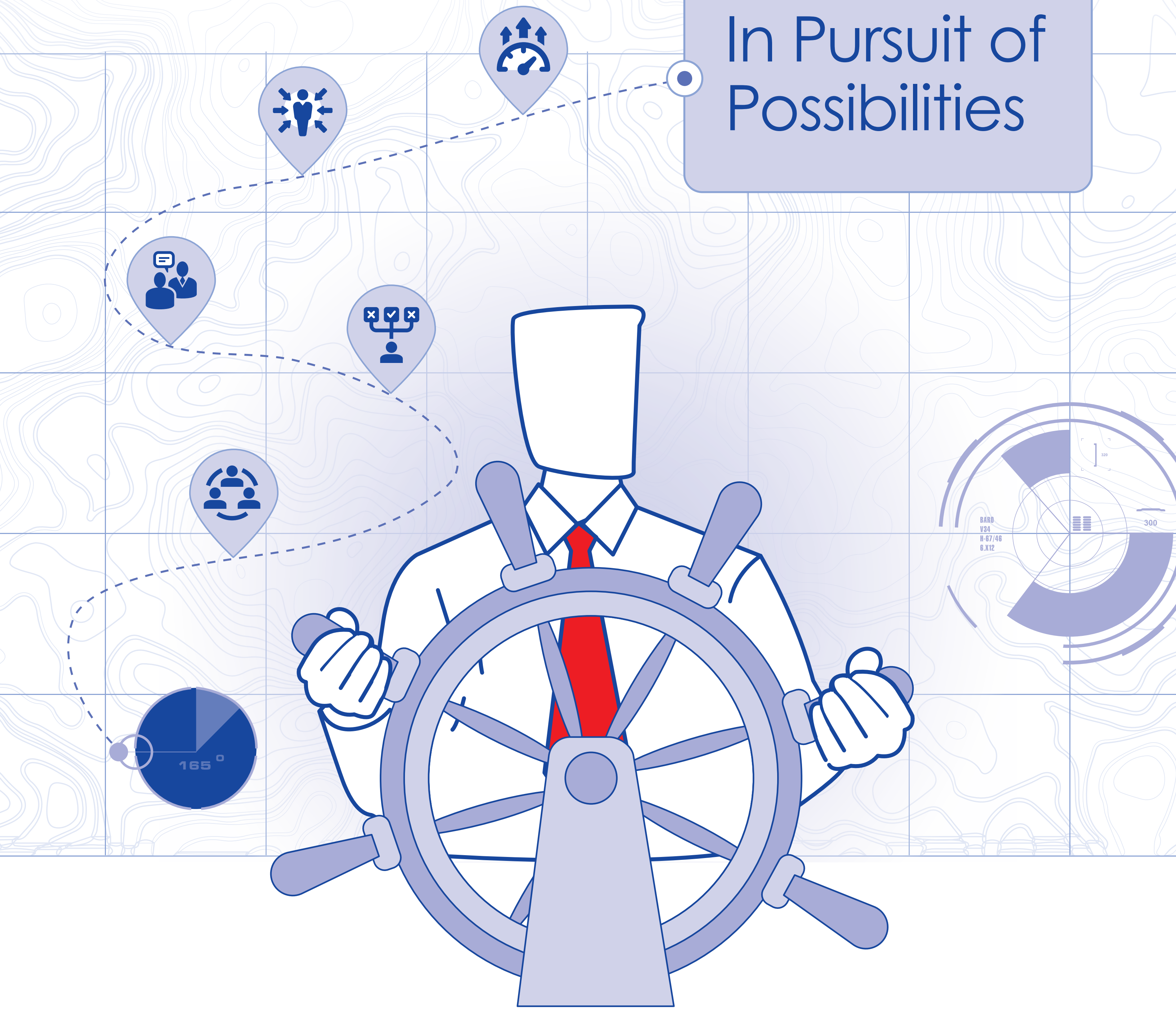
JM FINANCIAL

JM Financial Asset Reconstruction Company Limited

In Pursuit of Possibilities



Annual Report 2020-21

The red tie man in pursuit of possibilities

Currently, the industry is in midst of a challenging period. The red tie man is using his insights, experience and expertise to navigate these unprecedented times. He is leveraging his prudence and tech-enabled outlook to identify the emerging possibilities to pursue them and harness the upcoming opportunities.

In Pursuit of Possibilities

Amidst every crisis lies a great opportunity. FY 2020-21 posed unforeseen challenges that tested the resilience of mankind. At JM Financial, we consider these uncertainties as the decisive test of our abilities to bounce back and excel despite the odds.

While our diversified business model, market insights and experience enabled us to maintain the momentum, it is our people who were the true heroes, driving the value creation process throughout the year. Their grit and determination continued to deliver innovative solutions with a steadfast emphasis on customer delight, as we further garnered our clients' trust and respect.

The volatile business environment motivated us to unearth opportunity in crisis. Empowered by the incisive decision-making, we are geared up to pursue newer possibilities.

Corporate Information

BOARD OF DIRECTORS

NON EXECUTIVE CHAIRMAN
Mr. V P Shetty

NON EXECUTIVE DIRECTORS
Mr. Narotam Sekhsaria
Mr. Pulkit Sekhsaria
Mr. Adi Patel
Mr. Vishal Kampani

INDEPENDENT DIRECTORS
Ms. Rupa Vora
Dr. Vijay Kelkar
Mr. Ameet Desai
Mr. Satish Chand Mathur

CHIEF EXECUTIVE OFFICER
Mr. Anil Bhatia

CHIEF OPERATING OFFICER
Mr. Vivek Grover

CHIEF FINANCIAL OFFICER
Mr. Sabyasachi Ray

COMPANY SECRETARY
Mr. Vineet Singh

REGISTERED OFFICE
JM Financial Asset Reconstruction Company Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai- 400025
Tel: 91-22-66303030 Fax: 91-22-66303223
Email: vineet.singh@jmfl.com
Website: www.jmfinancialarc.com

CIN: U67190MH2007PLC174287

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

STATUTORY AUDITORS
Deloitte Haskins & Sells, LLP

REGISTRARS & SHARE TRANSFER AGENTS
KFin Technologies Private 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
Vistra ITCL (India) Limited
The IL&FS Financial Center
Plot no. C-22, G – Block
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
Tel: + 91 22 2659 3535 Fax: + 91 22 26533297
Website: www.vistraitcl.com

SBICAP Trustee Company Limited
4th Floor, Mistry Bhavan,
122, Dinshaw Wachha Road,
Churchgate, Mumbai 400 020
Tel: + 91 22 4302 5555
Fax No : + 91 22 22040465
E-mail: corporate@sbicaptrustee.com

OUR OFFICES

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

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

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

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

Notice

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING (THE "AGM") OF THE MEMBERS OF JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED (THE "COMPANY") WILL BE HELD ON SATURDAY, JULY 17, 2021 AT 5.00 P.M. THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

1. To receive, consider and adopt:

a) the audited standalone financial statements of the Company consisting of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Cash Flow Statement, 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 above documents together with the reports of the Board of Directors and the Auditors' thereon; and

b) the audited consolidated financial statements of the Company consisting of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Cash Flow Statement, 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 above documents together with the Auditors' Report thereon.

2. To appoint a Director in place of Mr. Adi Patel (DIN : 02307863), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, seeks re-appointment.

Special Business:

3. Re-appointment of Ms. Rupa Vora as an Independent Director:

To consider, and if thought fit, to pass, with or without any modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the "**Act**") read along with Schedule IV of the Act and the Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, approval of the Members of the Company be and is hereby granted to re-appoint Ms. Rupa Vora (DIN: 01831916), as an Independent Director of the Company, not liable to retire by rotation, for a further term not exceeding five (5) consecutive years with effect from October 1, 2021."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto."

4. Approval for issuance of Non-Convertible Debentures:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Sections 23, 42 and 71 and other applicable provisions of Companies Act, 2013 (the "**Act**") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force, and pursuant to the applicable provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable Securities and Exchange Board of India regulations and guidelines, Reserve Bank of India guidelines along with the applicable circulars and clarifications issued by them from time to time and to the extent applicable to the Company and subject to the provisions of the Company's Memorandum and Articles of Association, consent of the Members be and is hereby accorded to the Board of Directors (the "**Board**"), which term shall include any Committee thereof) to offer, issue and allot secured / unsecured redeemable Non – Convertible Debentures, in one or more series/ tranches, aggregation upto ₹ 7,000 Crore (Rupees Seven Thousand Crore), on private placement basis and/ or through public offer, on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto."

By Order of the Board

Vineet Singh
Company Secretary

Place: Mumbai
Date: June 21, 2021

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

Notice (Contd.)

NOTES:

1. In order to maintain the social distancing norms, the Ministry of Corporate Affairs (the "**MCA**") vide its circular no. 02/2021 dated January 13, 2021 have allowed the companies whose AGM is due in the calendar year 2021, to conduct the same through VC and/or OAVM facility.

2. The Fourteenth AGM of the Company is therefore convened through VC/OAVM in accordance with the various circulars issued by MCA viz., circular no. 14/2020 dated April 8, 2020, circular no. 17/2020 dated April 13, 2020, circular no. 20/2020 dated May 5, 2020, circular no. 02/2021 dated January 13, 2021 (the "**MCA Circulars**") without the physical presence of the members at a common venue.

3. The relevant statement to be annexed to the Notice pursuant to Section 102 of the Companies Act, 2013 (the "**Act**"), which sets out details relating to the special business at item nos. 3 to 4 is annexed hereto and forms part of the Notice.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form are not annexed to this Notice.

5. The body corporate/institutional investors, who are members of the Company, are encouraged to attend the meeting through VC/OAVM mode and vote and are also requested to send scanned copy (PDF/JPG format) of its board or governing body resolution/ authorization, authorizing its representative(s) to attend the AGM through VC/OAVM on their behalf and vote. The said resolution/authorization shall be emailed, through its registered email address to the Company Secretary at vineet.singh@jmfl.com.

6. In case if the Member is a Body Corporate/Institution, then they are requested to send scanned copy (PDF/ JPG format) of its board or governing body resolution/ authorization, authorizing its representative(s) to attend the AGM through VC/OAVM on its behalf and vote through show of hands.

7. Any document in connection with any of the items to be transacted in the Notice shall be made available for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary at vineet.singh@jmfl.com.

8. 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 Directors seeking re-appointment as Directors are given in annexure forming part of this Notice.

9. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.

11. Members of the Company at the Tenth AGM held on June 29, 2017 had appointed Deloitte Haskins & Sells LLP (ICAI Firm Registration Number 117366W/W-100018) as the statutory auditors of the Company to hold office for a period of five (5) years from the conclusion of that AGM till the conclusion of the Fifteenth AGM. The requirement to place the matter relating to ratification of appointment of auditors by the members at every AGM has been done away with, by the Companies (Amendment) Act, 2017, with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/ OAVM through Microsoft Team application. Members are requested to install/download the said application on their desktops/ laptops/ smartphones/ tablets available on https://www.microsoft.com/en-in/microsoft-teams/download-app

2. The invitation link for joining the meeting will be sent only to Eligible Members who have registered their email ID with the Company, the depositories or with the depository participant.

3. Once the application is installed, members and eligible participants are requested to click on the link "Join Microsoft Teams Meeting" sent on their registered email ID.

4. After you click on the link, it will take you to a page where you can choose to either get the Teams application or already have the Teams app? Launch it now. Click on already have the application, the meeting window will open automatically.

Notice (Contd.)

5. Please note that participants connecting from mobile devices or tablets, or through laptops via mobile hotspot may experience audio/video loss due to fluctuation in their respective networks. It is therefore recommended to use a good internet connection to mitigate any of the aforementioned glitches.
6. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM. Further, an opportunity will be provided by Chairman to the shareholders attending the meeting through VC/OAVM whereby they may ask their questions.
7. Members who need assistance before or during the AGM, can contact Company Secretary at + 91 77700 97351 or email him at vineet.singh@jmfl.com.

ANNEXURE TO NOTICE

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

Item No. 3

The Members of the Company at the Tenth Annual General Meeting held on June 29, 2017 had appointed Ms. Rupa Vora (DIN: 01831916) as an Independent Director of the Company for a period of 5 years commencing from September 30, 2016 and expiring on September 30, 2021.

