognised in previous year. The loss on fair valuation and the ECL Provision (impairment gain) offset each other on account of and result of realisation of assets, resulting in no net impact on the profit or loss for the year from this asset.

33 Income Tax

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax	-	23.53
Deferred tax	31.36	3.70
Total income tax expenses recognised in the current year	31.36	27.23
Income tax expense recognised in other comprehensive income	#	(0.03)
Total income tax expenses	31.36	27.20

Denote amount below ₹ 50,000

33.1 Reconciliation of total tax charge

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit/(Loss) for the year	112.99	(60.69)
Income tax rate	25.17%	25.17%
Income tax expense	28.43	(15.28)
Tax Effect of:		
Effect of non deductible expenses	0.43	0.81
Effect of unrecognised deferred tax assets (net)*	2.50	41.70
Deferred tax on Remeasurement of employee defined benefit obligation	#	(0.03)
Effect of deferred tax on unrecognised tax losses	-	-
Income tax expense recognised in profit and loss	31.36	27.20

Denote amount below ₹ 50,000

*Includes unrecognised deferred tax assets for the financial year 2025-26 in respect of deductible temporary differences of ₹ 9.93 crore (Previous year : ₹ 165.62 crore) including exceptional items pertaining to impairment loss/expected credit loss on fair valuation of investments in multiple trusts and loans. Considering the inherent uncertainties in the Group's business related to the timing and extent of recovery of financial assets and generation of future taxable income, the Group has adopted a prudent approach and has not recognised said deferred tax assets in the financial statements. These deferred tax assets may be recognised in future periods when there is convincing evidence of the availability of sufficient taxable profits against which such assets can be realised.

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34 Earning per share

Earnings per share is calculated by dividing the profit attributed to equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Profit/(Loss) for the year attributable to equity shareholders-Basic EPS (₹ in crore)	12.15	(29.30)
(b) Profit/(Loss) for the year attributable to equity shareholders-Diluted EPS (₹ in crore)	12.15	(29.30)
(c) Weighted average number of equity shares outstanding (Nos.)	79,53,10,930	39,83,25,537
(d) Add: Issue of right shares (Weighted average Nos.)	-	33,49,90,414
(e) Weighted average number of equity shares outstanding during the year for calculating basic earning per share (Nos.)	79,53,10,930	73,33,15,951
(f) Add : Effect of stock option scheme (Nos.)	6,10,547	*3,49,689
(g) Weighted average number of equity shares outstanding during the year for calculating diluted earning per share (Nos.)	79,59,21,477	73,36,65,640
Basic earnings per share (₹) (a/e)	0.15	(0.40)
Dilutive earning per share (₹) (b/g)	0.15	(0.40)
Nominal value per share (₹)	10	10

* Includes some grants under ESOS are anti-dilutive and therefore considered as Nil.

35 Leasing

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2026:

Category of leased asset	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2025	Additions	Deductions	As at March 31, 2026	As at April 1, 2025	Addition	Deductions	As at March 31, 2026	As at March 31, 2026
	Office Premises (ROU)	13.56	-	-	13.56	10.20	1.41	-	11.61
Motor Vehicle	-	0.28	-	0.28	-	0.06	-	0.06	0.22

Following are the changes in the carrying value of the leased assets for the year ended March 31, 2025:

Category of leased asset	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2024	Additions	Deductions	As at March 31, 2025	As at April 1, 2024	Addition	Deductions	As at March 31, 2025	As at March 31, 2025
	Office Premises*	22.33	1.26	(10.03)	13.56	11.68	2.13	(3.61)	10.20

* addition and deletion is as result of lease modification - decrease in lease area and rent



During the year 2024-25, the Group renegotiated certain lease arrangements with lessors, resulting in a reduction in the leased area and a corresponding decrease in lease payments. These changes had been assessed as modifications to the original lease agreements under the provisions of Ind AS 116 – Leases. The Group had remeasured the lease liability based on the revised lease payments discounted using the revised discount rate (average borrowing interest rate of the JM Financial Group). The corresponding adjustment had been made to the Right of Use (ROU) asset. The impact of the lease modification was reduction in lease liability ₹ 8.87 crore, reduction in ROU ₹ 6.42 crore and gain on modification of ₹ 3.04 crore. There was no impact on the lease term or the classification of the lease.

During the year 2024-25, the Group entered into new lease arrangement for two office premises, resulting in recognition of Right of used assets (ROU) of ₹ 1.26 crore and correspondence lease liability of ₹ 1.21 crore. The associated interest-free security deposits paid to lessors was assessed in accordance with the requirements of Ind AS 109 – Financial Instruments by recognising such deposits measured at fair value on initial recognition and subsequently carried at amortised cost using the effective interest method. Remaining portion of deposits of ₹ 0.05 crore recognised as ROU.

The following is the movement in lease liabilities during the year ended March 31, 2026 and March 31, 2025:

On Office premises

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Opening balance	4.25	14.02
Add : Additions during the year	-	1.21
Less : Lease Modification (net) including impact of lease remeasurement	-	(8.91)
Add : Finance cost during the year	0.34	1.02
Less : Payment of lease liabilities	(1.86)	(3.09)
Closing balance	2.73	4.25

On Motor Vehicle

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Opening balance	-	-
Add : Additions during the year	0.28	-
Add : Finance cost during the year	0.04	-
Less : Payment of lease liabilities	(0.08)	-
Closing balance	0.24	-

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Table showing contractual maturities of lease liabilities as at March 31, 2026 and March 31, 2025 on an undiscounted basis:

On Office Premises:

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Not later than one year	1.37	1.85
Later than one year and not later than five years	1.69	3.06
Later than five years	-	-
Total lease commitment (on an undiscounted basis)	3.06	4.91
Less: future finance charges	(0.33)	(0.66)
Total lease commitment	2.73	4.25

On Motor Vehicle

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Not later than one year	0.10	-
Later than one year and not later than five years	0.20	-
Later than five years	-	-
Total Finance lease commitment (on an undiscounted basis)	0.30	-
Less: future finance charges	(0.06)	-
Total Finance lease commitment	0.24	-

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

36 Foreign Currency Exposure and Un-hedged Foreign Currency Exposure

Sr. No.	Particulars	Amount in foreign currency (Equivalent to USD in Million)	Amount in INR (₹ in crore)
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



Sr. No.	Particulars	Amount in foreign currency (Equivalent to USD in Million)	Amount in INR (₹ in crore)
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		225.65
VI.	Total Banking Exposure of the Company		
(i)	Term Loans Exposure (Outstanding amounts + Undisbursed)		90.00
(ii)	Working Capital Exposure (Limit sanctioned & accepted)		163.00

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.

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37 Corporate Social Responsibility

Details of expenses towards corporate social responsibility as per Section 135 of the Act, 2013 read with Schedule VII there to:

Particulars	(₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Gross amount required to be spent by the Group during the year	1.47	2.98
b) Amount spent	0.97	1.43
Amount provided for on-going projects	0.50	1.55
Total	1.47	2.98
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	1.47	2.98
Total	1.47	2.98

Details of unspent obligations

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

Opening balance as on April 1, 2025		Amount required to be spent during the year	Amount spent during the year		Closing balance as on March 31, 2026	
With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	With Company*	In separate CSR Unspent account
1.55	1.68	1.47	0.97	2.62	0.50	0.61

Opening balance as on April 1, 2024		Amount required to be spent during the year	Amount spent during the year		Closing balance as on March 31, 2025	
With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	With Company*	In separate CSR Unspent account
2.20	0.74	2.98	1.43	1.26	1.55	1.68

* Unspent amount with company has been transferred to separate CSR account in succeeding year.

38 Segment Reporting

The group operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Ind AS- 108 on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker.

The Group has one geographical segment identified based on its location of customers which is within India.

39 Employee Stock Option Scheme

39.1 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 10, 2024 20,000 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 ₹
10 May 2025	Series-XIX-B	5,000	Excercised	Seven years from the date of Grant	1
10 May 2026	Series-XIX-B	5,000	Unvested	Seven years from the date of Grant	1
10 May 2027	Series-XIX-B	5,000	Unvested	Seven years from the date of Grant	1
10 May 2028	Series-XIX-B	5,000	Unvested	Seven years from the date of Grant	1

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

Particulars	Number of outstanding options	
	March 31, 2026	March 31, 2025
Outstanding at the beginning of the year	20,000	-
Granted during the year	-	20,000
Exercised during the year	(5,000)	-
Outstanding at the end of the year	15,000	20,000
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.04 crore (Previous year: ₹ 0.07 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.

39.2 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 year 2025-26, the Nomination and Remuneration Committee has not granted any stock options (Previous year : Nil options) to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

During the year 2024-25, the Parent Company approved a modification to its Employee Stock Option Scheme (ESOS) in accordance with the applicable regulations and the approval of the Board of Directors / Shareholders. The modification involved a change in the exercise price of outstanding stock options granted to eligible employees under the scheme. Effective from May 16, 2024, the exercise price of outstanding options as on said date revised from ₹ 28.46 for Series I, ₹ 29.69 for Series II and ₹ 33.63 for Series III to ₹ 11.25 for all series to continue incentivising and retaining key talent.

As per Ind AS 102 – Share-based Payment, the modification had been accounted for as a repricing of the stock options. The incremental fair value arising from the modification, determined as the difference between the fair value of the modified options and the original options as on the date of modification, had been calculated using the Black-Scholes option pricing model and will be recognized as an expense over the remaining vesting period. The impact of the modification on the statement of profit and loss for the year 2024-25 was an additional expense of ₹ 1.53 crore, with a corresponding increase in stock option outstanding under equity.