The Members may note that pursuant to Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five (5) consecutive years on the Board of a company, but shall be eligible for re-appointment for a further term of up to five (5) consecutive years on passing of a Special Resolution by the company.

The Nomination and Remuneration Committee (the "**NRC**") of the Board of the Company, at its meeting held on April 19, 2021, had recommended to the Board, the re-appointment of Ms. Rupa Vora as an Independent Director for a further term not exceeding five (5) consecutive years from October 1, 2021 to September 30, 2026.

The NRC, while recommending the re-appointment of Ms. Vora, had considered various factors, viz., the number of Board, Committee and General Meetings attended by her, knowledge & experience; her specific skills helping the Board and the Company in attaining its objectives; her participation in the Board/Committee deliberations; summary of her performance evaluation; time devoted by her; specialised skills and expertise and her independent judgment in the opinion of the entire Board.

Based on the recommendations made by the NRC as above, the Board of Directors, at its meeting held on April 28, 2021, has decided to re-appoint Ms. Rupa Vora as an Independent Director for a further term not exceeding five (5) consecutive years with effect from October 1, 2021 to September 30, 2026.

Brief profile of Ms. Rupa Vora and the disclosures required under Clause 1.2.5 of Secretarial Standards on General Meetings are given as information about the Directors, which forms part of the Notice. Ms. Vora has accorded her consent for re-appointment as an Independent Director and has submitted the declaration of independence, pursuant to section 149(7) of the Act. Pursuant to Section 152 of the Act, in the opinion of the Board, her re-appointment as an Independent Director, fulfils the conditions as specified in the Act.

The Board commends passing of the Special Resolution set out at item no. 3 of the Notice.

Except Ms. Vora, none of the Directors/Key Managerial Personnel of the Company or their relatives, is any way concerned or interested, financially or otherwise, in the Special Resolution set out at item No. 3 of the Notice.

Item No. 4

Pursuant to Sections 23, 42, 71 and other applicable provisions of the Act, if any, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, a Company shall not make private placement or public issue of its securities unless the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the Members of a Company by a special resolution.

Keeping in mind the further requirement of funds, it is proposed to seek enabling approval from the Members to issue Non – Convertible Debentures (NCDs) on private placement basis and/or through public offer, on such terms and conditions as the Board may, from time to time, determine.

The amount proposed to be raised through the issue of NCDs may be used, inter alia, for acquisition of new financial assets, refinancing existing borrowings, augmenting the working capital requirements and for general corporate purposes.

The Board commends passing of the Special Resolution set out at item no. 4 of the Notice.

None of the other Directors/Key Managerial Personnel of the Company or their relatives, is in any way concerned or interested, financially or otherwise (except to the extent of the NCDs that may be subscribed and allotted to them, if any), in the Special Resolution set out at item no. 4 of the Notice.

By Order of the Board

Vineet Singh
Company Secretary

Place: Mumbai
Date: June 21, 2021

Registered Office:
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

CIN: U67190MH2007PLC174287
Website: www.jmfinancialarc.com
Email: vineet.singh@jmfl.com

Notice (Contd.)

ADDITIONAL INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FOURTEENTH ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (INFORMATION AS ON MARCH 31, 2021).

<table>
<tr><td>Name of the Director</td><td>Mr. Adi Patel</td><td colspan="3">Ms. Rupa Vora</td></tr>
<tr><td>Age</td><td>52</td><td colspan="3">59</td></tr>
<tr><td>Date of Original appointment on the Board</td><td>December 5, 2017</td><td colspan="3">March 31, 2015</td></tr>
<tr><td>Qualifications</td><td>Chartered Accountant</td><td colspan="3">B.Com, Chartered Accountant</td></tr>
<tr><td>Experience</td><td>Mr. Adi Patel is a qualified chartered accountant and has been associated with the JM Financial Group for over 24 years. Mr. Patel has been instrumental in implementing the financial transactions for some of the leading business houses in India. Over the last 15 years, he has developed strong relationships with leading Indian and global clients across various industry segments and has advised them on numerous financial, strategic, mergers, acquisitions & restructuring transactions.</td><td colspan="3">• Ms. Rupa Vora is an eminent chartered accountant and has a work experience of over 3 decades in finance, of which more than a decade in private equity and a decade in banking.
• She had held important positions in the past including Group Director & CFO – IDFC Alternatives, CFO – Antwerp Diamond Bank N.V., Financial Controller in KBC Bank, N.V., Credit Lyonnais, Oman International Bank.
• She has been conferred with the “Women Leadership Excellence Award” at the IPE - BFSI Awards 2013 by the Institute of Public Enterprise.</td></tr>
<tr><td>Terms and conditions of appointment</td><td>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.</td><td colspan="3">Re-appointment as an Independent Director of the Company for a period of 5 years in accordance with the provisions of Section 149 of the Companies Act, 2013.</td></tr>
<tr><td>Shareholding in the Company</td><td>NIL</td><td colspan="3">NIL</td></tr>
<tr><td>Relationship with other Directors, Manager or KMPs</td><td>None</td><td colspan="3">None</td></tr>
<tr><td>No. of meetings of the Board attended during the year</td><td>Mr. Patel has attended all the 4 (Four) Board meetings held during the financial year 2020-21.</td><td colspan="3">Ms. Vora has attended all the 4 (Four) Board meeting held during the financial year 2020-21.</td></tr>
<tr><td>Directorships in other companies</td><td>None</td><td colspan="3">• Cravatex Brands Limited
• Volkswagen Finance Private Limited
• Incred Financial Services Limited
• India Alternatives Investment Advisors Private Limited</td></tr>
<tr><td rowspan="4">Membership of Committees in other companies
(Only the memberships of the Audit and Stakeholders’ Relationship Committee shown)</td><td rowspan="4">None</td><td>Name of the Company</td><td>Audit Committee</td><td>Stakeholders’ Relationship Committee</td></tr>
<tr><td>Volkswagen Finance Private Limited</td><td>Member</td><td>-</td></tr>
<tr><td>Cravatex Brands Limited</td><td>Chairperson</td><td>-</td></tr>
<tr><td>Incred Financial Services Limited</td><td>Chairperson</td><td>-</td></tr>
<tr><td>Details of remuneration paid during the financial year (FY) 2020-21</td><td>NIL</td><td colspan="3">Sitting fees : ₹ 3.60 Lakh
Commission : ₹ 9 Lakh
Total : ₹ 12.60 Lakh</td></tr>
<tr><td>Remuneration sought to be paid</td><td>Sitting Fees and Commission, if any</td><td colspan="3">Sitting Fees and Commission, if any</td></tr>
</table>

Directors' Report

Dear Members,

The Board of Directors of the Company is pleased to present the Company's fourteenth annual report together with the audited consolidated and standalone financial statements for the financial year ended March 31, 2021.

Financial Performance

The key highlights of consolidated and standalone financial results of the Company are summarised below:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Gross Income	384.60	413.50	373.25	415.69
Expenses	300.31	332.73	290.22	335.63
Profit before tax	**84.29**	**80.77**	**83.03**	**80.06**
Tax Expenses:				
Current Tax	24.63	47.35	24.63	47.35
Deferred tax	(4.79)	(17.24)	(5.10)	(29.50)
Earlier year tax adjustments	-	2.98	-	2.98
Profit after tax	**64.45**	**47.68**	**63.50**	**59.23**
Other Comprehensive Income	0.09	(0.01)	0.09	(0.01)
Total Comprehensive Income	**64.54**	**47.67**	**63.59**	**59.22**
Net Profit Attributable to:				
Owners of the Company	63.66	42.26	-	-
Non-Controlling Interest	0.79	5.42	-	-
Other Comprehensive Income Attributable to owners of parent	0.09	(0.01)	-	-
Total Comprehensive Income Attributable:			-	-
Owners of the Company	63.75	42.25	-	-
Non-Controlling Interest	0.79	5.42	-	-

Consolidated Financial Performance

The consolidated gross income of the Company for the financial year ended March 31, 2021 is ₹ 384.60 Crore as against ₹ 413.50 Crore in the previous year. The consolidated total comprehensive income attributable to parent during the said year is ₹ 63.75 Crore as compared to ₹ 42.25 Crore in the previous year.

Consolidated financial statements for the financial year ended March 31, 2021 have been prepared in accordance with section 133 of the Companies Act, 2013 (the "**Act**") read with the rules made thereunder and Indian Accounting Standards (the "**Ind AS**"). The consolidated financials reflects the cumulative performance of the Trusts where we have a controlling interest.

Standalone Financial Performance

The standalone gross income of the Company stood at ₹ 373.25 Crore for the year ended March 31, 2021 as against ₹ 415.69 Crore in the previous year. The standalone total comprehensive income is ₹ 63.59 Crore for the year ended March 31, 2021 as compared to ₹ 59.22 Crore in the previous year.

COVID-19

As we move through the phases of COVID-19 pandemic and its consequential changes in the macro-economic factors, the Indian corporates have witnessed major changes in their operations, use of technology and other business activities.

With the unprecedented challenges and risks expected from this pandemic, during the year, the Company has ensured smooth functioning of operations which amongst other things included effective implementation of the business continuity plan. The Company has also issued multiple advisories to employees and the Company's crisis management team is active for health and non-health related assistance required during this period. The Company is also promoting 'learning from home' to ensure self-development for its employees. The Company aims to resume operations in a calibrated manner while continuing to exercise all necessary precautions and measures at work in the post COVID-19 scenario. This will be done in accordance with various directives of the State and Central Governments regarding the resumption of operations in accordance with the guidelines/precautionary measures framed by the Company.

Dividend

The Board is of the view that it is prudent to conserve the cash for the Company's future capital requirement to deal with the uncertain economic environment and hence has not recommended any dividend for the financial year ended March 31, 2021.

Material Changes and Commitments affecting the financial position of the Company

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

Share Capital

As on March 31, 2021, the issued, subscribed and paid-up equity share capital of the Company remain unchanged at ₹ 344.64 Crore divided into 34,46,42,857 (Thirty Four Crore Forty Six Lakh Forty Two Thousand Eight Hundred Fifty Seven) equity shares of ₹ 10/- (Rupees Ten only) each fully paid up.

Employees Stock Option Scheme

The Company's Employees' Stock Option 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 Nomination and Remuneration Committee of the Board (the "**NRC**"), at its meeting held on April 19, 2021, has granted 9,09,549 stock options to the eligible employees of the Company.

The information required in terms of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the financial year ended March 31, 2021 is given in '**Annexure I**'.

Deposits

The Company has not accepted any deposits from the public during the year under review.

Credit Rating

ICRA Limited ("**ICRA**") and CRISIL LIMITED ("**CRISIL**") have continued to assign the following credit ratings to the borrowing programmes of the Company:

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

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

Overview of the Indian Economy

FY 2020-21 began with an unprecedented crisis because of which the year witnessed a slowdown in growth owing to a significant moderation in economic activity. As per Reserve Bank of India's (the "**RBI**") Financial Stability Report dated January 11, 2021, GNPA ratio of all Scheduled Commercial Banks (SCBs) may increase from 7.5 per cent in September 2020 to 13.5 per cent by September 2021 under the baseline scenario and the ratio may deteriorate to 14.8 per cent under a severe stress scenario. This could further add NPAs in the banking system.

Recognising the economic headwinds, the Government of India and regulatory bodies such as the RBI undertook several measures like loan moratoriums, unsecured loans for MSMEs, special liquidity schemes for mutual funds and lower interest rates on loans to cushion the economy from liquidity stress and boost growth. The Government suspended fresh filing of applications under Corporate Insolvency Resolution Process ("**CIRP**") for any default arising on or after March 25, 2020 for a period of one year to provide relief to Borrowers hit by pandemic.

To further stimulate growth, policy reforms by the Government and the RBI have been directed towards economic growth. For example, Production Linked Incentive scheme for manufacturing sectors like pharma, textiles, automobile, electronics, etc., and Emergency Credit Liquidity Guarantee Scheme for MSMEs. The Union Budget 2021 further focused on long-term policy direction which inter alia, included privatisation of Public Sector Banks (PSBs), recapitalisation

Directors' Report (Contd.)

of PSBs, setting-up of an Asset Reconstruction Company and Asset Management Company for stressed assets of PSBs.

While, the economy activity rebounded quite strongly of FY 2020-21 and is showing signs of recovery from the pandemic as compared to the first two quarters of FY 2020-21. The economy is showing signs of recovery as vaccination development has underpinned optimism on the outlook. However, it is again impacted by second wave of the virus and lockdown in some parts of the country. Localised lockdowns and rapid progress on vaccinating the population at scale will help in mitigating its impact on economic growth.

During the year, while recognizing the role of Asset Reconstruction Companies ("**ARCs**") in the financial sector ecosystem and enable development of this sector, RBI has constituted a Committee to undertake a comprehensive review of the working of ARCs and recommend suitable measures for enabling ARCs to meet the growing requirements of the financial sector. Further, RBI notified Category I Alternative Investment Funds ("**AIFs**") set up as trust and registered with SEBI as "Qualified Buyers" under the SARFAESI Act, 2002 subject to certain conditions to facilitate more investor participation in Security Receipts issued by ARCs.

In June 2020, SEBI relaxed the pricing methodology for preferential issues by listed stressed companies and exempted allottees of preferential issues from open offer obligations in such companies to ease raising of capital.

In order to achieve efficacious and expeditious completion of liquidation process under the Insolvency and Bankruptcy Code, 2016 (the "**IBC**"), the Central Government brought changes to enable (a) assignment by a creditor of its claims/ interest during liquidation process; (ii) disposal/ assignment of non-readily realisable/illiquid assets. Accordingly, an assignee of a creditor's claim can be treated as a creditor during liquidation. Further, the amendment also stipulated that a liquidator may assign or transfer 'Not Readily Realisable Asset' ("**NRRA**") through a transparent process, in consultation with the stakeholders' consultation committee. NRRA inter-alia, include contingent or disputed assets and assets underlying proceedings for preferential, undervalued, extortionate credit and fraudulent transactions. The above amendments in the regulations will help lenders to speed up recovery process and also enable them to exit by assigning their exposure.

The Central Government has introduced regulations for pre-packaged insolvency resolution process for MSME sector. The regulations are aimed to achieve a cost effective resolution frame work for MSMEs, where resolution of insolvency can also be achieved in a much shorter timeframe. The pre-packaged insolvency resolution process is also expected to be extended to all other companies in time, which will help lenders in early restructuring of the distressed units.

The Courts pronounced rulings settling various contentious issues. Hon'ble Supreme Court has ruled that the promoter, if ineligible under Section 29A of IBC cannot make an application for Compromise & Arrangement under Section 230 of the Companies Act, 2013 in respect of a corporate debtor which is undergoing liquidation under IBC. The Apex Court also ruled that entry in balance sheet will amount to acknowledgement of debt and applications filed for admitting a corporate debtor to CIRP under IBC, if supported by balance sheet acknowledgment, shall be within the limitation period.

Overview of Business Performance of the Company

FY 2020-21 was a challenging year for the asset reconstruction business for several reasons. Despite the headwinds due to COVID-19, we achieved good results with total recovery of ₹ 1,192 Crore aided by implementation of approved resolution plans by NCLT, successful sale of assets under SARFAESI and settlements.

As the NCLTs/Courts opened gradually and started hearing matters virtually and later physically, the resolutions through legal means started gaining momentum in Q2 FY21 as evidenced by approval of resolution plans and implementation thereof. What gave us immense satisfaction during the year was that in 7 (Seven) number of cases, Resolution Plan was approved by NCLT during the year. Besides, in 4 (Four) cases Resolution Plan recommended by Committee of Creditors is pending for approval by NCLT. This has been our contribution towards reconstruction of distressed units so that these can start contributing optimally to economy of the country and save/generate employment.

The Company is presently focused on profitability over growth and is being prudently managing its ALM by pre-paying external liabilities and deleveraging the balance sheet. During the year, the Company has been able to prepay/ buyback some of its long term external debts maturing in FY 22. Further, the Company has also been able to raise long term debts (including additional Bank sanctions) in Q4 FY 21.

Beginning the fourth quarter, we restarted evaluating few accounts for acquisition purposes and closed two deals including one large acquisition where we acquired a significant majority of the debt of the Company. We will continue to aggregate the balance debt in the coming quarters. During the year, we also aggregated dues of one large account. The outstanding dues acquired by the Company during the year was around ₹ 1,303 Crore.

Till March 31, 2021, we have acquired total outstanding dues of ₹ 61,666 Crore at a gross consideration of ₹ 17,427 Crore. Security Receipts worth ₹ 769 Crore were redeemed during the year. The outstanding Security Receipts stood at ₹ 11,060 Crore as on March 31, 2021. The outstanding contribution of JM Financial Asset Reconstruction Company Limited stood at ₹ 3,193 Crore as on March 31, 2021.

Directors' Report (Contd.)

Looking ahead, as the Company's business forte comes from their professionally managed team, high capital base and tailor-made acquisition and resolution strategies, we would continue to evaluate the right acquisition opportunities and gradually grow our book. We will also continue to focus on cash investments in a co-investment model with funds and work with strategic and financial advisors on selected deals.

Acquisition activities

(₹ in Crore)

Details of Financial Assets acquired by the Company	FY 2020-21	FY 2019-20
Dues acquired	1,303	23,105
Investment by the Company	354	234
Issue of Security Receipts to other investors	3	194
Total acquisition cost	358	428
Security Receipts buyout by the Company	261	102
Total outstanding dues acquired (Cumulative as on March 31)	61,666	60,363
Total gross acquisition cost (Cumulative as on March 31)	17,427	17,069

Resolution and Recovery activities

The Company continued to resolve assets steadily throughout the year. The summary of resolution of assets as compared to previous financial year is given below:

(₹ in Crore)

Details of Financial Assets resolved by the Company	FY 2020-21	FY 2019-20
Redemption of face value of Security Receipts	769	2,983
Total Recovery	**1,192**	**3,944**

Assets under management

The synopsis of the category of the assets under the management as on March 31, 2021 compared to previous financial year is given below:

(₹ in Crore)

Comparison of assets under management	As on March 31, 2021	As on March 31, 2020
Corporate Accounts	8,419	8,566
Portfolio Accounts	2,594	2,875
Retail Accounts	47	48
Total	**11,060**	**11,489**

Security Receipts issued and outstanding

The summary of Security Receipts issued and outstanding as on March 31, 2021 as compared to previous financial year is given hereunder:

(₹ in Crore)

SRs issued, redeemed and outstanding	As on March 31, 2021	As on March 31, 2020
Security Receipts issued during the year	358	428
Security Receipts redeemed during the year	769	2,983
Security Receipts outstanding as at the end of the year	**11,060**	**11,489**

*During the financial year 2020-21 SRs of ₹ 18 Crore were written off due to closure of trusts.

Priority Loan book

The Company provides priority loans for certain of our assets to meet their business and working capital requirements. The loans disbursed by the Company as on March 31, 2021 is ₹ 855 Crore as against ₹ 773 Crore in the previous year.

Borrowings

The Borrowings of the Company for the financial year ended March 31, 2021 is ₹ 2,375 Crore as against ₹ 2,317 Crore in the previous year.

Non Convertible Debentures

During the financial year 2020-21, the Company raised an amount of ₹ 75 Crore through issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("**NCDs**") on private placement basis.

The Company has been regular in making payments of principal and interest on the NCDs. In order to reduce the cost of funds, during the year, the Company has made buy back / prepaid NCDs amounting to ₹ 652 Crore.

As on March 31, 2021, the Company has issued NCDs aggregating ₹ 856 Crore. The NCDs are listed on the wholesale debt market segment of BSE Limited and National Stock Exchange of India Limited.

Commercial Papers

During the financial year 2020-21, the Company issued Commercial Papers ("**CPs**") for an amount aggregating upto ₹ 150 Crore. The CPs issued by the Company are listed on the wholesale debt market segment of BSE Limited.

Directors' Report (Contd.)

Debt Equity

The debt equity ratio of the Company as of March 31, 2021 is 1.70 times as compared to 1.77 times as at March 31, 2020.

Capital Adequacy Ratio

The capital adequacy ratio of the Company as on March 31, 2021 stood at 36.45% as compared to 37.16 % in the previous financial year, which is well above the RBI mandated norm of 15%.

Net Owned Funds

The net owned funds of the Company as at the financial year ended March 31, 2021 stood at ₹ 1,515 Crore as against ₹ 1,450 Crore in the previous financial year ended March 31, 2020.

Board of Directors and Key Managerial Personnel

The composition of the Board of the Directors (the "**Board**") of Company is in conformity with the provisions of the Act. The Board comprises 9 (Nine) directors, including one (1) woman independent director. The Board mix provides a combination of professionalism, knowledge and experience required in the financial industry.

Out of total 9 (Nine) directors, four (4) are independent directors including 1 (One) woman director. The remaining five (5) are non-independent directors, including Chairman of the Board.

Pursuant to the applicable provisions of Section 152 of the Act, Mr. Adi Patel (DIN : 02307863), a Non-Executive Director of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company. Being eligible, Mr. Patel has offered himself for re-appointment as a director.

Additionally, based on the recommendation made by the NRC, the Board, at its meeting held on April 28, 2021, has unanimously decided to commend to the members of the Company, passing of the special resolution approving the re-appointment Ms. Rupa Vora as an Independent Director of the Company for a further term not exceeding 5 (Five) consecutive years with effect from October 1, 2021.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Act.

During the year under review, there was no change in the Key Managerial Personnel of the Company. Mr. Anil Bhatia, Chief Executive Officer, Mr. Sabyasachi Ray, Chief Financial Officer and Mr. Vineet Singh, Company Secretary are the Key Managerial Personnel within the meaning of Section 2(51) read with Section 203(1) of the Act.

Declarations given by Independent Directors

All the Independent Directors of the Company have submitted their declarations that each of them meets the criteria of independence as provided under Section 149(6) of the Act. There has been no change in the circumstances affecting their status as independent directors of the Company.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the names of all the independent directors of the Company have been included in the data bank maintained by the Indian Institute of Corporate Affairs.

Board Meetings

In view of the Covid-19 outbreak, the Ministry of Corporate Affairs (the "**MCA**") had relaxed the requirement of having intervening gap of one hundred and twenty (120) days between any 2 (Two) meetings of the board. Notwithstanding this, the gap between the 2 (Two) board meetings was not more than 120 days.

During the year 2020-21, 4 (Four) meetings of the Board were held on the following dates:

Board meeting	Number of directors present
May 4, 2020	8
July 22, 2020	9
October 19, 2020	8
January 19, 2021	8

The Board meetings are usually held at the registered office of the Company. However, due to exceptional circumstances arising out of COVID-19 pandemic and consequent relaxations granted by MCA, all the Board and Committee meetings were held through video conferencing mode, thereby following the safety norms. The required quorum was present at all the above meetings.

The Board meets at least once in a quarter to review financial results and operations of the Company. The notice of all meetings are given well in advance to all the directors. The agenda, setting out the business to be transacted at the meeting, with well-structured and comprehensive notes on agenda, is circulated in advance to the Board members, 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 items are taken up with the permission of the Chairman and requisite consent of the directors present.

The Board/Committee agenda is circulated in electronic mode through software which complies with high standards of security and integrity. Detailed presentations and notes are laid before each meeting, by the management and senior executives of the Company, to apprise the board on overall performance on quarterly basis.

Directors' Report (Contd.)

Policy on Directors' appointment and their remuneration

The Company has adopted policies on selection and appointment of directors and also on performance evaluation and remuneration of directors, pursuant to section 178(3) of the Act.

In accordance with the applicable provisions of the Act, these policies are uploaded on the website of the Company viz., www.jmfinancialarc.com.

Performance Evaluation of the Board, its Committees and individual Directors

Pursuant to the provisions of the Act, the Board has carried out formal annual evaluation of its own performance, Board Committees and individual Directors. Through a digital structured questionnaire, feedback from directors was obtained as a part of performance evaluation.