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The details of options are as under:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Outstanding at the beginning of the year	30,54,492	34,42,191
Less: Forfeited/cancelled during the year	(3,49,235)	(3,87,699)
Outstanding at end of the year	27,05,257	30,54,492
Exercisable at end of the year	22,14,624	18,94,930

The Group follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Details of options granted

Particulars	Series I	Series II	Series III
Grant date	16 April 2020	19 April 2021	04 May 2022
Options granted	15,81,444	9,09,549	19,60,749
Options forfeited/cancelled till March 31, 2026	(8,82,974)	(3,74,661)	(4,88,850)
Outstanding at end of year	6,98,470	5,34,888	14,71,899
Exercisable at end of year	6,98,470	5,34,888	9,81,266
Vesting of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options
Exercise period	Within 3 years from the date of vesting	Within 3 years from the date of vesting	Within 3 years from the date of vesting
Exercise price as per original scheme	₹ 28.46	₹ 29.69	₹ 33.63
Exercise price as per new scheme	₹ 11.25	₹ 11.25	₹ 11.25
Pricing formula	As was determined by the Nomination and Remuneration Committee	As was determined by the Nomination and Remuneration Committee	As was determined by the Nomination and Remuneration Committee

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.64 crore (Previous year: ₹ 2.19 crore).

40 Employee Benefits

a) Defined contribution plans

The Group operates defined contribution plan (Provident fund) for all qualifying employees. The employees of the Group are members of a retirement contribution plan operated by the Government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

The Group's contribution to Provident Fund aggregating ₹ 0.64 crore (Previous year ₹ 0.60 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, 2026	As at March 31, 2025
Discount rate	6.90%	6.55%
Expected rate of salary increase	8.00%	8.00%
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	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	0.17	0.17
Past service cost	0.66	–
Net interest cost	0.09	0.10
Components of defined benefits recognised in profit or loss.	0.92	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	(0.03)	0.02
- Actuarial (gain)/loss from change in financial assumptions	(0.04)	0.08
- Actuarial (gain)/loss from change in experience adjustments	0.08	0.03
Total amount recognised in OCI	0.01	0.12
Total	0.93	0.39

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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, 2026	As at March 31, 2025
Present value of defined benefit obligation	2.27	1.37
Fair value of plan assets	-	-
Net liability/(asset) arising from defined benefit obligation	2.27	1.37

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

Particulars	₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening defined benefit obligation	1.37	1.50
Current service cost	0.17	0.17
Interest cost	0.09	0.10
Past service cost	0.66	-
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	(0.03)	0.02
- Actuarial (gain)/loss from change in financial assumptions	(0.04)	0.08
- Actuarial (gain)/loss from change in experience adjustments	0.08	0.03
Benefits paid	(0.04)	(0.49)
Liabilities extinguished on settlements	-	(0.03)
Closing defined benefit obligation	2.27	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, 2026	For the year ended March 31, 2025
Opening balance of fair value of plan assets	-	-
Employer contribution	0.04	0.49
Interest on plan assets	-	-
Administrative Expenses	-	-
Remeasurement due to :		
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	(0.04)	(0.49)
Asset acquired/(settled) on account of business combination or inter group transfer	-	-
Asset distributed on settlements	-	-
Closing balance of fair value of plan assets	-	-



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, 2026	As at March 31, 2025
Defined benefit obligation (base)	2.27	1.37

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	2.21	2.30	1.35	1.40
Impact of increase in 50 bps on DBO	(2.38%)	1.37%	(2.10%)	1.67%
Defined benefit obligation on decrease in 50 bps	2.32	2.23	1.41	1.35
Impact of decrease in 50 bps on DBO	2.49%	(1.40%)	2.19%	(1.65%)

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.

There is no compulsion on the part of the Group to pre fund the liability of the plan. The Group's philosophy is to not to externally fund these liabilities but instead create an accounting provisions in its books of accounts and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Group. The expected contribution payable to the plan next year is therefore Nil.

Projected benefits payable:

Particulars	₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Expected benefits for year 1	0.37	0.25
Expected benefits for year 2	0.48	0.23
Expected benefits for year 3	0.29	0.35
Expected benefits for year 4	0.36	0.16
Expected benefits for year 5	0.25	0.21
Expected benefits for year 6	0.22	0.11
Expected benefits for year 7	0.20	0.09
Expected benefits for year 8	0.18	0.08
Expected benefits for year 9	0.16	0.07
Expected benefits for year 10 and above	0.85	0.34

The weighted average duration to the payment of these cash flows is 4.87 years (Previous year : 4.28 years)

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Compensated absences

As per Group's policy, provision of ₹ 0.33 crore (Previous year: ₹ 0.29 crore) has been made towards compensated absences, determined on the basis of independent actuarial valuation made at the end of each financial year using the projected unit credit method.

c) Code on Social Security, 2020

On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 which consolidate 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to the new Labour Codes. The Group has assessed and disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. The Labour Codes, amongst other things, introduce changes, including a uniform definition of wages. These changes have resulted in increase in gratuity liability arising from past service by ₹ 0.66 crore in the Statement of Profit & loss. Considering the materiality and regulatory-driven, non-recurring nature of this development, the Group has accounted such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional item" in the Statement of Profit & loss for the year ended March 31, 2026. The Group continues to monitor the finalisation of Central/State Rules and clarifications from the Government on various other aspects of the New Labour Codes and would give appropriate accounting effect of such developments in the period(s) in which they are notified.

41 Disclosure of related party

a) Name and relationship with related parties:

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

Ultimate holding company

JM Financial Limited

Immediate holding company

JM Financial Credit Solutions Limited

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

(A) Ultimate holding company

JM Financial Limited

(B) Immediate holding company

JM Financial Credit Solutions Limited

(C) 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 Asset Management Limited
 Astute Investments
 CR Retail Malls (India) Limited

(D) Key managerial personnel

Whole time director or Chief Executive Office

Mr. Srinivasan Viswanathan - Chief Executive Officer

Non-Executive Directors

Mr. V. P. Shetty
 Mr. Pulkit Sekhsaria [Ceased with effect from April 15, 2026]
 Mr. Adi Patel
 Mr. Vishal Kampani

Independent Directors

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

Key Managerial Personnel of Ultimate Holding Company

Mr. Nimesh Kampani
 Mr. Vishal Kampani
 Mr. Adi Patel
 Mr. P S Jayakumar
 Ms. Roshini Bakshi
 Mr. Navroz Udwadia
 Mr. Pradip Kanakia
 Mr. Sumit Bose

Key Managerial Personnel of Holding Company

Mr. Vikram Pandit (Ceased w.e.f. May 5, 2025)
 Mr. Vishal Kampani
 Mr. Hariharan Aiyar
 Mr. Adi Patel
 Ms. Dipti Neelakantan
 Dr. Anup Shah (Ceased w.e.f. March 28, 2026)
 Mr. Satish Chand Mathur
 Mr. K. G. Krishnamurthy

(E) Entity controlled or jointly controlled or significantly influenced by key management personnel of a ultimate holding company of the reporting entity

JM Financial & Investment Consultancy Services Private Limited

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b) Transactions with related parties :

Name of the Related Party	Nature of relationship	₹ in crore)	
		For the year ended March 31, 2026	For the year ended March 31, 2025
JM Financial Limited (JMFL)	(A)		
Inter Corporate Deposit taken		150.00	255.00
Inter Corporate Deposit paid		-	255.00
Interest on Inter Corporate Deposits		0.08	5.64
Rating Support Fees		3.85	4.89
Support Service Charges		6.80	4.25
Recovery of Expense		-	0.13
Reimbursement of Expenses		0.03	0.03
Issue of equity shares including security premium (Rights Issue)		-	536.05
Employee stock option expenses		0.04	0.07
Gratuity Liability received		-	0.03
JM Financial Properties and Holdings Limited (JMFPHL)	(C)		
Space and other related cost		0.62	2.48
Security Deposit received		-	1.75
Reimbursement of Expenses		0.10	0.42
JM Financial Home Loans Limited (JMFHL)	(C)		
Reimbursement of Expenses		#	#
JM Financial Products Limited (JMFPPL)	(C)		
Inter Corporate Deposit taken		635.00	430.00
Inter Corporate Deposit paid		415.00	687.00
Management Fees received		1.57	1.73
Interest on Inter Corporate Deposits paid		4.16	8.01
Support Service Charges		-	1.25
Reimbursement of Expenses		0.04	0.04
Issue of security receipts through subsidiary trust		-	245.00
JM Financial Services Limited (JMFSL)	(C)		
Reimbursement of expenses		#	-
Brokerage paid		0.01	0.08
Repayment of NCD/MLD		-	0.20
JM Financial Credit Solutions Limited (JMFCSL)	(B)		
Inter Corporate Deposit taken		1,129.00	230.00
Inter Corporate Deposit paid		747.00	-
Management Fees received		2.72	3.83
Interest on Inter Corporate Deposits paid		76.30	0.46
Issue of equity shares including security premium (Rights Issue)		-	59.43
Security deposit against lease		-	0.33
Reimbursement of expenses		0.05	0.17
Purchase/transfer of fixed assets		0.93	-
Key Managerial Personnel	(D)		
Remuneration (refer note (d))		2.68	2.25
Repayment of NCD/MLD		-	0.20

c) Closing balances

Name of the Related Party	Nature of relationship	₹ in crore)	
		For the year ended March 31, 2026	For the year ended March 31, 2025
Inter Corporate Deposit payable			
JM Financial Limited (JMFL)	(A)	150.00	-
JM Financial Credit Solutions Limited (JMFCSL)	(B)	612.00	230.00
JM Financial Products Limited (JMFPPL)	(C)	220.00	-
Security Deposit Receivable			
JM Financial Properties and Holdings Limited (JMFPHL)	(C)	0.46	0.46
JM Financial Credit Solutions Limited (JMFCSL)	(B)	0.33	0.33
Optionally Convertible Debenture			
JM Financial Credit Solutions Limited (JMFCSL)	(B)	200.00	200.00
Trade Receivables			
JM Financial Services Limited (JMFSL)	(C)	-	#
Trade Payable			
JM Financial Limited (JMFL)	(A)	1.04	2.36
Outstanding Security Receipts			
JM Financial Credit Solutions Limited (JMFCSL)	(B)	-	102.00
JM Financial Products Limited (JMFPPL)	(C)	191.31	245.00
Key Managerial Personnel	(D)	1.05	0.68

Denote amount below ₹ 50,000

d) Remuneration to KMP were as follows

Particulars	₹ in crore)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) short term employee benefits	2.00	1.63
(b) post employment benefits;	0.07	0.06
(c) other benefits*	0.61	0.56
Total	2.68	2.25

* Other benefits includes directors sitting fees and commissions.

- e) Remuneration excludes provision for gratuity and compensated absences as the incremental liability has been accounted for Group as a whole.
- f) There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.
- g) 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.

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42 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximising 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.

Particulars	As at	
	March 31, 2026	March 31, 2025
Borrowings (Debt securities and borrowing other than debt securities)	1,517.47	1,517.72
Less - Cash and cash equivalents	(74.33)	(170.22)
Net Debt	1,443.14	1,347.50
Total equity (excluding non-controlling interest)	1,176.53	1,163.75
Net Debt to equity ratio	1.23	1.16

43 Fair value measurement

a) Fair value hierarchy and method of valuation:

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognized and measured at fair value and b) measured at amortized cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 fair value measurements are those derived from quoted prices of equity instruments.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The input factors considered are estimated cash flows, collateral values and other assumptions etc.

b) Categories of Financial Instruments:

As at March 31, 2026

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	74.33	74.33	-	-	-	-
Other bank balances	-	-	1.88	1.88	-	-	-	-
Trade receivables (net)	-	-	149.68	149.68	-	-	-	-
Loans (net)	-	-	490.26	490.26	-	-	-	-
Investments	573.19	-	-	573.19	-	-	573.19	573.19
Other financial assets (net)	1,979.41	-	41.41	2,020.82	-	-	1,979.41	1,979.41
Total	2,552.60	-	757.56	3,310.16	-	-	2,552.60	2,552.60

(₹ in crore)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Trade payables	-	-	2.26	2.26	-	-	-	-
Debt securities	-	-	287.04	287.04	-	-	-	-
Borrowing (other debt securities)	-	-	1,230.43	1,230.43	-	-	-	-
Lease liabilities	-	-	2.97	2.97	-	-	-	-
Other financial liabilities	-	-	76.97	76.97	-	-	-	-
Total	-	-	1,599.67	1,599.67	-	-	-	-

As at March 31, 2025

(₹ in crore)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	-	-	170.22	170.22	-	-	-	-
Other Bank balances	-	-	1.98	1.98	-	-	-	-
Trade receivables (net)	-	-	155.65	155.65	-	-	-	-
Loans (net)	-	-	417.24	417.24	-	-	-	-
Investments	903.30	-	-	903.30	-	-	903.30	903.30
Other financial assets (net)	1,405.79	-	41.74	1,447.53	-	-	1,405.79	1,405.79
Total	2,309.09	-	786.83	3,095.92	-	-	2,309.09	2,309.09
Financial Liabilities								
Trade payables	-	-	3.36	3.36	-	-	-	-
Debt securities	-	-	1,025.18	1,025.18	-	-	-	-
Borrowing (other debt securities)	-	-	492.54	492.54	-	-	-	-
Lease liabilities	-	-	4.25	4.25	-	-	-	-
Other financial liabilities	-	-	137.88	137.88	-	-	-	-
Total	-	-	1,663.21	1,663.21	-	-	-	-

Notes: 1 Includes debt securities issued at fixed rate of interest for which carrying value and fair value are as under :

Particulars	As at	
	March 31, 2026	March 31, 2025
Carrying value*	87.04	825.18
Fair value	86.95	828.25

* carrying amount including accrued interest

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- 2 Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Group considers that the carrying amounts of financial instruments measured at amortised cost recognized in the financial statements approximate their fair values.
- 3 For financial assets that are measured at amortized cost, the carrying amounts are equal to the fair values.

c) Valuation techniques used to determine the fair values:

- i) For Level 1- Listed equity instruments are fair valued using quoted prices;
- ii) For Level 2- fair value measurements are derived from quoted prices of equity instruments; and
- iii) For Level 3- fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Group. Further, necessary and appropriate adjustments (adequate provisions for contingencies/appropriate discounting of the cash flows) have been made by considering credit risk, uncertainties associated with prevailing economic condition, timing of the recoveries, strategy which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners and the value at which the collaterals are expected to be recovered for determination of fair value of the financial assets.

d) Fair value measurements use significant unobservable inputs (Level 3):

The following table presents the changes in level 3 items for the year ended March 31, 2026 and March 31, 2025

(₹ in crore)				
Particulars	Investment in Equity Shares	Investment in Security Receipts	Financial Asset	Total
Balance as at April 1, 2024	4.47	1,241.82	1,487.74	2,734.03
Acquisitions made	-	65.09	552.01	617.10
(Realisations) made	-	(336.89)	(725.79)	(1,062.68)
Change in controlling interest	-	(31.76)	91.07	59.31
Net gain/(loss) on fair value changes (Including exceptional items)	-	(39.43)	0.76	(38.67)
Balance as at March 31, 2025	4.47	898.83	1,405.79	2,309.09
Acquisitions made	-	166.79	649.77	816.56
(Realisations) made	-	(427.78)	(282.50)	(710.28)
Change in controlling interest	-	(28.86)	35.09	6.23
Net gain/(loss) on fair value changes (Including exceptional items)	-	(40.26)	171.26	131.00
Balance as at March 31, 2026	4.47	568.72	1,979.41	2,552.60

e) Sensitivity for instruments

Nature of the instrument	Fair Value as at March 31, 2026	Fair Value as at March 31, 2025	Significant unobservable inputs	Increase / Decrease in the unobservable input	(₹ in crore)			
					Sensitivity Impact for the year ended March 31, 2026*		Sensitivity Impact for the year ended March 31, 2025*	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Investment in security receipts	568.72	898.83	Estimated cash flow based on realisation of collaterals value, etc.	5%	53.34	(53.34)	75.70	(75.70)
Investment in financial assets of structured entities	1,979.41	1,405.79	Estimated cash flow based on realisation of collaterals value, etc.	5%	149.50	(149.50)	119.27	(119.27)
Investment in equity shares	4.47	4.47	Market approach – Comparable companies' approach and Net book value	5%	0.22	(0.22)	0.22	(0.22)

* above sensitivity is determined at percentage of outstanding security receipts at cost and fair value/market value of equity shares considering the normal course of business excluding exceptional item disclosed in note 32

- f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realized. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

44 Financial risk management

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

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

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

i) Credit risk

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

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In order to minimize credit risk, the Group has tasked its Risk Management Committee and Asset Acquisition Committee to develop and maintain the Group's credit risk grading's.

Group has classified its receivables in to following categories:

- Loans given (in the nature of restructuring loans, additional funding for working capital, etc.); and
- Other receivables under distress credit business.

Provision for expected credit loss

1 For loans:

Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group's current credit risk rating and grading framework comprises the following categories:

For stage-1 performing assets- 12 months Expected Credit Loss (ECL);

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, 2026

Particulars	As at March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount-opening balance	70.51	–	353.68	424.19
New assets originated or purchased	107.51	–	40.80	148.31
Assets derecognised or repaid (excluding write offs)	(15.03)	–	(58.74)	(73.77)
Gross carrying amount- closing balance	162.99	–	335.74	498.73

As at March 31, 2025

Particulars	As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount-opening balance	162.77	–	429.43	592.20
New assets originated or purchased	48.12	–	–	48.12
Assets derecognised or repaid (excluding write offs)	(13.88)	–	(202.25)	(216.13)
Transfer to Stage 3	(126.50)	–	126.50	–
Gross carrying amount- closing balance	70.51	–	353.68	424.19



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

As at March 31, 2026

Particulars	As at March 31, 2026			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.16	–	5.79	6.95
New assets originated or purchased	1.52	–	–	1.52
ECL allowance - closing balance	2.68	–	5.79	8.47

As at March 31, 2025

Particulars	As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	2.67	–	90.41	93.08
New assets originated or purchased	0.56	–	–	0.56
Assets derecognised or repaid (excluding write offs)	–	–	(86.69)	(86.69)
Transfer to Stage 3	(2.07)	–	2.07	–
ECL allowance - closing balance	1.16	–	5.79	6.95

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. ECL rates are based on actual credit loss experience over the past six years and the ECL rate is calculated by averaging loss rates over past six years.

There is no credit period defined for other receivables and amount is due on the date of invoice/debit note. Interest is charged on overdue amount as per terms agreed.

Movement of provision for impairment

As at March 31, 2026

Particulars	As at March 31, 2026		
	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	44.95	12.96	57.91
Addition	(0.03)	1.15	1.12
Closing balance	44.92	14.11	59.03

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As at March 31, 2025

Particulars	(₹ in crore)		
	As at March 31, 2025		
	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	44.24	12.39	56.63
Addition	0.71	0.57	1.28
Closing balance	44.95	12.96	57.91

The ageing of trade receivables :

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
Past due 1-180 days	2.69	7.21
More than 180 days	191.91	193.39
	194.60	200.60

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 ₹ 92.70 crore and ₹ 83.77 crore as of March 31, 2026 and March 31, 2025 respectively, from its bankers for working capital requirements. The Company also has bank balances of ₹ 74.33 crore as on March 31, 2026.

Exposure to liquidity risk

The following tables details the Group's remaining contractual/ expected maturities for its non-derivative financial liabilities and assets as at the reporting date. The tables have been drawn up based on undiscounted cash flow basis.