The structured questionnaire prepared to evaluate the performance of individual directors contained inter alia, parameters such as professional conduct, roles and functions, discharge of duties, and their contribution to Board/ Committee/Senior Management. The questionnaire prepared for evaluation of the Board and its Committees, inter alia, covered various aspects such as structure and composition, effectiveness of board process, information and functioning of the Board and its Committees, establishment and determination of responsibilities of Committees, the quality of relationship between the board and the management, etc.

The Board and the NRC reviewed the performance of the individual Directors, the Chairman and various committees established by the board.

Separate Meeting of Independent Directors

During the financial year 2020-21, a separate meeting of the Independent directors of the Company was held on March 26, 2021 without the presence of the Non-Executive Directors and the management team of the Company. The meeting was attended by all the independent directors, except Dr. Vijay Kelkar.

The matters considered and discussed thereat, inter alia, included those prescribed under schedule IV to the Act.

Committees of the Board

The Board has constituted various Committees of Directors to take informed decisions in the best interests of the Company. These Committees monitor the activities as per the scope defined in their respective charters and terms of reference, which are reviewed annually.

Audit Committee

The Audit Committee comprises 3 (Three) members, who are non-executive and independent directors thereby meeting the requirements of Section 177 of the Act read with rules made thereunder. All members of the audit committee are financially literate and possess thorough knowledge of the financial services industry.

The members of the Audit Committee are Ms. Rupa Vora, Mr. V P Shetty and Mr. Ameet Desai. Ms. Vora, an Independent Director, is the Chairperson of the committee.

During the financial year 2020-21, the Audit Committee met 4 (Four) times on the following dates:

Audit Committee meeting	Number of directors present
May 4, 2020	3
July 22, 2020	3
October 19, 2020	3
January 19, 2021	3

Corporate Social Responsibility Committee

The Corporate Social Responsibility (the "**CSR**") Committee is constituted in accordance with Section 135 of the Act and applicable rules made thereunder. The Committee comprises of 3 (Three) members viz., Mr. V P Shetty, Dr. Vijay Kelkar and Mr. Vishal Kampani. The Committee is chaired by Mr. V P Shetty.

The CSR Committee has been constituted to identify, execute and monitor CSR projects and assist the board and the Company in fulfilling its CSR objectives.

During the financial year 2020-21, 2 (Two) meetings were held on the following dates:

CSR Committee meeting	Number of directors present
October 13, 2020	2
March 18, 2021	2

Nomination & Remuneration Committee

The Nomination & Remuneration Committee (the "**NRC**") comprises of 3 (Three) members viz., Mr. Satish Chand Mathur, Mr. V P Shetty and Ms. Rupa Vora. Mr. Satish Chand Mathur, an Independent Director is the Chairman of the NRC.

During the financial year 2020-21, 1 (One) NRC meeting was held on the following date:

NRC meeting	Number of members present
April 16, 2020	3

Issue and Allotment Committee

The Issue and Allotment Committee comprises of 4 (Four) members viz., Mr. V P Shetty, Mr. Satish Chand Mathur, Mr. Vishal Kampani and Mr. Adi Patel to oversee and decide on the issue and allotment of shares, debentures and other

Directors' Report (Contd.)

securities, from time to time. Mr. V P Shetty is the Chairman of the Issue and Allotment Committee.

During the financial year 2020-21, 3 (Three) Issue and Allotment Committee meetings were held on the following dates:

Issue and Allotment Committee meeting	Number of members present
November 24, 2020	4
November 26, 2020	3
November 27, 2020	2

Committee Constituted for Conversion of Debt into Shares

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

During the financial year 2020-21, no meeting of the above Committee was held.

Asset Acquisition Committee

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

The Asset Acquisition Committee comprises of Mr. Vishal Kampani, Chairman of the Committee, Mr. Adi Patel, Director, Mr. Anil Bhatia, Chief Executive Officer, Mr. Vivek Grover, Chief Operating Officer and other functionaries of the Company.

Asset Resolution Committee

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

The Asset Resolution Committee comprises of Mr. Vishal Kampani, Chairman of the Committee, Mr. Adi Patel, Director, Mr. Anil Bhatia, Chief Executive Officer, Mr. Vivek Grover, Chief Operating Officer and other functionaries of the Company.

Risk Management Committee

The Board has constituted Risk Management Committee for identifying & monitoring of business risks and the Company's plan to mitigate them.

The Risk Management Committee comprises of Mr. Vishal Kampani, Chairman of the Committee, Mr. Adi Patel, Director, Mr. Anil Bhatia, Chief Executive Officer and Mr. Vivek Grover, Chief Operating Officer of the Company.

Asset Liability Management Committee

The Board has constituted Asset Liability Management Committee ("**ALM Committee**") comprises of Directors and Key Managerial Personnel of the Company who are responsible for ensuring adherence to the limits set by the Board of Directors and for deciding on ALM related elements of business strategy, in line with budget and risk management objectives.

The ALM Committee comprises of Mr. Vishal Kampani, Chairman of the Committee, Mr. Anil Bhatia, Chief Executive Officer, Mr. Vivek Grover, Chief Operating officer and Mr. Sabyasachi Ray, Chief Financial Officer of the Company.

Wilful Defaulter – Identification Committee and Wilful Defaulter – Review Committee

The Wilful Defaulter - Identification Committee comprises Mr. Anil Bhatia, the Chief Executive Officer and other functionaries of the Company.

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

During the financial year 2020-21, since there were no proposals for declaration of wilful defaulters, no meeting of the above committees were held.

Policies and Procedures

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

Financial Asset Acquisition Policy

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

Financial Asset Resolution Policy

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

Investment Policy

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

Resource Planning/Borrowing Policy

The 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 this policy 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.

Directors' Report (Contd.)

Credit Information policy

The Company, being a member of credit information companies namely, Credit Information Bureau (India) Ltd, Equifax Credit Information Services Pvt. Ltd, Experian Credit Information Co. of India Pvt. Ltd and CRIF Highmark Credit Information Services Pvt. Ltd., 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.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy in accordance with Section 177 of the Act.

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

During the year, 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 framework and policy for fair disclosure of events and occurrences as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.

Code for Prevention of Insider Trading

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

Policy on Expected Credit Loss

Pursuant to RBI guidelines dated March 13, 2020 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

During the year, the Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Asset Reconstruction Companies thereby setting highest standards of transparency and fairness in dealing with such companies' stakeholders.

In accordance with the said guidelines, the Company has formulated the Fair Practices Code to ensure transparency and fairness in its operations.

Management Fees Policy

Fair Practices Code guidelines issued by the RBI requires Asset Reconstruction Companies to lay policy on the management fee, expenses and incentives, if any, claimed from Trusts under management.

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

Other Policies

The Company has also adopted the following policies as recommended by the Nomination & Remuneration Committee of the Board:

- Policy on selection of directors;
- Policy on Performance Evaluation and Remuneration of Directors; and
- Policy on Performance Evaluation and Remuneration Framework for the Key Managerial Personnel and other employees;
- Policy on fit and proper criteria for Directors.

Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made in following the same;

Directors' Report (Contd.)

(b) appropriate accounting policies have been selected & applied consistently and the management has made judgements & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of Act as well as for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were 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.

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants, are the statutory auditors' of the Company. They were appointed as the statutory auditors' for a period of 5 (five) years from the conclusion of the Tenth Annual General Meeting of the Company until the conclusion of the Fifteenth Annual General Meeting pursuant to the applicable provisions of the Act.

Auditors' Report

The Statutory Auditors' have issued their unmodified opinion, both on standalone and consolidated financial statements for the year ended March 31, 2021 and that they have not highlighted any qualifications, reservations, adverse remarks or disclaimers. The Statutory Auditors' have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2020-21. The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanation and comments.

Secretarial Audit

M/s. Naren Shroff & Associates, Company Secretaries in Practice, have conducted the Secretarial Audit of the Company for the financial year 2020-21 pursuant to the provisions of Section 204 of the Act.

The appointment of the Secretarial Auditor as above has been made in terms of Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year ended March 31, 2021 is appended to this Report as **Annexure II.**

There are no qualifications, reservations, adverse remarks or disclaimers in the above Secretarial Audit Report.

Secretarial Standards

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

Debenture Trustee

Vistra ITCL (India) Limited and the SBICAP Trustee Company Limited are the Debenture Trustees for the Non-Convertible Debentures issued by the Company.

Registrars and Share Transfer Agents

During the financial year 2020-21, the Registrar and Share Transfer Agents was KFin Technologies Private Limited.

Corporate Social Responsibility

The Corporate Social Responsibility Committee (the "**CSR Committee**") is established by the board in accordance with section 135 of the Act.

In compliance with the amendments made by the MCA vide notification dated January 22, 2021 in the provisions of section 135 of the Act and in the existing rules vide Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the "**CSR Rules**"), the Corporate Social Responsibility policy (the "**CSR Policy**") has been suitably amended and approved by the CSR Committee and the Board of the Company.

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

Internal Financial Control Systems and its Adequacy

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 statues, 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 Company has also adopted Standard Operating Procedures (SOP) manual, which is in conformity with the Internal Financial Controls of the Company.

Directors' Report (Contd.)

The Audit Committee monitors this system and ensures adequacy of the same. The statutory auditors and the internal auditors of the Company also provide their opinion on the internal financial control framework of the Company.

During the year, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls.

Risk Management

Risk management forms an integral part of the Company's business operations and monitoring activities. The risk is managed through by Risk Management Committee established by the board, encompassing independent identification, measurement and management of risk. The risks are monitored on an on-going basis and evolve processes/systems to monitor and control the same to keep the risks to minimum levels. There is a continuous focus on the maker-checker mechanism. Audits and regular regulatory inspections also help test our processes and compliances.

A risk event update report is periodically placed before the Risk Management Committee, Audit Committee and Board of Directors of the Company which includes, inter alia, the risk identification, risk classification, assessment of impact, risk mitigation/remedial action and risk status amongst others. The Directors review these reports along with the course of action taken or to be taken to manage and mitigate the risks. Additionally, the Risk Management Committee on periodic basis also reviews the key risk of top accounts/portfolios. The Audit Committee has additional oversight in the area of financial risks and controls.

Outlook and Strategy

In the challenging environment, we would continue to evaluate the right acquisition opportunities and gradually grow our book. We will also continue to focus on cash investments in a co-investment model with funds and work with strategic and financial advisors on selected deals.

Opportunities and Threats

The Company believes that there are sizable opportunities in the acquisition of non-performing assets for increasing its corpus/assets under management.

The key threats to the business includes macro-economic factors such as short term and long term impact of COVID-19 on the entire business segment, global economic threats impacting the business, liquidity situation in the market, cost effective availability of funding. The business specific threats includes increased intensity of competition, 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 a highly professional team of 59 personnel, as on March 31, 2021.

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 2 months to maximum experience of 35 years. The average age of the employees of the Company is 36.5 years.

Of the total number of employees, 35 employees, constituting approximately 59% of the total number have been with the Company for more than 4 years.

In terms of gender diversity, there are 12 female employees and 47 male employees.

Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women At Workplace

The policy against sexual harassment is embodied both in the Code of Conduct of JM Financial Group as also in a specifically written policy in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2020-21, no complaints were received from any of the employees.

Contracts or Arrangements with Related Parties under Section 188(1) of the Companies Act, 2013

During the financial year 2020-21, the related party transactions, if any, are entered into on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Act. There are no materially significant related party transactions made by the Company with Sponsors, Directors or the Key Managerial Personnel, which may have potential conflict of interest with the Company at large or which warrants the approval of the Members. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the applicable accounting standards.

Directors' Report (Contd.)

Particulars of Loans, Guarantees and Investments

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

Vigil Mechanism/Whistle Blower Policy

The vigil mechanism as envisaged in the Act, the rules prescribed thereunder is implemented through the Company's Whistle Blower Policy to enable the directors and employees of the Company to report genuine concerns, to provide for adequate safeguards against victimisation who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

During the financial year 2020-21, no cases under this mechanism were reported.

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

The Company being engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.

During the financial year 2020-21, the Company has not earned foreign exchange from any of the transactions nor spent any amount in foreign exchange.

Annual Return

In accordance with the requirements under section 92(3) and section 134(3)(a) of the Act and the applicable rules, the annual return as on March 31, 2021 is available on the website of the Company viz., www.jmfinancialarc.com.