As at March 31, 2026

Particulars	(₹ in crore)					
	Carrying amount	Total	Contractual cash flows			
0-1 year			1-3 years	3-5 years	More than 5 years	
Financial Liabilities						
Borrowings and debt securities	1,517.47	1,517.47	1,480.87	36.60	-	-
Trade payables	2.26	2.26	2.26	-	-	-
Lease liabilities	2.97	2.97	1.25	1.68	0.04	-
Other financial liabilities	76.97	76.97	76.97	-	-	-
Total	1,599.67	1,599.67	1,561.35	38.28	0.04	-
Financial Assets						
Cash and cash equivalents	74.33	74.33	74.33	-	-	-
Other Bank balances	1.88	1.88	1.88	-	-	-
Trade receivables (net)	149.68	149.68	25.29	124.39	-	-
Loans (net)	490.26	490.26	287.35	202.91	-	-
Investment	573.19	573.19	476.28	96.15	0.76	-
Other Financial Assets (net)	2,020.82	2,020.82	1,833.16	160.54	27.12	-
Total	3,310.16	3,310.16	2,698.29	583.99	27.88	-

As at March 31, 2025

Particulars	(₹ in crore)					
	Carrying amount	Total	Contractual cash flows			
0-1 year			1-3 years	3-5 years	More than 5 years	
Financial Liabilities						
Borrowings and debt securities	1,517.72	1,517.72	1,323.35	194.37	-	-
Trade payables	3.36	3.36	3.36	-	-	-
Lease liabilities	4.25	4.25	1.52	2.04	0.69	-
Other financial liabilities	137.88	137.88	137.27	0.61	-	-
Total	1,663.21	1,663.21	1,465.50	197.02	0.69	-
Financial Assets						
Cash and cash equivalents	170.22	170.22	170.22	-	-	-
Other Bank balances	1.98	1.98	1.98	-	-	-
Trade receivables (net)	155.65	155.65	22.10	133.55	-	-
Loans (net)	417.24	417.24	2.70	414.54	-	-
Investment	903.30	903.30	320.62	559.25	23.43	-
Other Financial Assets (net)	1,447.53	1,447.53	1,303.33	131.78	8.39	4.03
Total	3,095.92	3,095.92	1,820.95	1,239.12	31.82	4.03

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.

Notes

forming part of the Consolidated Financial Statements (Contd..)

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

As at March 31, 2026

(₹ in crore)

Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	1,517.47	1,518.19	1,481.59	36.60	-	-
Trade payables	2.26	2.26	2.26	-	-	-
Lease liabilities	2.97	3.06	1.37	1.69	-	-
Other financial liabilities	76.97	76.97	76.97	-	-	-
Total	1,599.67	1,600.48	1,562.19	38.29	-	-

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

As at March 31, 2025

(₹ in crore)

Particulars	Contractual cash flows					
	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	1,517.72	1,524.35	1,329.23	195.12	-	-
Trade payables	3.36	3.36	3.36	-	-	-
Lease liabilities	4.25	4.91	1.85	2.34	0.72	-
Other financial liabilities	137.88	137.88	137.27	0.61	-	-
Total	1,663.21	1,670.50	1,471.71	198.07	0.72	-

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, 2026	As at March 31, 2025
Borrowings:		
Fixed rate borrowings*	1,161.26	1,128.38
Floating rate borrowings	146.30	160.36
Total	1,307.56	1,288.74

* Exclude Optionally Convertible Debenture (refer note 16.4)

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, 2026 would decrease/ increase by ₹ 1.46 crore (Previous year: decrease/ increase by ₹ 1.60 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 unquoted equity instruments as at March 31, 2026 aggregate to ₹ 4.47 (Previous year ₹ 4.47 crore). If price of equity instruments decrease/ increase by 5%, the Group's profit for the year ended March 31, 2026 would be decrease/ increase by ₹ 0.22 (Previous year: decrease/ increase by ₹ 0.22 crore).

45 A) Entities considered for Consolidation

a) Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at March 31, 2026 (%)	As at March 31, 2025 (%)
Subsidiary Trusts in India				
JMFARC - Pasupati SASF - Trust	Asset reconstruction	India	100%	100%
JMFARC - UCO Bank March 2011 - Trust	Asset reconstruction	India	100%	100%
JMFARC - Corp Apparel 2013 - Trust	Asset reconstruction	India	100%	100%
JMFARC - Central India 2013 - Trust	Asset reconstruction	India	100%	100%
JMFARC - Dena Bank March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC - Gelatine March 2014 Trust	Asset reconstruction	India	100%	100%

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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, 2026	As at March 31, 2025
JMFARC - ICICI Bank July 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC - Axis Bank Cement March 2015 - Trust	Asset reconstruction	India	100%	100%
JMFARC - ICICI Bank Cement June 2015 - Trust	Asset reconstruction	India	100%	100%
JMFARC - United Bank Cement Sept 2015 - Trust	Asset reconstruction	India	100%	100%
JMFARC - ICICI Geometric - Trust	Asset reconstruction	India	15%	15%
JMFARC - Axis Bank February 2016 - Trust	Asset reconstruction	India	100%	100%
JMFARC - OBC Cement March 2016 - Trust	Asset reconstruction	India	100%	100%
JMFARC - Axis Iris II March 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - SBI Geometric October 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - IRIS Cash 2016 - Trust	Asset reconstruction	India	100%	100%
JMFARC - Tata Capital December 2016 - Trust	Asset reconstruction	India	100%	100%
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	11%	11%
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%
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 - Metallics July 2018 - Trust	Asset reconstruction	India	100%	100%
JMFARC - Federal Bank March 2013 - Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics March 2019 I - Trust	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%

Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at March 31, 2026	As at March 31, 2025
JMFARC - Fabrics December 2019 I Trust	Asset reconstruction	India	100%	100%
JMFARC - March 2018 - Trust	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 - Metallics February 2018 Trust	Asset reconstruction	India	92%	92%
JMFARC - Metallics November 2018 - Trust	Asset reconstruction	India	95%	95%
JMFARC - Metallics December 2018 - Trust	Asset reconstruction	India	94%	94%
JMFARC - KTK Metallics December 2018 - Trust	Asset reconstruction	India	94%	94%
JMFARC - Coated February 2021 Trust [^]	Asset reconstruction	India	-	89%
Textile 2022 - Trust	Asset reconstruction	India	100%	100%
Real Estate May 2023 Trust	Asset reconstruction	India	57%	57%
JMFARC - Fabrics September 2018 III - Trust [*]	Asset reconstruction	India	39%	39%
JMFARC - Fabrics August 2018 II - Trust [*]	Asset reconstruction	India	39%	39%
Retail May 2024 Trust	Asset reconstruction	India	90%	90%
Rail December 2024 - Trust	Asset reconstruction	India	58%	51%
Iris March 2025 Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics June 2019 I Trust #	Asset reconstruction	India	36%	-
Juhu Hotel March 2025 Trust [@]	Asset reconstruction	India	50%	-
Water August 2025 Trust [@]	Asset reconstruction	India	100%	-
EB Retail 2025 - Trust ^{@**}	Asset reconstruction	India	47%	-
EB Retail December 2025 Trust ^{@**}	Asset reconstruction	India	44%	-
Retail March 2026 - Trust [@]	Asset reconstruction	India	50%	-

@ Trusts addition during the year

[^] Trusts closed during the year

^{*} subsidiary from May 31, 2024 by control through ability to direct relevant activities and influence variable returns.

[#] subsidiary from January 31, 2026 by control through ability to direct relevant activities and influence variable returns.

^{**} subsidiary by control through ability to direct relevant activities and influence variable returns.

Note :

All the entities considered for consolidation above are Trust formed under SARFAESI Act in India for conducting principal activities of acquisition of accounts under distressed credit business.

Notes

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B) Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Subsidiary.
i) As at and for the year ended March 31, 2026

(₹ in crore)

Particulars	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	(97.85)	(5.33%)	16.04	19.64%	(0.01)	100.00%	16.03	19.62%
Subsidiary Trusts in India								
JMFARC - Pasupati SASF - Trust	(0.11)	(0.01%)	#	0.00%	-	-	#	0.00%
JMFARC - UCO Bank March 2011 - Trust	0.10	0.01%	-	-	-	-	-	-
JMFARC - Corp Apparel 2013 - Trust	0.09	0.00%	-	-	-	-	-	-
JMFARC - Central India 2013 - Trust	0.97	0.05%	0.17	0.21%	-	-	0.17	0.21%
JMFARC - Dena Bank March 2014 Trust	0.03	0.00%	0.27	0.33%	-	-	0.27	0.33%
JMFARC - Gelatine March 2014 Trust	0.21	0.01%	0.04	0.05%	-	-	0.04	0.05%
JMFARC - ICICI Bank July 2014 Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - Axis Bank Cement March 2015 - Trust	10.99	0.60%	#	0.00%	-	-	#	0.00%
JMFARC - ICICI Bank Cement June 2015 - Trust	7.76	0.42%	#	0.00%	-	-	#	0.00%
JMFARC - United Bank Cement Sept 2015 - Trust	12.65	0.69%	0.01	0.01%	-	-	0.01	0.01%
JMFARC - ICICI Geometric - Trust	1.56	0.08%	-	-	-	-	-	-
JMFARC - Axis Bank February 2016 - Trust	0.51	0.03%	-	-	-	-	-	-
JMFARC - OBC Cement March 2016 - Trust	1.99	0.11%	#	0.00%	-	-	#	0.00%
JMFARC - Axis Iris II March 2016 Trust	6.40	0.35%	0.40	0.49%	-	-	0.40	0.49%
JMFARC - SBI Geometric October 2016 Trust	3.60	0.20%	-	-	-	-	-	-
JMFARC - IDBI March 2017 - Trust	1.05	0.06%	(0.26)	(0.32%)	-	-	(0.26)	(0.32%)
JMFARC - IIFL May 2017 - Trust	1.40	0.08%	(0.28)	(0.34%)	-	-	(0.28)	(0.34%)
JMFARC - IRIS Cash 2016 - Trust	25.68	1.40%	(5.04)	(6.17%)	-	-	(5.04)	(6.17%)