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.

Acknowledgements

The Board of Directors of the Company takes this opportunity to place on record its gratitude for the guidance and support extended, from time to time, by the Reserve Bank of India, Ministry of Finance, Government of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies, and other government and regulatory authorities, for their ongoing support to the Company from time to time.

The Directors place on record their gratitude for the support extended by Credit Rating Agencies, Stock Exchanges, Association of ARCs in India, National Securities Depository Limited and Central Depository Services (India) Limited from time to time.

Your Directors also place on record their sincere appreciation for the continued support extended by the bankers, financial institutions, lenders and stakeholders and the trust reposed by them in the Company.

The Directors also place on record their sincere appreciation for the continued support extended by the lenders, financial institutions and the Company's bankers and trust reposed by them in the Company.

Recognising the challenging work environment, in general and particularly during the time of COVID-19 where employees are working from home, the directors sincerely acknowledge all-round efforts and commitment displayed by all the employees of the Company.

For and on behalf of the Board of Directors

	Vishal Kampani	**Rupa Vora**
Place: Mumbai	Director	Director
Date: April 28, 2021	DIN: 00009079	DIN: 01831916

Annexure I

Details of the Employees' Stock Option Scheme pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the financial year ended March 31, 2021

1.	Options granted	:	15,81,444
2.	Options vested	:	NIL
4.	Options exercised	:	NIL
5.	Total number of shares arising as a result of exercise of Options	:	Not Applicable
6.	Options lapsed	:	NIL
7.	The exercise price		₹ 28.46/- (Rupees Twenty Eight and paise Forty Six only)
8.	Variation of terms of options	:	None
9.	Money realised by exercise of Options	:	NIL
10.	Total number of options in force	:	15,81,444
11.	Employee wise details of options granted to:		
	(i) Key managerial personnel	:	4,67,844 options have been granted to Key Managerial Personnel (KMPs) of the Company.
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more Options granted during that year	:	6 (Six) employees (excluding KMPs) have been granted stock options aggregating 6,65,520, which amounted to 5% or more options granted during the year.
	(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.	:	None

Annexure II

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,

The Members,

JM Financial Asset Reconstruction Company Limited

7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai-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 made available to us online, 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, 2021, complied with the statutory provisions listed hereunder, to the extent applicable to the Company, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I. We have examined the Secretarial compliance based on the books, papers, minute books, forms and returns filed, and made available to us online, and other records maintained by the Company for the financial year ended on March 31, 2021, as shown to us during our audit, according to the provisions of:

   (i) The Companies Act, 2013 (the "**Act**") and the rules made thereunder, as amended and to the extent applicable to the Company;

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

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder and to the extent applicable to the Company;

   (iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder and to the extent of Foreign Direct Investment and to the extent applicable to the Company;

   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-

      (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to the extent applicable to the Company;

      (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and to the extent applicable to the Company;

      (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the extent applicable to the Company;

      (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

III. **We further report that,** having regard to the compliance system prevailing in the Company and on examination of relevant documents and record in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company;

   (i) The Reserve Bank of India Act, 1934, and the Rules framed, Circulars and Guidelines issued thereunder, to the extent applicable to the Company.

   (ii) The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended, and the Rules, Circulars, Notifications and Guidelines issued thereunder and to the extent applicable to the Company.

IV. **We further report that** the Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India.

V. The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 were, in our opinion, not attracted, during the financial year under report;

   (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

(b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client, as amended;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended;

(e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014, as amended.

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

VII. **We further report that;**

The Board of Directors of the Company is duly constituted. There were no changes, in the composition of the Board of Directors, took place during the year under review.

Adequate notice was given to all directors to schedule the Board Meetings, 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.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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

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

a. The Nomination and Remuneration Committee (the "**NRC**") at its meeting held on April 16, 2020, approved granting an aggregate of 15,81,444 Stock Option to employees, subject to approval of "Employees Stock Option Scheme" (the "**ESOP**") Scheme, by the members of the Company. The said ESOP Scheme was approved by the members of the Company in their Extra Ordinary General Meeting held on April 30, 2020. The Board of Directors, which includes the Committees, were authorized to create, grant, issue, offer and allot to the present/future employees and/or directors (except independent directors) of the Company, upto 100,00,000 (One Crore) stock options convertible in to equal number of equity shares of the Company of the aggregate nominal face value of ₹10,00,00,000/- (Rupees Ten Crore only).

b. In the Annual General Meeting of the Company held on July 22, 2020, the Board of Directors, including any Committee thereof to offer, issue and allot secured/unsecured redeemable, Non-Convertible Debentures (the "**NCDs**"), in one or more series/tranches, aggregating up to ₹ 7,000 Crore (Seven Thousand Crore only), on private placement basis and /or public offer.

c. The Company issued and allotted 3,750 Secured, Rated, Listed, Redeemable, Principal Protected Market Linked NCDs of ₹ 2 Lakh each, aggregating ₹ 75 Crore on private placement basis under Tranche XXXI on November 27, 2020.

d. Mr. Anil Bhatia was re-appointed as Chief Executive Officer for a further period of three years, with effect from May 15, 2020, subject to RBI approval, which was granted on June 5, 2020.

e. The Company bought back/Prepaid NCDs of ₹ 652 Crore on various dates.

f. The Company redeemed 2,589 NCDs of ₹ 10 Lakh each and 6,250 NCDs of ₹ 2 Lakh each.

g. The Company made investment of ₹ 354.87 Crore in security receipts.

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

For Naren Shroff & Associates
Company Secretaries

Naren S. Shroff
Proprietor
FCS No. 2414
CP No. 1563
UDIN: F002414C000192824

Place: Mumbai
Date: April 28, 2021

Annexure A

(to the Secretarial Audit Report of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED for the financial year ended March 31, 2021)

To,
The Members,
JM Financial Asset Reconstruction Company Limited
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 audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.

3 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4 Wherever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5 The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6 The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Naren Shroff & Associates
Company Secretaries

Naren S. Shroff
Proprietor
FCS No. 2414
CP No. 1563
UDIN: F002414C000192824

Place: Mumbai
Date: April 28, 2021

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

   At JM Financial, Corporate Social Responsibility ("**CSR**") and Philanthropy have always been a reflection of our unwavering commitment to the society. This commitment gets effectuated in reaching out to the most socio-economically backward communities and intervening at the grassroots, with a dream of translating hopes into capacities and realities.

   In accordance with Section 135 of the Companies Act, 2013 (the "**Act**") and Schedule VII thereto read with the Company's CSR Policy, the CSR Committee, the CSR obligation of the Company for the financial year 2020-21 was ₹ 4.40 Crore.

2. **Composition of the CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number 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 where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

   The details of composition of CSR committee, CSR Policy and CSR projects, as approved by the board, are available on the link www.jmfinancialarc.com.

4. **Provide the details 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 (attach the report) – Not Applicable**

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not applicable**

6. **Average net profit of the Company as per Section 135(5): ₹ 219.72 Crore**

7. (a) Two percent of the average net profit of the Company as per Section 135(5): ₹ **4.40 Crore**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

   (c) Amount required to be set off for the financial year, if any: **None**

   (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ **4.40 Crore**

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 0.30 Crore	₹ 4.10 Crore	April 27, 2021 and April 28, 2021	Not applicable since none		

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project. State	District	(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency Name	CSR registration number
1	JM Financial Scholars Programme	Item no. (ii)	No	Haryana, Sonepat		3 years	₹ 1.70 Crore*	₹ 0.20 Crore	₹ 1.50 Crore	No	JM Financial Foundation	CSR00005269
2	JM Financial Sports Project	Item no. (vii)	No	Bihar, Jamui		4 years	₹ 2.48 Crore*	₹ 0.10 Crore	₹ 2.38 Crore	Yes	Not Applicable	

*Excludes administrative overheads of ₹ 0.22 Crore

(c) **Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable**

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project. State	District	(6) Amount spent for the project (in ₹).	(7) Mode of implementation - Direct (Yes/No).	(8)	(11) Mode of implementation - Through implementing agency. Name	CSR registration number.

(d) **Amount spent in Administrative Overheads: Nil**

(e) **Amount spent on Impact Assessment, if applicable: Not applicable**

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 0.30 Crore**

(g) **Excess amount for set off, if any: None**

Sr. No	Particular	Amount (in ₹)
i.	Two percent of average net profit of the company as per section 135(5)	4.40 Crore
ii.	Total amount spent for the financial year	0.30 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

9. (a) **Details of Unspent CSR amount for the preceding three financial years: Not applicable**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not applicable since no capital asset acquired

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Not applicable

for JM Financial Asset Reconstruction Company Limited

Vishal Kampani
Director
DIN: 00009079

Rupa Vora
Director
DIN: 01831916

Anil Bhatia
Chief Executive Officer

Place: Mumbai
Date: April 28, 2021

Corporate Social Responsibility (CSR)

At JM Financial, social responsiveness is synonymous with dedicated efforts to uplift most neglected and vulnerable communities in the country. Our efforts are crystallized at the grassroots in the form of planned, long-term projects. These projects are premised on community needs and driven by collective community action. JM Financial's endeavours devoted to deserving causes and grassroots development, picked up form and pace in 2001 with the establishment of JM Financial group's CSR (Corporate Social Responsibility) and philanthropy arm, i.e. JM Financial Foundation. Our CSR initiatives, projects and programmes, implemented under the aegis of *Integrated Rural Transformation Programme* along with their financial resources and concomitant expenditures have been planned, executed and overseen by JM Financial Foundation as outlined in our CSR Policy and espoused by JM Financial Asset Reconstruction Company Limited and all other Group entities.

The following segments highlight the projects undertaken during the year, followed by an update on the progress of ongoing long-term projects initiated by the Company and other Group entities prior to the said year.

Projects initiated and supported in FY 2020-21

JM Financial Scholars Programme

This year, JM Financial Asset Reconstruction Company Limited extended support to an inclusive education initiative at Ashoka University – a premier educational institution located in Sonepat, Haryana offering education in Liberal Arts and Sciences. The initiative has been undertaken to offer equal opportunity through financial aid to students from weak socio-economic backgrounds, aspiring to pursue their undergraduate courses at the University. This support from the Company forms part of collaborative contributions from other JM Financial group entities.

Ongoing Long-Term CSR Projects

The year has been an unprecedented one, shaking everyone to their core. The pandemic coupled with the nationwide lockdown imposed a complete curb on civilian movement in India. At this time, while the authorities were aggressively trying to control the spread of the infection, people in metropolitan cities stocked up on their domestic supplies and tried to adapt to the "new normal". In the hinterlands, daily wage workers and migrant labourers struggled with loss of daily and/or agricultural labour work, resultant loss of daily income and the impending doom of hunger. A year has passed, and we are still grappling with the same grim reality. In the first half of the year, we found ourselves reaching out to our fellow citizens with relief measures. The second half luckily appeared to be a ray of hope when the pandemic started to look a little weak as compared to our determination and courage to move ahead, double up on our energy, and progress towards the pre-determined deliverables through ongoing projects.