(₹ in crore)

Particulars	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 - Tata Capital December 2016 - Trust	15.29	0.83%	(1.04)	(1.27%)	-	-	(1.04)	(1.27%)
JMFARC - IRIS Cash July 2017 - Trust	6.59	0.36%	(1.21)	(1.48%)	-	-	(1.21)	(1.48%)
JMFARC - Woods October 2017 Trust	(1.13)	(0.06%)	0.01	0.01%	-	-	0.01	0.01%
JMFARC - IRIS Cash March 2018 - Trust	1.86	0.10%	(0.29)	(0.36%)	-	-	(0.29)	(0.36%)
JMFARC - BOB 2008 - Trust	(0.01)	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - SME Retail 2011 - Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - IOB II March 2011 - Trust	1.86	0.10%	#	0.00%	-	-	#	0.00%
JMFARC - Federal Bank March 2013 - Trust	22.78	1.24%	-	-	-	-	-	-
JMFARC - Corp I 2013 - Trust	4.05	0.22%	-	-	-	-	-	-
JMFARC - Corp II 2013 - Trust	0.27	0.01%	-	-	-	-	-	-
JMFARC - ALHB Bank June 2017 Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - ALHB Bank Textile June 2017 Trust	0.02	0.00%	0.01	0.01%	-	-	0.01	0.01%
JMFARC - Federal Bank June 2017 - Trust	1.27	0.07%	0.18	0.22%	-	-	0.18	0.22%
JMFARC - Metallics July 2018 - Trust	(0.01)	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Fabrics August 2018 I - Trust	155.55	8.47%	(46.74)	(57.26%)	-	-	(46.74)	(57.27%)
JMFARC - Fabrics September 2018 I - Trust	15.24	0.83%	(4.57)	(5.60%)	-	-	(4.57)	(5.60%)
JMFARC - Fabrics September 2018 II - Trust	10.77	0.59%	(3.23)	(3.96%)	-	-	(3.23)	(3.96%)
JMFARC - PNB IRIS II September 2018 - Trust	1.17	0.06%	0.02	0.02%	-	-	0.02	0.02%
JMFARC - Fabrics June 2018 - Trust	14.96	0.81%	(4.49)	(5.50%)	-	-	(4.49)	(5.50%)
JMFARC - Fabrics March 2019 I - Trust	6.82	0.37%	(2.05)	(2.51%)	-	-	(2.05)	(2.51%)
JMFARC - Retail June 2011 - Trust	0.05	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Retail Aug 2011 - Trust	0.08	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Fabrics June 2019 II - Trust	14.22	0.77%	(4.26)	(5.22%)	-	-	(4.26)	(5.22%)

Notes

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(₹ in crore)

Particulars	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or (loss)	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated Total Comprehensive Income
JMFARC - Fabrics June 2019 III Trust	3.68	0.20%	(1.10)	(1.35%)	-	-	(1.10)	(1.35%)
JMFARC - Fabrics December 2019 I Trust	1.02	0.06%	(0.30)	(0.37%)	-	-	(0.30)	(0.37%)
JMFARC - March 2018 - Trust	93.84	5.11%	-	-	-	-	-	-
JMFARC - Fabrics September 2020 - Trust	2.03	0.11%	(0.61)	(0.75%)	-	-	(0.61)	(0.75%)
JMFARC - Fabrics November 2020 - Trust	10.06	0.55%	(3.02)	(3.70%)	-	-	(3.02)	(3.70%)
JMFARC - Metallics February 2018 - Trust	0.02	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Metallics November 2018 - Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Metallics December 2018 - Trust	0.01	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - KTK Metallics December 2018 - Trust	(0.01)	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Coated February 2021 Trust	0.02	0.00%	1.25	1.53%	-	-	1.25	1.53%
Textile 2022	32.41	1.76%	17.22	21.10%	-	-	17.22	21.10%
Real Estate May 2023 Trust	127.73	6.95%	(4.50)	(5.51%)	-	-	(4.50)	(5.51%)
JMFARC - Fabrics September 2018 III - Trust	0.83	0.05%	(0.25)	(0.31%)	-	-	(0.25)	(0.30%)
JMFARC - Fabrics August 2018 II - Trust	7.87	0.43%	(2.35)	(2.88%)	-	-	(2.35)	(2.87%)
Retail May 2024 Trust	3.59	0.20%	0.75	0.92%	-	-	0.75	0.92%
Rail December 2024-Trust	310.50	16.90%	43.64	53.46%	-	-	43.64	53.47%
Iris March 2025 Trust	5.00	0.27%	-	-	-	-	-	-
JMFARC - Fabrics June 2019 I - Trust	28.92	1.57%	(2.86)	(3.50%)	-	-	(2.86)	(3.50%)
Juhu Hotel March 2025 Trust	123.48	6.73%	20.59	25.22%	-	-	20.59	25.22%
Water August 2025 Trust	50.00	2.73%	-	-	-	-	-	-
EB Retail 2025 - Trust	57.20	3.12%	-	-	-	-	-	-
EB Retail December 2025 - Trust	8.53	0.47%	-	-	-	-	-	-
Retail March 2026 - Trust	61.00	3.32%	-	-	-	-	-	-
	1,176.53	64.05%	12.15	14.86%	(0.01)	100.00%	12.14	14.86%

(₹ in crore)

Particulars	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	660.29	35.95%	69.48	85.14%	-	-	69.48	85.14%
JMFARC - ICICI Geometric - Trust	8.77	0.48%	-	-	-	-	-	-
JMFARC - IOB II March 2011 -Trust	#	0.00%	-	-	-	-	-	-
JMFARC - March 2018 - Trust	62.57	3.41%	-	-	-	-	-	-
JMFARC - Metallics February 2018 - Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Metallics November 2018 - Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Metallics December 2018 - Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - KTK Metallics December 2018 - Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Coated February 2021 Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Fabrics September 2018 III - Trust	1.22	0.07%	(0.40)	(0.48%)	-	-	(0.40)	(0.48%)
JMFARC - Fabrics August 2018 II - Trust	11.67	0.64%	(3.72)	(4.55%)	-	-	(3.72)	(4.55%)
Retail May 2024 Trust	0.41	0.02%	4.25	5.21%	-	-	4.25	5.21%
Rail December 2024-Trust	233.14	12.69%	41.84	51.26%	-	-	41.84	51.26%
Real Estate May 2023 Trust	76.50	4.16%	-	-	-	-	-	-
JMFARC - Fabrics June 2019 I - Trust	-	-	-	-	-	-	-	-
Juhu Hotel March 2025 Trust	130.40	7.10%	27.51	33.70%	-	-	27.51	33.70%
EB Retail 2025 - Trust	63.56	3.46%	-	-	-	-	-	-
EB Retail December 2025 - Trust	11.05	0.60%	-	-	-	-	-	-
Retail March 2026 - Trust	61.00	3.32%	-	-	-	-	-	-
Total	1,836.82	100.00%	81.63	100.00%	(0.01)	100.00%	81.62	100.00%

Denotes amount less than ₹50,000

Note:

1) Subsidiaries share in OCI is Nil for the year ended March 31, 2026.

Notes

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ii) As at and for the year ended March 31, 2025

Particulars	(₹ in crore)							
	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	176.51	11.21%	92.91	(105.69%)	(0.09)	100.00%	92.82	(105.49%)
Subsidiary Trusts in India								
JMFARC - Pasupati SASF - Trust	(0.10)	(0.01%)	#	0.00%	-	-	#	0.00%
JMFARC - UCO Bank March 2011 - Trust	0.10	0.01%	-	-	-	-	-	-
JMFARC - Corp Apparel 2013 - Trust	0.09	0.01%	-	-	-	-	-	-
JMFARC - Central India 2013 - Trust	0.97	0.06%	(5.09)	5.79%	-	-	(5.09)	5.78%
JMFARC - Dena Bank March 2014 - Trust	1.04	0.07%	(0.04)	0.05%	-	-	(0.04)	0.05%
JMFARC - Gelatine March 2014 - Trust	6.45	0.41%	-	-	-	-	-	-
JMFARC - ICICI Bank July 2014 - Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - Axis Bank Cement March 2015 - Trust	10.98	0.70%	0.56	(0.64%)	-	-	0.56	(0.64%)
JMFARC - ICICI Bank Cement June 2015 - Trust	7.76	0.49%	0.44	(0.50%)	-	-	0.44	(0.50%)
JMFARC - United Bank Cement Sept 2015 - Trust	12.64	0.80%	(1.39)	1.58%	-	-	(1.39)	1.58%
JMFARC - ICICI Geometric - Trust	1.55	0.10%	-	-	-	-	-	-
JMFARC - Axis Bank February 2016 - Trust	0.51	0.03%	0.12	(0.14%)	-	-	0.12	(0.14%)
JMFARC - OBC Cement March 2016 - Trust	1.99	0.13%	0.12	(0.14%)	-	-	0.12	(0.14%)
JMFARC - Axis Iris II March 2016 - Trust	6.00	0.38%	-	-	-	-	-	-
JMFARC - SBI Geometric October 2016 - Trust	3.60	0.23%	#	-	-	-	#	-
JMFARC - IRIS Cash 2016 - Trust	30.72	1.95%	(14.41)	16.39%	-	-	(14.41)	16.37%
JMFARC - Tata Capital December 2016 - Trust	16.33	1.04%	(19.66)	22.36%	-	-	(19.66)	22.34%
JMFARC - IDBI March 2017 - Trust	1.31	0.08%	(1.03)	1.17%	-	-	(1.03)	1.17%
JMFARC - IRIS IIFL May 2017 - Trust	1.68	0.11%	(0.75)	0.85%	-	-	(0.75)	0.85%
JMFARC - IRIS Cash July 2017 - Trust	7.81	0.50%	(3.47)	3.95%	-	-	(3.47)	3.94%
JMFARC - Woods October 2017 - Trust	(1.14)	(0.07%)	-	-	-	-	-	-
JMFARC - IRIS Cash March 2018 - Trust	2.16	0.14%	(0.87)	0.99%	-	-	(0.87)	0.99%