Covid-19 Relief Measures

Given below is a synopsis of the relief efforts undertaken by the Company to support the fight against the pandemic:

- Supported the re-development and re-operationalization of a multi-specialty hospital located in suburban Mumbai, converting 114 of their existing 1,500 beds, into a dedicated Covid-19 facility. This entailed complete refurbishment and restarting of defunct but highly essential departments, viz. Radiology, Pathology and CSSD (Central Sterile Supply Department). The hospital is now renovated and functional with 250 ICU/HDU facilities. Over the year, up to March 2021, the upgraded hospital has provided isolation facilities and treatment to an estimated 24,500 Covid-19 affected patients of which, 22,700 patients have been discharged successfully. The hospital continues to treat and cater to the growing number of cases.
- In partnership with the Department of Health, Government of Bihar, we provided 10 Truelab™ Real Time micro PCR (Polymerase Chain Reaction) systems (i.e. machines) to the Department of Health, Government of Bihar and one machine to Bihar Foundation, to increase daily Covid-19 testing capacities across the state, enabling minimum 10,000 daily samples to be tested. The Truelab™ diagnostic machines are primarily used for testing tuberculosis and other 20 other forms of immunology infections, and is therefore approved for screening of Covid-19 cases by the apex health research body in India, i.e. the Indian Council of Medical Research (ICMR). These machines are currently installed and operational in district hospitals and medical colleges across 10 districts of the state, namely – Araria, Begusarai, Katihar, Madhubani, Muzaffarpur, Patna, Samastipur, Saran, Sitamarhi and Vaishali.
- Contributed towards the set-up of a 100-beds dedicated Covid-19 facility in Byculla, Mumbai, targeted towards helping lower and middle-income groups to access quality medical Covid-19 healthcare.
- Provided 1,000 premium quality Personal Protective Equipment (PPE) cover-all non-woven suits with shoe covers to be used by doctors and nursing staff working

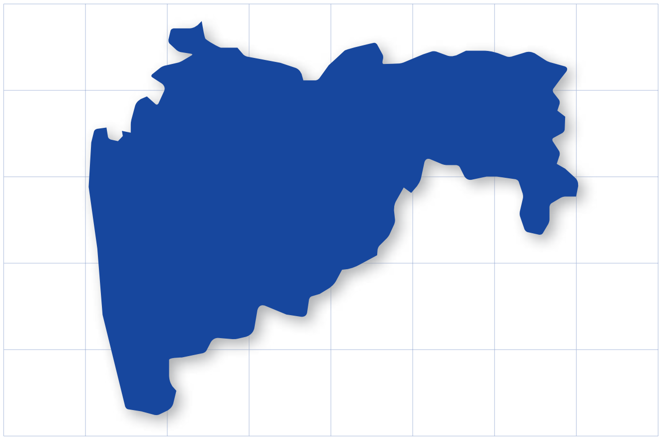
Strengthening COVID-19 diagnostic and treatment facilities

Running community kitchens for one-time fresh meals in Sikandra

24/7 at a dedicated Covid-19 hospital declared by the Brihanmumbai Municipal Corporation (BMC).

- Distributed 20,000 vegetable khichdi boxes in the slums of M-Ward and police stations in Mumbai city.
- Distributed 1,000 dry grocery kits to families in Darbhanga and East Champaran districts of Bihar, ravaged by dreadful floods in August 2020, amidst the pandemic.

In addition to the aforementioned efforts, through JM Financial Foundation, we set up, initiated, and ran four community kitchens in four villages of our CSR project geographies, namely – Dhanimatari, Dhawatanr, Korasi and Lachhuar in Sikandra block of Jamui, Bihar. This was done with an appeal from the village communities to JM Financial Foundation, since many families were sleeping hungry with one-time meals or sometimes, none. The kitchens, run locally by community volunteers and our team from 6:00 am to 2:00 pm daily, fed over 1, 55,000 one-time wholesome meals over a span of 46 days. This initiative covered all 15 villages (13 villages and two hamlets) where JM Financial Foundation is present and working through its CSR projects.



MAHARASHTRA

The state of Maharashtra is the base location for JM Financial group of companies. We recognize our duty in reaching out to communities that are in our vicinity, apart from reaching out to those that reside in far flung, arduous terrains. Palghar district has been highlighted time and again in popular sources for unpalatable reasons. However, the villages of the Mokhada block where we work by way of our CSR hold immense potential and show high promise in becoming developed models to be reckoned with. Our project undertaken in this geography works with an umbrella approach, encompassing all aspects of agrarian life and livelihoods.

Integrated Village Development Project

The Integrated Village Development Project was initiated in 2018 by way of a tripartite Public Private Partnership (PPP) agreement, entered into with the Office of the Collector and District Magistrate, Palghar, Maharashtra. The project began with a vision of bringing well-rounded development to over 1,100 identified farmer households across seven villages of Mokhada and has so far, successfully achieved significant milestones through agriculture and allied activities, water irrigation and sanitation, improving education outcomes and increasing community access to public entitlements.

Agriculture and allied activities[1] → The project has been practicing the approach of training farmers, helping them pilot advanced agri-inputs and solutions, introducing traditional and economical water conservation methods at scale and hand-holding them throughout. From June 2020 till the end of March 2021, we have been able to organize 17 farmers training and capacity building sessions across Ase, Beriste, Brahmangaon, Karoli and Kalamgaon villages. These

[1] It should be noted that the numbers pertaining to agricultural production in each segment have been reported as communicated to us by our farmer beneficiaries.

sessions addressed disease management for jasmine plants (related to jasmine cultivation undertaken through our project for a cluster farming approach in FY 2019-20).

Nagali[2] cultivation, kitchen gardens, sweet potato cultivation, paddy cultivation using Systematic Rice Intensification (SRI) and aftercare of cashew and mango plants/trees (related to saplings provided under our intervention). They were attended by a total of 265 farmers. Simultaneously, by way of agri-inputs, we supported 50 identified farmers with 70,000 chili saplings and guided them in their cultivation and sale. The said saplings were planted across 6.25 acres of land, which yielded 5.33 metric tonnes and fetched the farmers a total of ₹ 5.04 Lakhs when sold in the market.

Chili produce harvested and readied for sale by farmers in Mokhada

Similarly, in November 2020, we encouraged 60 farmers to cultivate chickpea by providing each of them with 5 kg chickpea seeds, so as to avoid paddy fields from remaining barren during the post-Monsoon season and to utilize the available moisture for productive cultivation. These seeds planted across 10.91 acres of land yielded 3.11 metric tonnes of chickpea. To encourage the cultivation and consumption of vegetables in an otherwise millets-dependent region, 100 farmer families were supported with 100 mini vegetable seed kits under the project and 50 other farmers were supported with such kits by way of government convergence with the Krishi Vigyan Kendra (KVK), Kosbad – Dahanu. The total area brought under cultivation of vegetables was well over 3 acres. In the previous year, we had supported 80 farmers with 16,000 jasmine saplings through convergence with Zilla Parishad (ZP) Cess fund scheme – a district fund offered for various benefits under agriculture, livestock, health and so on. This year, 75 of them reported an output of 141.94 kg which fetched them a total income of ₹ 0.63 Lakhs by way of sale of flower buds and *gajras*[3] at the Nashik city market, bordering Mokhada block. Additionally, 69 jasmine farmers have been supported with 3,975 kg barbed wire for permanent fencing of their plots at an 85 per cent subsidy. Of the 20 farmers encouraged for SRI method of paddy

265 farmers

trained in alternate agriculture and scientific farming practices

cultivation in FY 2019-20, 18 farmers stepped forward to once again cultivate the crop using this method, thereby building continuity and paving the way for sustainable agriculture practices. Evidently, they also enjoyed an increased yield (from 2,987 kg in FY 2019-20 to 4,217 kg in FY 2020-21), leading them to gain faith in the SRI method.

As a step towards ecology-friendly agri-methods, 42 identified farmers were provided with a vermibed each. These vermibeds raised in the months of April-May 2020 have completed four cycles (each lasting an average of 45 to 65 days) and have yielded a total of 28.83 metric tonnes of vermi-compost and 5,616 litres of vermi-wash. Resultantly, the farmers have used the vermibed yield in their mango, cashew, jasmine and vegetable plots cultivated under the project, thereby saving on an approximate total expenses of over ₹ 3.70 Lakhs which they would have otherwise incurred on purchasing vermicompost (priced in the market at approx. ₹ 10 per kg) and vermiwash (priced in the market at approx. ₹ 15 per litre).

Cleaned and sieved vermicompost before being sold in Mokhada

In convergence with Krishi Vigyaan Kendra (KVK), Dahanu - Maharashtra, the project also supported 50 farmers across six villages with 350 fruit plant saplings of Sapota (Naseberry), Guava, Custard apple, Moringa (Horseradish), Cashew, Mango and Lemon between September and November 2020.

Our capacity building goes beyond farmers and extends to women members of Self-Help Groups (SHGs). From

[2] Nagali: Finger millets
[3] Gajra: A small flower-garland worn on the hair by Indian women.

June 2020 to February 2021, the project has conducted 24 training sessions for 216 women SHG members, and significantly built their knowledge, awareness and practices in entrepreneurship, record keeping and management, running millet processing and sugarcane juicing units (related to two trades encouraged under our project for two of the SHGs in the area). Apart from the said sessions, we mobilized 10 women trainees from from the SHG Swarajya Mahila Swayam Sahayta Gat to attend a training on Bakery Technology – setting up and running a bakery unit. They attended the five-day residential training (February 22 to 27, 2021) conducted at Dr. Balasaheb Sawant Konkan Krishi Vidyapith, Dapoli - Maharashtra.

Women SHG members learning to roll the dough for biscuits - Bakery Training

Water, irrigation and sanitation → The project geography receives a good amount of rainfall every year. In an attempt to encourage water conservation and groundwater restoration through non-concrete means, the project has introduced the concept of digging smaller trenches/pits without any casting material, known as Continuous Contour Trenches (CCTs). This year, in addition to the 1,073 CCTs dug last year, 11 farmers were mobilized to dig 1,787 new CCTs across 15.23 acres, with a total water holding and recharging capacity of approx. 1,500 litres per trench.

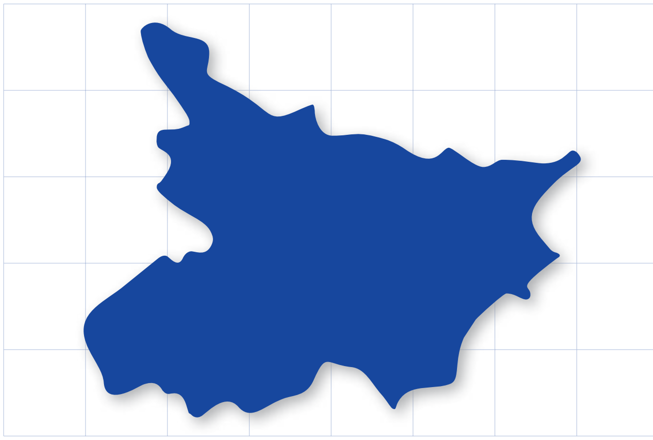
Increasing community access to public entitlements → Three helpdesks have been set up under the project to educate the communities in our seven villages and across the 59 villages of the block on available government schemes and policies, help them apply and ensure the receipt of the entitlements that are meant for them. From October 2018 to March 2021, the three helpdesks have received a total of 5,016 applications which have been compiled, submitted to the concerned government officials and departments, and pursued through multiple visits and interactions. As a result, 3,497 applications have been processed successfully, leading to a total convergence of ₹ 2.73 crore. A noteworthy convergence that has taken place through these efforts is the approval received in February 2021 from the Bandhkam Department, Zilla Parishad, Palghar, for the construction of a 2.5 km road to be initiated. This road, once completed, will connect about 43 households of Biwalpada hamlet to the rest of the villages, reduce the community's hardships and also help them receive the benefits of our project intervention and government schemes' convergence.

Improving education outcomes → In an attempt to facilitate improved education infrastructure for 379 lesser-privileged tribal children in the project geography, the company has also contributed towards an Ashramshala Infrastructure Support Project. The Ashramshala is a privately-owned residential school located in Ase panchayat, educating and housing students in grades 1 to 10, hailing from households located in a radius of up to 50 km. Prior to this project, the students in grades 1 to 4 at this Ashramshala were forced to attend classes in their hostel rooms owing to no space available in the school building. With our project efforts, the following portions of the Ashramshala are undergoing construction and renovation, and span a total area of over 9,200 sq. ft.:

- Renovation of the existing school building
- Construction of a new school building
- Construction of males' toilet block and females' toilet block
- Construction of four rainwater harvesting tanks, each with a capacity of 30,000 litres

New Ashramshala school building ready in Mokhada

The complete infrastructure development is expected to be concluded by the time the new academic year begins and it is envisioned that students, especially girl-children will get a respectable place to learn and grow.



BIHAR

Over the past three years, our Company has been working in the state of Bihar in Jamui district, identified by the NITI Aayog[4] as one of the 115 districts in India in want of development in health and nutrition, education, agriculture and water resources, basic infrastructure, financial inclusion and skill development. Herein, we have followed the twin approach of intensive development and extensive development. Under the former, our efforts are focussed on development in integrated aspects of rural life in identified and systematically assessed village clusters. Under the latter, we spread over to larger number of areas/blocks, with one cause or focus area, as mapped by us. The interventions in Jamui district while working for inter-related focus areas, have been designed and implemented as separate projects, for ease of execution. Our projects and their deliverables have been demonstrated in Chakai, Jhajha and Sikandra blocks of Jamui, over the years. This year, we have included in our intervention, a fourth, adjacent and extremely disadvantaged block, named Khaira our footprint in this district.

Project Bachpan

Our youngest project that reaches out to the youngest among us, Project Bachpan was taken up in August 2017 with the mission of extending learning and holistic development opportunities to children in the age of 3 – 6 years, left out of the fold of the existing anganwadis owing to their limited intake capacities. Implemented by way of five child-friendly, pre-school learning centers set up exclusively for the project, Bachpan has been running successfully in five villages of Dhanimatari, Dhawatanr, Korasi, Lachhuar and Sabal Bigha. Each center is run by a teacher and an assistant teacher paying attention to the needs and wants of a maximum of 25 children for five hours a day, six days of the week. Children coming from deprived families in the villages, learn pre-literacy and pre-numeracy concepts, while exploring activities that develop their fine and gross motor skills.

This year, the pandemic brought our centers to a rude halt. While a number of the educational institutions in the country were able to quickly adapt to Internet-based learning, we were left with little to no choice since our students come from families with one basic mobile phone if they're lucky, which too are mostly in want of connectivity since they don't have the expendable income to spend on a recharge. With a lot of patience, our teachers as well as students and their families waited for a good, long nine months. However, with the situation not looking any better, in September 2020, we remodelled the project to take the learning to the children's doorsteps. In this new model, the mothers, though illiterate, assumed the role of teachers, while the center teachers became their guides. A simple take-home kit equipped with basic stationery, writing, colouring and craft practice books was provided to each of our current 164 children and a weekly schedule was designed to teach the mothers, who would in turn teach their children.

Our student learning at home in Sikandra, Bihar

Going forward, these kits will be further enhanced to include more advanced learning and activities for the children. This newly developed model is expected to help the project ensure that our students do not forget their concepts and skills taught once again, and that they are able to keep alive the joy in learning and teaching, till the time that centers are allowed to re-open.

Shri Vardhman Mahila Griha Udyog

Every human being has the right to carve out their lives the way they dream. More often than not, this dream remains unrealized for most women, since they aren't exposed to the right channel and opportunity. Shri Vardhman Mahila Griha Udyog has taken shape with 18 such women, who were leading usual lives as farmers, wage and bonded labourers, until 2018, when they took up the challenge of stepping out of their homes to learn and earn for themselves. These women identified under the project, travelled to Gujarat for a

[4] NITI Aayog: National Institution for Transforming India (NITI) Aayog is the premier policy think tank of the Government of India, providing directional and policy outputs.

good 20 days, to learn the skill of rolling, roasting and selling *khakhra* (a popular Indian snack made of whole-wheat flour). Ever since, the trained women have been working at the Udyog in a dignified manner, and earning output-based incomes at the end of the month.

Women trainees at their food product training in Jamui, Bihar

Today, the Udyog located in Sikandra block has been running for over three years as the only women-based production unit in the region. JM Financial Foundation supported them financially for a little over 1.5 years, post which, from August 2019, the Udyog didis[5] have been managing the Udyog independently, with handholding and monitoring from the Foundation, time to time. In the year 2020-21, our 18 women members have earned a total of over ₹ 4.45 Lakhs, while the Udyog has earned a total sale income upwards of ₹ 21 Lakhs from inception till date. Like every other business enterprise, our Udyog too has suffered massive losses and continues to suffer from an extended down-time owing to the pandemic.

JM Financial Foundation had been exploring the scale-up of the Udyog's existing scope, strength and reach through product diversification, given the success of the first *(khakhra)* unit. While the pandemic has been a dampener on our plans, this was done through visiting and speaking to the women folk in villages of Khaira and Sikandra blocks. JM Financial Foundation identified and mobilized 27 lesser-privileged women from Bardaun and Ghaskotand villages of Khaira block and facilitated their training in *papad*[6], pickle and spice making. These women were trained over 10 days in January 2021, at the Rural Self Employment Training Institute (RSETI) run by State Bank of India (SBI), Jamui district. This training was the first opportunity in the women's lives, given that most of them come from kuchcha houses, belong to tribal and OBC families, are illiterate (only 4 of 27 can write) and are mothers to two or three grown up children at the very minimum. No one had till date taken any interest in furthering their education or skills and hence, they grabbed the opportunity to get trained and earn a livelihood of their own. Going forward, as the pandemic situation comes under control, we plan to set up a new wing of the Udyog, with the newly trained women, focussed on *papad* production and sale.

Cattle health camp organized by project ILDC in Jamui, Bihar

Project Integrated Livelihoods Development Centers (ILDC)

In India, agriculture and livestock have always been known to complement a farmer's livelihoods, especially in cases of small and marginal landholding farmers for whom, their cattle yield makes up for the low income from agricultural yield. This situation was witnessed in Jamui as well, when in 2018, we had conducted a survey to assess the high livestock population and their health conditions. Based on this survey and the high potential of cattle development (40,000+ at the time of the survey in three blocks), the ILDC project was initiated in Chakai, Jhajha and Sikandra with the primary objective of augmenting cattle – owners' livelihoods with improved milk yield through livestock development and management services. The project is implemented by way of 21 ILDCs (physical centers) set up and operationalized across 21 village locations, run by local para-veterinarian youth, trained under the project, addressed as Gopals. Each center serves about 8 – 10 villages, offering 24/7, scientifically-driven cattle health management and breed upgradation services to cattle-owners at their homes.

While the Covid-19 lockdown disrupted the full-fledged running of the centers, our Gopals continued providing basic cattle healthcare and development services in their villages, following safety protocol, using the medicines and related supplies that they had with them at the ILDCs. (This did not include the months of March and April 2020 during strict lockdown). The project resumed all veterinarian services from the month of September 2020 after normal civic movement was allowed in almost all parts of the country. Given below is a glimpse of the cattle management and development services rendered through the year:

[5] Didis: A Hindi term of endearment, used to denote an elder sister.

[6] Papad: Also known as papadum, papad is a thin, crisp, round flatbread Indian snack, made of pulses, especially husked and split black gram (urad dal).

First Aid	Vaccination	Deticking	De-Worming	Infertility Treatment
7,979 cattle OPDs	**1,900** rounds	**28,916** doses	**30,216** doses	**1,855** rounds
Extension Education Meetings	**Fodder Plots Development**	**Cattle Health Camps**	**Artificial Insemination**	**Calves Born**
319 meetings	**170** plots	**60** camps	**5,355** rounds	**1,768** calves

Throughout the life-cycle of the project so far, the ILDC services have birthed 4,101 calves (2,047 female and 2,054 male) of higher breed varieties with improved milk yield potential, namely – Sahiwal (2,053), Jersey (595), Holstein Friesian (719), Murrah Buffalo (364), Gir (348) and Red Sindhi (22).

In the months of February and March 2021, the project extended its services to eight villages of Khaira block with the available project expertise and ILDC resources, basis the need felt by the community therein and expressed to the JM Financial Foundation team. These villages, namely – Bardaun, Dipakarhar, Gaighat, Jhilar, Mahengro, Pratappur, Rajla-Sirsiya and Ropawel have a significant number of cattle, most of which were found to be malnourished owing to the lack of green fodder and water scarcity and suffering from Foot and Mouth Disease (FMD) owing to frequent grazing on hilly, forest terrain. Given this context, our ILDC para-veterinarians and project team members conducted a series of eight outreach cattle health camps, thereby providing 140 cattle OPD services, de-ticking to 1,394 cattle and deworming to 1,578 cattle.

The project implementation will be supported for another two years, as planned.

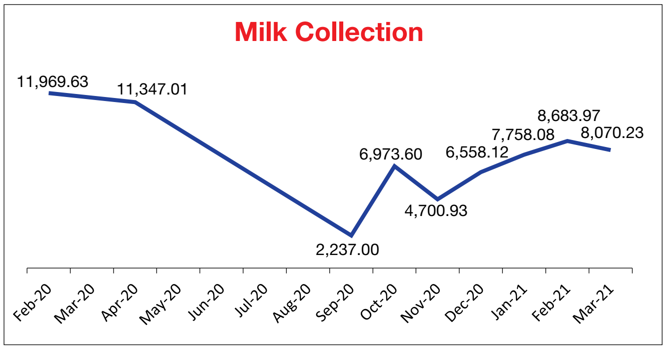
Shri Vardhman Dugdhalay

As a scale up and intensification of the ongoing ILDC project, JM Financial initiated the Shri Vardhman Dugdhalay – a dairying initiative to channel the substantial, but untapped milk collection potential in the villages of Sikandra block, providing an opportunity to cattle-owners to earn increased livelihoods. The project was designed to be implemented on ground with 10 village-based Milk Collection Centers (MCCs) identified and set up with requisite equipment to facilitate daily milk collection and one Bulk Milk Cooling (BMC) unit at the block place in Sikandra. The MCC at each location is operated by a local village resident (addressed in the project as a *Sahayak)* and is equipped with a set of eight milk collection, weighing and testing instruments provided under the project.

First aid services for cattle by ILDC Gopal in Chakai

One of the 10 Milk Collection Centers in Sikandra, Bihar

The project was initiated in January 2020, and from February 1, 2020, we initiated the milk collection and supply operations. However, with the imminent Covid-19 lockdown from March 2020, the project operations came to a complete standstill after the first six milk collection cycles. After a long gap of five months, seeing the situation gradually resume normalcy, the project once again initiated ground operations from September 16, 2020, to slowly crawl back to a point of stability. Given below is a glimpse of the milk collected over 25 milk collection cycles from February 1, 2020 to March 31, 2021:



Through a total milk collection of 68,298.57 litres depicted above, the *Sahayaks* have till date earned a total commission of ₹ 0.68 Lakh while the milk pouring farmers have earned a total sum of ₹ 24.27 Lakh.

Adarsh Gram (Model Village) Development Project

Agriculture forms the backbone of Indian agrarian life and economy and this fact holds true for our villages in Bihar as well. In order to conceptualize and develop villages as models, it was necessary for us to implement a project that focuses the maximum on agriculture, while tying together few other aspects of rural life as well. The Model Village *(Adarsh Gram in Hindi)* Development Project was initiated in 2018 with the primary objective of developing such villages while harnessing natural resources and village capacities to convert 15 identified remote villages in Sikandra block into self-reliant villages. Given below are some updates on the project progression under its primary focus areas:

Livelihoods and alternate agriculture → Similar to our approach in Maharashtra, we have been following a cyclical model of training-agri inputs-handholding with the vulnerable marginal and small farmers. This year, the pandemic and the national lockdown played a very big spoilsport for our planned deliverables for both the *Kharif and Rabi seasons*. Given the context, we realized that we would have to go back to educating and handholding farmers in reverting to traditional but scientific methods of reusing seeds for subsequent rounds of cultivation, and nurturing them with effective, organic fertilizers to enhance and retain soil quality and health. To this effect, our project has so far intervened in enhancing farmers' awareness and providing quality inputs timely. While the year was largely disruptive, we were able to bolster ourselves in the month of November 2020, when we conducted extensive meetings across our project villages, understood farmers' challenges faced during the pandemic and addressed their major concerns towards betterment of agriculture. We began organizing planned farmers' awareness-building sessions and increasing our frequency as well as scale of interactions from February 2021. Therefore, as opposed to other years when we had multiple sessions through the year reaching out to our farmer beneficiaries, this year, we organized four structured, large-scale events in convergence with Krishi Vigyan Kendra (KVK), Jamui, impacting a total of 740 farmers. A first-ever three-day farmers knowledge building session series was organized in three high agri-potential villages, namely – Jagdishpur, Nauwadih and Fatehpur. These sessions, held from February 1 to 3, 2021 under the banner *Khet, Khalihaan aur jaagruk kisaan adhiveshan* (Farm, barn and aware farmer session in Hindi) were arranged with the primary objective of disseminating knowledge timely, prior to the Zaid cropping season, dispelling myths and misconceptions, while feeding farmers' curiosities with information based in Science. The sessions were attended by a total of 527 farmer attendees, and delivered by Dr. Sudhir Kumar Singh (Director and Senior Scientist, Krishi Vigyaan Kendra, Jamui). The content in these sessions revolved around the significance of soil health and tests, which form the core for a better crop, healthy plant and contribute to soil sustainability in the long run.