Particulars	(₹ in crore)							
	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 - BOB 2008 - Trust	(0.01)	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - SME Retail 2011 - Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - IOB II March 2011 - Trust	1.87	0.12%	6.07	(6.90%)	-	-	6.07	(6.90%)
JMFARC - Federal Bank March 2013 - Trust	22.78	1.45%	4.77	(5.43%)	-	-	4.77	(5.42%)
JMFARC - Corp I 2013 - Trust	4.05	0.26%	-	-	-	-	-	-
JMFARC - Corp II 2013 - Trust	0.27	0.02%	-	-	-	-	-	-
JMFARC - ALHB Bank June 2017 - Trust	0.03	0.00%	0.02	(0.02%)	-	-	0.02	(0.02%)
JMFARC - ALHB Bank Textile June 2017 - Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - Federal Bank June 2017 - Trust	1.09	0.07%	0.03	(0.03%)	-	-	0.03	(0.03%)
JMFARC - Metallics July 2018 - Trust	(0.01)	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Fabrics August 2018 I - Trust	213.03	13.53%	(35.40)	40.26%	-	-	(35.40)	40.22%
JMFARC - Fabrics September 2018 I - Trust	20.28	1.29%	(3.13)	3.56%	-	-	(3.13)	3.56%
JMFARC - Fabrics September 2018 II - Trust	14.40	0.91%	(2.29)	2.60%	-	-	(2.29)	2.60%
JMFARC - PNB IRIS II September 2018 - Trust	1.15	0.07%	-	-	-	-	-	-
JMFARC - Fabrics June 2018 - Trust	19.92	1.26%	(3.09)	3.51%	-	-	(3.09)	3.51%
JMFARC - Fabrics March 2019 I - Trust	9.09	0.58%	(1.42)	1.62%	-	-	(1.42)	1.61%
JMFARC - Retail June 2011 - Trust	0.05	0.00%	0.01	(0.01%)	-	-	0.01	(0.01%)
JMFARC - Retail Aug 2011 - Trust	0.08	0.01%	#	0.00%	-	-	#	0.00%
JMFARC - Fabrics June 2019 II - Trust	19.04	1.21%	(3.05)	3.47%	-	-	(3.05)	3.47%
JMFARC - Fabrics June 2019 III - Trust	4.93	0.31%	(0.79)	0.90%	-	-	(0.79)	0.90%
JMFARC - Fabrics December 2019 I - Trust	1.32	0.08%	(0.18)	0.20%	-	-	(0.18)	0.20%
JMFARC - March 2018 - Trust	93.84	5.96%	-	-	-	-	-	-
JMFARC - Fabrics September 2020 - Trust	2.72	0.17%	(0.43)	0.49%	-	-	(0.43)	0.49%
JMFARC - Fabrics November 2020 - Trust	13.64	0.87%	(2.38)	2.71%	-	-	(2.38)	2.70%
JMFARC - Metallics February 2018 - Trust	0.02	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Metallics November 2018 - Trust	0.01	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Metallics December 2018 - Trust	0.01	0.00%	#	0.00%	-	-	#	0.00%

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Particulars	(₹ in crore)							
	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 - KTK Metallics December 2018 - Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Coated February 2021 Trust	(0.01)	0.00%	(0.01)	0.01%	-	-	(0.01)	0.01%
Deccan 2021	#	0.00%	(0.01)	0.01%	-	-	(0.01)	0.01%
Deccan June 2022	#	0.00%	-	-	-	-	-	-
Textile 2022	15.20	0.97%	(9.97)	11.34%	-	-	(9.97)	11.33%
Deccan January 2023 Trust	(0.01)	0.00%	(0.01)	0.01%	-	-	(0.01)	0.01%
Real Estate May 2023 Trust@	132.23	8.40%	(4.50)	5.12%	-	-	(4.50)	5.11%
Deccan September 2023 Trust@	#	(0.05%)	-	-	-	-	-	-
JMFARC - Fabrics September 2018 III - Trust	1.09	0.07%	(1.09)	1.24%	-	-	(1.09)	1.25%
JMFARC - Fabrics August 2018 II - Trust	10.22	0.65%	(19.89)	22.62%	-	-	(19.89)	22.61%
Retail May 2024 Trust	12.42	0.79%	#	0.00%	-	-	#	0.00%
Rail December 2024-Trust	255.00	16.19%	-	-	-	-	-	-
Iris March 2025 Trust	5.00	0.32%	-	-	-	-	-	-
	1,163.75	73.88%	(29.30)	33.30%	(0.09)	100.00%	(29.39)	33.37%
Non Controlling Interests in all subsidiaries	411.29	26.12%	(58.62)	66.70%	-	-	(58.62)	66.63%
JMFARC - ICICI Geometric Trust	8.77	0.56%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	#	0.00%	-	-	-	-	-	-
JMFARC - March 2018 Trust	62.57	3.97%	-	-	-	-	-	-
JMFARC - Metallics February 2018 Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Metallics November 2018 Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Metallics December 2018 Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - KTK Metallics December 2018 Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Coated February 2021 Trust	#	0.00%	#	0.00%	-	-	#	0.00%
JMFARC - Fabrics September 2018 III - Trust	1.61	0.10%	(1.70)	1.94%	-	-	(1.70)	1.94%
JMFARC - Fabrics August 2018 II - Trust	15.40	0.98%	(31.42)	35.75%	-	-	(31.42)	35.71%
Retail May 2024 Trust	1.44	0.09%	-	-	-	-	-	-
Rail December 2024-Trust	245.00	15.56%	-	-	-	-	-	-
Real Estate May 2023 Trust	76.50	4.86%	(25.50)	29.01%	-	-	(25.50)	28.98%
Total	1,575.04	100.00%	(87.92)	100.00%	(0.09)	100.00%	(88.01)	100.00%

Denotes amount less than ₹ 50,000

Note:

Subsidiaries share in OCI is Nil for the year ended March 31, 2025.

46 Details of non-wholly owned subsidiaries that have material non-controlling interest

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

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, 2026	As at March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	As at March 31, 2026	As at March 31, 2025
		(₹ in crore)					
JMFARC - ICICI Geometric - Trust	India	85.00%	85.00%	-	-	8.77	8.77
JMFARC - IOB II March 2011 - Trust	India	88.77%	88.77%	-	-	-	-
JMFARC - March 2018 - Trust	India	40.00%	40.00%	-	-	62.57	62.57
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%	#	#	#	#
JMFARC - Coated February 2021 - Trust	India	11.05%	11.05%	#	#	#	#
Real Estate May 2023 Trust	India	42.73%	42.73%	-	(25.50)	76.50	76.50
JMFARC - Fabrics September 2018 III - Trust*	India	61.01%	61.01%	(0.40)	(1.70)	1.22	1.61
JMFARC - Fabrics August 2018 II - Trust*	India	61.22%	61.22%	(3.72)	(31.42)	11.67	15.40
Retail May 2024 Trust	India	10.32%	10.42%	4.25	-	0.41	1.44
Rail December 2024-Trust	India	41.76%	49.00%	41.84	-	233.14	245.00
JMFARC - Fabrics June 2019 I Trust #	India	63.75%	-	-	-	-	-
Juhu Hotel March 2025 Trust@	India	50.00%	-	27.51	-	130.40	-
Retail March 2026 - Trust@	India	50.00%	-	-	-	61.00	-
EB Retail 2025 - Trust@	India	52.64%	-	-	-	63.56	-
EB Retail December 2025 Trust@	India	56.45%	-	-	-	11.05	-
Total				69.48	(58.62)	660.29	411.29

@ addition during the year

* subsidiary from May 31, 2024 by control through ability to direct relevant activities and influence variable returns.

subsidiary from January 31, 2026 by control through ability to direct relevant activities and influence variable returns.

Notes

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46.1 Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intra-Company eliminations:

(₹ in crore)

Particulars	JMFARC - Coated February 2021 - Trust		JMFARC - ICICI Geometric - Trust		JMFARC - March 2018 - Trust	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial Assets	0.08	1.26	0.59	0.58	156.66	156.63
Non-Financial Assets	#	#	10.32	10.32	-	-
Financial Liabilities	0.06	1.21	0.58	0.58	0.24	0.21
Non-Financial Liabilities	#	0.06	#	#	0.01	0.01
Equity attributable to owners of the Company	0.02	(0.01)	1.56	1.55	93.84	93.84
Non-controlling interests	#	#	8.77	8.77	62.57	62.57
Revenue	1.26	-	0.01	#	0.03	0.02
Expenses	#	0.01	0.01	#	0.03	0.02
Tax Expenses	0.01	#	-	-	-	-
Profit for the year	1.25	(0.01)	-	-	-	-
Profit attributable to owners of the Company	1.25	(0.01)	-	-	-	-
Profit attributable to non-controlling interests	-	#	-	-	-	-
Profit for the year	1.25	(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	1.25	(0.01)	-	-	-	-
Total comprehensive income attributable to non-controlling interests	-	#	-	-	-	-
Total comprehensive income for the year	1.25	(0.01)	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	1.29	0.07	(0.01)	-	#	0.02
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(1.22)	-	0.01	-	-	(0.02)
Net cash generated from/(used in)	0.07	0.07	#	#	#	#

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial assets	-	-	1.07	1.06	0.62	0.62
Non-financial assets	1.88	1.88	#	#	#	#
Financial liabilities	0.02	0.01	0.01	#	0.01	#
Non-financial liabilities	#	#	1.04	1.04	0.61	0.61
Equity attributable to owners of the Company	1.86	1.87	0.02	0.02	#	0.01
Non-controlling interests	-	#	#	#	#	#
Revenue	-	-	#	#	#	#
Expenses	#	(6.07)	#	#	#	#
Tax Expenses	#	#	#	#	#	#
Profit for the year	#	6.07	#	#	#	#
Profit attributable to owners of the Company	#	6.07	#	#	#	#
Profit attributable to non-controlling interests	-	-	#	#	#	#
Profit for the year	#	(6.07)	#	#	#	#
Other comprehensive income attributable to owners of the Company	-	-	-	-	-	-
Other comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income attributable to owners of the Company	#	6.07	#	#	#	#
Total comprehensive income attributable to non-controlling interests	-	-	#	#	#	#
Total comprehensive income for the year	#	6.07	#	#	#	#
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	0.01	6.08	0.06	0.06	0.04	0.03
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(0.01)	(6.08)	-	-	(0.01)	-
Net cash generated from/(used in)	#	#	0.06	0.06	0.03	0.03

Denotes amount less than ₹ 50,000

Notes

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(₹ in crore)

Particulars	JMFARC - Metallics December 2018 - Trust		JMFARC - KTK Metallics December - 2018 Trust		Real Estate May 2023 Trust	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial Assets	0.63	0.63	0.32	0.32	207.92	209.15
Non-Financial Assets	#	#	#	#	-	-
Financial Liabilities	0.01	#	0.01	#	3.61	0.42
Non-Financial Liabilities	0.61	0.62	0.32	0.32	0.08	#
Equity attributable to owners of the Company	0.01	0.01	(0.01)	#	127.73	132.23
Non-controlling interests	#	#	#	#	76.50	76.50
Revenue	#	#	#	#	-	(9.33)
Expenses	#	#	#	#	4.50	20.67
Tax Expenses	#	#	#	#	-	-
Profit for the year	#	#	#	#	(4.50)	(30.00)
Profit attributable to owners of the Company	#	#	#	#	(4.50)	(4.50)
Profit attributable to non-controlling interests	#	#	#	#	-	(25.50)
Profit for the year	#	#	#	#	(4.50)	(30.00)
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	#	#	#	#	(4.50)	(4.50)
Total comprehensive income attributable to non-controlling interests	#	#	#	#	-	(25.50)
Total comprehensive income for the year	#	#	#	#	(4.50)	(30.00)
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	0.03	0.03	0.03	0.02	#	13.27
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	-	-	(0.01)	-	#	(13.00)
Net cash generated from/(used in)	0.03	0.03	0.02	0.02	#	0.27

Denotes amount less than ₹50,000

(₹ in crore)

Particulars	Rail December 2024 - Trust		JMFARC - Fabrics September 2018 III - Trust		JMFARC - Fabrics August 2018 II - Trust	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial Assets	564.04	504.94	2.91	3.66	25.88	32.94
Non-Financial Assets	-	-	0.05	0.05	0.49	0.48
Financial Liabilities	5.34	4.57	0.91	1.01	6.83	7.81
Non-Financial Liabilities	15.06	0.37	#	#	#	(0.01)
Equity attributable to owners of the Company	310.50	255.00	0.83	1.09	7.87	10.22
Non-controlling interests	233.14	245.00	1.22	1.61	11.67	15.40
Revenue	121.01	4.94	0.01	3.16	0.14	5.19
Expenses	20.85	4.94	0.66	5.95	6.21	56.49
Tax Expenses	14.68	-	-	-	-	-
Profit for the year	85.48	-	(0.65)	(2.79)	(6.07)	(51.30)
Profit attributable to owners of the Company	43.64	-	(0.25)	(1.09)	(2.35)	(19.88)
Profit attributable to non-controlling interests	41.84	-	(0.40)	(1.70)	(3.72)	(31.42)
Profit for the year	85.48	-	(0.65)	(2.79)	(6.07)	(51.30)
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	43.64	-	(0.25)	(1.09)	(2.35)	(19.88)
Total comprehensive income attributable to non-controlling interests	41.84	-	(0.40)	(1.70)	(3.72)	(31.42)
Total comprehensive income for the year	85.48	-	(0.65)	(2.79)	(6.07)	(51.30)
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	41.93	(500.00)	(2.70)	(0.03)	(25.61)	#
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(41.84)	500.00	2.70	0.03	25.61	-
Net cash generated from/(used in)	0.09	#	#	#	#	#

Denotes amount less than ₹ 50,000

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Particulars	(₹ in crore)					
	Retail May 2024 Trust		JMFARC - Fabrics June 2019 I (refer note)	Juhu Hotel March 2025 Trust (refer note)	Retail March 2026 - Trust (refer note)	EB Retail 2025 - Trust (refer note)
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2026	As at March 31, 2026	As at March 31, 2026
Financial assets	7.64	13.95	32.26	266.98	122.10	120.79
Non-financial assets	-	-	2.92	-	-	-
Financial liabilities	3.11	#	6.26	6.07	0.09	-
Non-financial liabilities	0.53	0.09	-	7.03	0.01	0.03
Equity attributable to owners of the Company	3.59	12.42	28.92	123.48	61.00	57.20
Non-controlling interests	0.41	1.44	-	130.40	61.00	63.56
Revenue	8.99	6.38	-	61.20	0.10	5.52
Expenses	3.99	6.38	2.86	6.18	0.10	5.52
Tax Expenses	-	-	-	6.92	-	-
Profit for the year	5.00	-	(2.86)	48.10	-	-
Profit attributable to owners of the Company	0.75	-	(2.86)	20.59	-	-
Profit attributable to non-controlling interests	4.25	-	-	27.51	-	-
Profit for the year	5.00	-	(2.86)	48.10	-	-
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	0.75	-	(2.86)	20.59	-	-
Total comprehensive income attributable to non-controlling interests	4.25	-	-	27.51	-	-
Total comprehensive income for the year	5.00	-	(2.86)	48.10	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	13.08	(13.76)	#	(205.78)	(122.00)	(120.74)
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(9.86)	13.86	-	205.78	122.00	120.76
Net cash generated from/(used in)	3.22	0.10	#	#	#	0.02

Denotes amount less than ₹ 50,000



Particulars	EB Retail December 2025 Trust (refer note)
	As at March 31, 2026
Financial Assets	19.64
Non-Financial Assets	-
Financial Liabilities	0.05
Non-Financial Liabilities	0.01
Equity attributable to owners of the Company	8.53
Non-controlling interests	11.05
Revenue	0.49
Expenses	0.49
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	(19.57)
Net cash generated from/(used in) investing activities	-
Net cash generated from/(used in) financing activities	19.58
Net cash generated from/(used in)	0.01

Note :

Comparatives figures are not presented as subsidiary newly acquired or become a subsidiary due to change in control through ability to direct relevant activities and influence variable returns.

Notes

forming part of the Consolidated Financial Statements (Contd..)

47 Maturity Analysis of Assets and Liabilities

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2026			As at March 31, 2025		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(1)	Financial Assets						
(a)	Cash and cash equivalents	74.33	–	74.33	170.22	–	170.22
(b)	Other bank balances	1.88	–	1.88	1.98	–	1.98
(c)	Trade Receivables	25.29	124.39	149.68	22.10	133.55	155.65
(d)	Loans	287.35	202.91	490.26	2.70	414.54	417.24
(e)	Investments	476.28	96.91	573.19	320.62	582.68	903.30
(f)	Other Financial Assets	1,833.16	187.66	2,020.82	1,303.33	144.20	1,447.53
(2)	Non-financial Assets						
(a)	Current tax assets (Net)	–	54.45	54.45	–	33.86	33.86
(b)	Deferred tax assets (net)	–	86.11	86.11	–	117.47	117.47
(c)	Property, Plant and Equipment	–	3.02	3.02	–	3.91	3.91
(d)	Other Intangible assets	–	0.11	0.11	–	0.16	0.16
(e)	Other non-financial assets	1.15	–	1.15	1.08	–	1.08
	Total Assets	2,699.44	755.56	3,455.00	1,822.03	1,430.37	3,252.40
	LIABILITIES AND EQUITY						
	LIABILITIES						
(1)	Financial Liabilities						
(a)	Trade Payables	2.26	–	2.26	3.36	–	3.36
(b)	Debt Securities	287.04	–	287.04	945.93	79.25	1,025.18
(c)	Borrowings (Other than Debt Securities)	1,193.83	36.60	1,230.43	377.42	115.12	492.54
(d)	Lease liabilities	1.25	1.72	2.97	1.52	2.73	4.25
(e)	Other financial liabilities	76.97	–	76.97	137.27	0.61	137.88
(2)	Non-Financial Liabilities						
(a)	Provisions	0.70	1.90	2.60	0.54	1.12	1.66
(b)	Other non-financial liabilities	15.91	–	15.91	12.49	–	12.49
	Total Liabilities	1,577.96	40.22	1,618.18	1,478.53	198.83	1,677.36

48 Schedule of security receipts

Name of Trust	As at March 31, 2026		As at March 31, 2025	
	No. of SRs	Amount ₹ in crore	No. of SRs	Amount ₹ in crore
Investment in Trust Security receipts at fair value				
JMFARC - BOI 2009 - Trust	48,600	–	48,600	–
JMFARC - Swarna 2011 - Trust^	–	–	72,199	0.65
JMFARC - Swarna II 2012 - Trust Class A^	–	–	66,200	0.01
JMFARC - Swarna II 2012 - Trust Class B^	–	–	12,500	0.31
JMFARC - OBC March 2014 - Trust	34,500	–	34,500	–
JMFARC - Fed Gelatine March 2014 - Trust	17,500	–	17,500	–
JMFARC - OBC March 2014 II - Trust	4,760	0.20	4,760	0.25
JMFARC - UBOI March 2014 - Trust	66,750	–	66,750	–
JMFARC - SBI Ceramics June 2014 - Trust	156,000	0.12	156,000	0.12
JMFARC - Indian Bank June 2014 - Trust	32,200	–	32,200	–
JMFARC - Vijaya Bank June 2014 - Trust	25,360	–	25,360	–
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	0.07	32,625	0.07
JMFARC - LVB Ceramics September 2014 - Trust	27,900	0.06	27,900	0.06
JMFARC - SBOP Ceramics December 2014 - Trust	11,850	0.03	11,850	0.03
JMFARC - SBH Ceramics December 2014 - Trust	60,000	0.11	60,000	0.11
JMFARC - SBT Ceramics March 2015 - Trust	23,250	0.06	23,250	0.06
JMFARC - SBI Steel March 2015 - Trust	93,150	–	93,150	–
JMFARC - SBM Ceramics March 2015 - Trust	12,750	0.03	12,750	0.03
JMFARC - Karnataka Bank Cement March 2015 - Trust	49,500	1.78	49,500	1.78
JMFARC - Vijaya Bank Ceramics March 2015 - Trust	27,000	0.03	27,000	0.03
JMFARC - SBH Cement June 2015 - Trust	66,000	2.44	66,000	2.44
JMFARC - United Bank Textile September 2015 - Trust	27,075	0.64	27,075	0.64
JMFARC - PNB Ceramics November 2015 - Trust	401,640	1.02	401,640	1.02
JMFARC - Corp Bank Ceramics September 2015 - Trust	46,065	0.10	46,065	0.10
JMFARC - SBOP Geometric - Trust	61,560	–	61,560	–
JMFARC - Dena Ceramics January 2016 - Trust	15,750	0.03	15,750	0.03
JMFARC - UBOI Steel March 2016 - Trust	63,000	–	63,000	–
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	0.10	57,180	0.10
JMFARC - EXIM Ceramics March 2016 - Trust	17,101	0.04	17,101	0.04
JMFARC - UCO Geometric March 2016 - Trust	88,965	–	88,965	–
JMFARC - KVB Iris II March 2016 - Trust	37,500	3.64	37,500	4.20
JMFARC - Indian Bank March 2016 - Trust	97,515	–	97,515	–
JMFARC - IOB March 2016 - Trust	50,250	1.26	50,250	1.26
JMFARC - Iris March 2016 - Trust	1,000,165	23.40	1,000,165	25.37
JMFARC - Exim Iris March 2016 - Trust	60,000	1.13	60,000	0.38
JMFARC - Axis Iris March 2016 - Trust	150,000	4.24	150,000	6.07
JMFARC - Andhra Resin September 2016 - Trust	37,605	#	37,605	#
JMFARC - Dena SEZ September 2016 - Trust	7,335	–	7,335	0.18
JMFARC - IDBI Geometric Dec 2016 - Trust	41,250	–	41,250	–
JMFARC - IRIS December 2016 - Trust	31,110	1.64	31,110	1.57

Notes

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Name of Trust	As at March 31, 2026		As at March 31, 2025	
	No. of SRs	Amount ₹ in crore	No. of SRs	Amount ₹ in crore
JMFARC - IRIS UBOI December 2016 - Trust	16,005	0.67	16,005	0.59
JMFARC - IRIS PNB January 2017 - Trust	41,550	1.54	41,550	1.37
JMFARC - IOB CHN March 2017 - Trust	37,500	-	37,500	3.49
JMFARC - IRIS United March 2017 - Trust	66,900	0.61	66,900	0.19
JMFARC - SBP March 2017 - Trust	31,665	1.09	31,665	1.58
JMFARC - IRIS UCO March 2017 - Trust	38,310	1.16	38,310	0.88
JMFARC - SBP Retreat March 2017 - Trust [^]	-	-	77,600	-
JMFARC - SBI Retreat March 2017 - Trust [^]	-	-	166,800	-
JMFARC - SBI Tollways March 2017 - Trust	153,000	2.70	153,000	2.70
JMFARC - Karnataka Bank September 2017 - Trust	20,310	0.12	20,310	0.10
JMFARC - Allahabad Bank December 2017 - Trust	76,275	3.89	76,275	5.49
JMFARC - Motors December 2017 - Trust	94,500	4.73	94,500	4.73
JMFARC - IOB Metallica February 2018 - Trust	360,000	-	360,000	-
JMFARC - Township February 2018 - Trust [^]	-	-	480,000	-
JMFARC - IRIS Canara March 2018 - Trust	18,225	0.83	18,225	0.88
JMFARC - Alphahealth 2018 - Trust ^{**}	110,700	6.32	1,780,700	143.23
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	1.66	33,000	1.74
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	3.67	462,500	3.95
JMFARC - SBI March 2014 I - Trust	173,750	0.67	173,750	0.67
JMFARC - SBI March 2014 II - Trust	45,250	1.52	45,250	1.52
JMFARC - Cosmos March 2014 - Trust	154,500	1.32	154,500	1.32
JMFARC - Indian Bank March 2014 - Trust	44,500	-	44,500	-
JMFARC - BOI March 2014 II - Trust	215,750	-	215,750	-
JMFARC - OBC June 2014 - Trust	8,915	-	8,915	-
JMFARC - Karnataka Bank December 2014 - Trust	172,500	1.44	172,500	3.08
JMFARC - CSB September 2015 - Trust	63,000	0.01	63,000	0.01
JMFARC - SBH December 2015 - Trust	73,380	-	73,380	-
JMFARC - KVB March 2016 - Trust	355,095	0.72	355,095	0.72
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	139.22
JMFARC - PNB March 2017 - Trust	222,075	-	222,075	7.33
JMFARC - SBT March 2017 - Trust	55,875	1.79	55,875	2.40
JMFARC - LTF June 2017 - Trust	600,000	-	600,000	5.64
JMFARC - Central Bank Retail 2011 - Trust	88,872	-	88,872	-
JMFARC - ICICI Bank September 2016 - Trust	855,495	15.40	855,495	15.32
JMFARC - Fabrics June 2019 I - Trust Class A ^{\$} *	-	-	232,500	21.56
JMFARC - Fabrics June 2019 I - Trust Class B*	-	-	151,200	-
Victory Real Estate 2021 - Trust	60,000	6.00	60,000	6.00
Realty March 2022 - Trust	607,500	45.56	607,500	45.56
Aranya - Trust	6,005,000	234.57	6,005,000	354.25
Retail June 2022 - Trust	2,490,540	9.06	2,490,540	23.63
Indus 2024 - Trust	106,500	3.75	106,500	7.61



Name of Trust	As at March 31, 2026		As at March 31, 2025	
	No. of SRs	Amount ₹ in crore	No. of SRs	Amount ₹ in crore
Indus 2024 Pool 2 - Trust	103,500	3.94	103,500	7.88
Indus 2024 Pool 3 - Trust	90,000	5.05	90,000	6.09
AC Retail September 2024 Trust	33,000	1.92	33,000	3.01
Indus 2024 Pool 4 - Trust	69,200	4.03	69,200	6.42
Indus 2024 Pool 5 - Trust	66,100	4.40	66,100	6.42
Indus 2024 Pool 6 - Trust	75,500	4.41	75,500	7.07
Mortgage Retail A 2024 Trust [@]	21,500	1.66	-	-
AC Retail 2025 - Trust [@]	33,000	2.85	-	-
Total		568.72		898.83

Denotes amount less than ₹ 50,000

@ trusts added during the year or additional investment made in security receipts of existing trust

[^] trusts closed during the year

* subsidiary from January 31, 2026

\$ includes security receipts bought back during the year

** portion of investment sold during the year

49 Pursuant to notification issued by the Ministry of Corporate Affairs (MCA) dated August 16, 2019, on Companies (Share Capital and Debentures) Rules, 2014, ('Rules') the Parent Company is not required to create DRR and as per MCA notification dated 5th June, 2020, the Parent Company is also exempted to invest or deposit a sum which shall not be less than 15% of the amount of the Debentures issued and maturing during the financial year.

50 Disclosure of ratios:

Sr. No.	Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2026	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2025
a)	Capital to risk-weighted assets ratio (CRAR)	1,840.86	336.10	18.26%	2,156.64	687.82	31.89%
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.

51 Contingent liabilities

Particulars	(₹ in crore)	
	As at March 31, 2026	As at March 31, 2025
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.

52 Additional Regulatory Information

(i) The Company has not been declared wilful defaulter by any bank or financial institutions or Government or any Government Authority.

(ii) The Company has no transactions with the companies struck off under the Companies Act, 2013.

Notes

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- (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.
 - (xi) In accordance with the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the Group has maintained its books of account using accounting software that incorporates a feature of recording an audit trail (edit log) of each and every transaction. The audit trail functionality has been operated consistently throughout the financial year for all transactions recorded in the software and has also been enabled at the database level to capture direct modifications impacting the books of account. The audit trail has been maintained without any tampering and preserved by the Group in compliance with the applicable statutory requirements for record retention.
- 53** The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.
- 54** The Consolidated Financial Statements are approved for issue by the Board of Directors at its meeting held on May 12, 2026.

For and on behalf of the Board of Directors

Munesh Khanna
Chairman
(DIN - 00202521)

Rupa Vora
Chairperson -
Audit Committee
(DIN - 01831916)

Srinivasan Viswanathan
Chief Executive Officer

Vineet Singh
Company Secretary
Place: Mumbai
Date: May 12, 2026

Sabyasachi Ray
Chief Financial Officer