Khet, Khalihaan aur Jagrut Kisaan in village Fatehpur, Bihar

As an immediate outcome of the farmers' knowledge-building series conducted in February 2021, on March 2nd and 3rd, KVK – Jamui had organized a training session on the importance and methods of soil testing. The main objective of this training was to provide a unique opportunity of entrepreneurship to youths along with enabling them to set up and run soil test labs in their village itself, with an agenda of helping farmers in better crop-planning while ensuring better soil nutrient management for enhanced crop production. The two-day training was attended by 17 youths mobilized by JM Financial Foundation. The third event was an exposure visit planned and organized with the KVK, Jamui on March 2, 2021, to Kundri in Jamui block, Jamui district, which has been developed as a climate resilient agriculture village. We identified and mobilized 92 farmers from Nauwadih (38 farmers), Jagdishpur (16 farmers) and Fatehpur (38 farmers) villages who through a visit to three farm plots, got an opportunity to observe-

- Zero tillage of sowing paddy and wheat
- Furrow irrigated raised bed system
- Plots cultivated entirely using farmer-produced seeds

The fourth event involved an exposure visit conducted for 104 farmers at our project's model/demonstration farm with the objective of orienting them to the concept, method and practice of capsicum cultivation, in anticipation of the imminent *Rabi season*.

Lemon produce from our orchards planted in Sikandra, Bihar

Complementing the farmers capacity building efforts are the agri-inputs provided under the project, either free of cost or with heavy subsidies. The model of nutrition gardens was introduced in our project from the second year of its implementation, as a small-scale, holistic model of kitchen garden, involving vegetable cultivation on raised beds interspersed with water drainage channels.

These nutrition gardens, if cared for, yield healthy greens for four months straight. Under our project intervention this year, a total of 102 farmers across 11 intervention villages were provided with vegetable seeds for cultivation in the nutrition gardens, which after cultivation, fulfilled their nutritional requirements during the peak lockdown months. Fruit plant saplings of lemon (2,475 saplings), guava (961 saplings) and custard apple (483 saplings) were provided to 61 farmers for cultivation of individual orchards across all our project villages. Of these orchards, 53 are in vegetative growth stage, 4 have been destroyed by wild animals and the status of four others has been difficult to ascertain owing to restricted movement during the lockdown. As a step towards organic farming, in continuation with the efforts last year, 32 vermi-beds have been provided to and raised by 32 farmers. The vermicompost yielded from the said beds have been used by the farmers in their crop fields.

Shri Vardhman Nidaan Seva

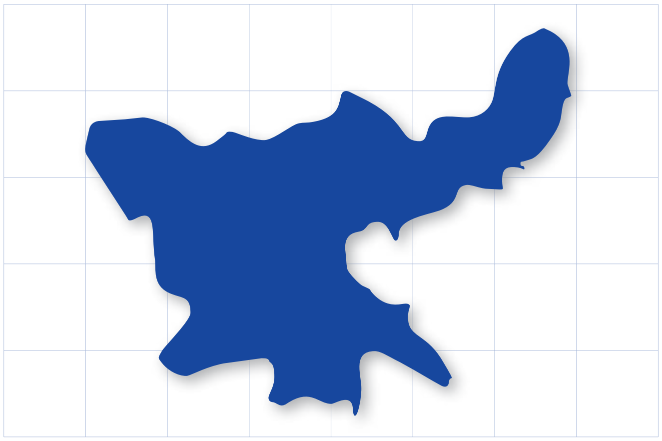
Addressing health issues and concerns is of paramount importance, while trying to achieve the goal of comprehensive development. Keeping this along with the existing, visible health issues in the community at the center of our intervention plans, JM Financial proudly initiated its first own mobile health unit under the name – Shri Vardhman Nidaan Seva (abbrv. SVNS) on December 10, 2020. The project has been identified, evaluated and undertaken with the objective of providing primary – preventive and curative healthcare services to families in Khaira and Sikandra blocks, that face the hardest time in accessing reliable care, and possess an even lower level of awareness of good health seeking practices. Since inception, though in the midst of a pandemic, the MHU has been serving more than 14 villages through its weekly pre-designated and scheduled clinic locations in the said blocks.

JM Financial CSR team with the newly inaugurated mobile health unit at Jamui, Bihar

The MHU is operational from 9:00 am to 5:00 pm for five days a week and on alternate Saturdays as per a pre-decided weekly routine. The project is executed on ground by a team of six subject matter experts, comprising → a qualified medical practitioner, a qualified nurse, a driver, an MIS and data management executive and two qualified health and applied nutrition professionals from Tata Institute of Social Sciences.

Patient being explained the prescribed medication in Jamui, Bihar

From December 10, 2020 to March 31, 2021, Shri Vardhman Nidaan Seva has treated 5,812 patients through 136 OPD visits over 69 days of serving villages in a radius of 50-53 km per day. With its daily visits, personalized patient follow-ups and free medication continued even through the raging pandemic, the project has in little time, managed to earn the faith of the community.



JHARKHAND

The state of Jharkhand may be hailed as the industrial linchpin for a forward-looking India, but a closer look at the some of the geographies within would reveal the blighting state of health indicators in districts that are poorer, with heavy tribal population concentration. Giridih is one such district, also highlighted by the NITI Aayog as an Aspirational District and JM Financial has been working to strengthen public health therein, since 2017. Our CSR projects in this region are focused purely on community healthcare, with intensive concentration in Dumri and Pirtand blocks.

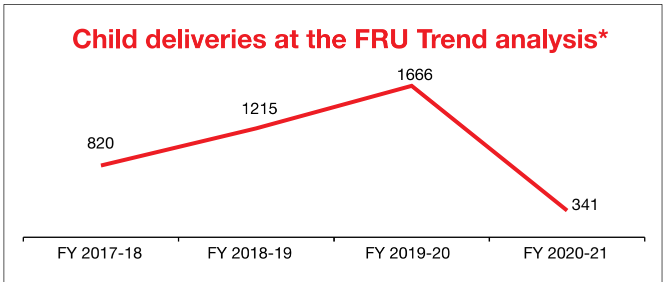
Project First Referral Unit (FRU)

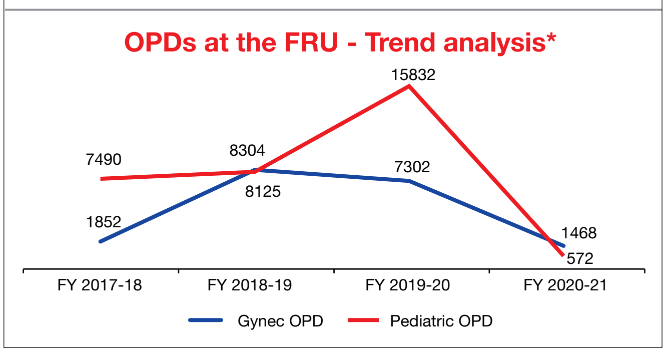
The Project FRU began with a tripartite (PPP) agreement entered into with the Jharkhand Rural Health Mission Society (JRHMS – Govt. of Jharkhand) in September 2017, with the predominant objective of improving maternal and child health indicators. For this purpose, the project implementation was undertaken at the block-level Community Health Center (CHC) located in Dumri block, wherein we worked for over three years to set up and run successfully, a Comprehensive Emergency Obstetric and New-born Care (CEmONC) Unit within the First Referral Unit (FRU) in the CHC. Over 3.3 years of its implementation, the project sustained relentless efforts at initiating and cementing quality healthcare services being available for over 2 lakhs (approx.) population in the region. These efforts included:

- Identifying system and facility gaps through external audits paediatric and gynaecology facilities
- Development of Standard Operating Procedures (SOP) and deploying them as per National Health Mission (NHM) protocol
- Recruitment and skills enhancement of 41 trained staff and existing hospital staff
- Enhancing FRU services operations and management through digitized OPD registrations, creating a permanent repository of patient data, operationalizing a 24x7 laboratory, regular deliveries by trained nursing staff
- Linking community needs with FRU services via monthly community visits and awareness sessions in the villages on maternal and child healthcare, regular meetings with government and JRHMS officials at block, district and state levels, implementation of government programmes such as Janani Suraksha Yojana and PM Surakshit Matritva Abhiyan.
- Following output-oriented monitoring and evaluation framework

As a result of the said efforts, 4,042 babies were safely delivered at the FRU during the life-cycle of the project, of which 76 were caesarean deliveries. The New Born Stabilization Unit (NBSU) which lay closed and non-functional was inaugurated under our project and made operational, thereby saving lives of 318 critical new-born babies, from January 2018 to June 2020.

The Operation Theatre was refurbished, operationalized and maintained, leading to 1,809 surgeries being performed.





* Numbers for FY 2020-21 only up till June 2020, i.e. up till the conclusion of the project.

Project FRU at a glance - Giridih, Jharkhand

The FRU being functional during the project life-cycle has been a boon to the mothers and children in the region, who would often have to depend on expensive private healthcare options for quality services. The project also brought us a moment of feeling humbled but immense pride at the same time when it received the prestigious 18th FICCI (Federation of Indian Chambers of Commerce & Industry) award in July 2020.

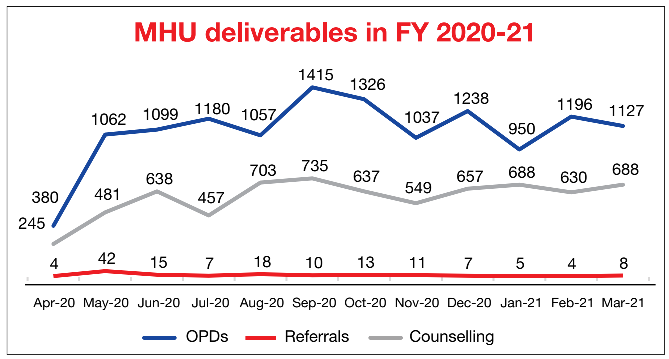
The project MoU had a commitment for three years till March 31, 2020, but concluded in the month of June 2020 with an extension of three months accorded by the authorities.

Project Mobile Health Unit (MHU)

Akin to the project in Jamui district, Bihar, project MHU was undertaken in September 2017 in Dumri and Pirtand blocks of Giridih in order to make available healthcare services by way of a mobile medical van. Renowned locally as the *chalta phirta dawkhana*[7], the MHU has been providing doorstep healthcare services to 14 identified, most needy villages*, located on undulating terrains of the aforementioned blocks, inhabited by largely tribal and other backward caste families.

** The project after two years of serving 24 villages, has re-oriented its approach in the third year to focus on 14 villages from the said group, basis comparative levels of deprivation from medical care and our potential to provide intensive services with timely follow-up.*

Through the year, the MHU has treated 13,067 (cumulative) OPD patients, bringing the record since inception to 60,007.



Most of the patients treated consult our MHU doctor with general, dermatological, musculoskeletal, respiratory, gastro-intestinal and orthopaedic complaints.

Project MHU conducting preventive healthcare awareness sessions during lockdown - Giridih, Jharkhand

[7] Hindi words to describe a moving clinic

Independent Auditor's Report

To the Members of

JM Financial Asset Reconstruction Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JM Financial Asset Reconstruction Company Limited ("the Parent Company") and its subsidiaries, (the Parent Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 38 to the consolidated financial statements, which describes that the potential impact of the COVID-19 pandemic on the Group's financial statements and particularly the determination of fair value of the financial assets and the impairment provisions are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Investments and other financial assets carried at fair value (refer note 8 and 9 to the consolidated financial statements)

Key Audit Matter Description

The Group has following financial instruments carried at fair value:

- Investments made in security receipts in Trusts formed under distressed credit business aggregating ₹ 1,026.18 crore as at March 31, 2021.
- Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating ₹ 2,222.82 crore as at March 31, 2021.

The valuation of these financial instruments is based on a recovery range provided by the External Rating Agency and other unobservable inputs. These assets classified as level 3 in valuation hierarchy are not actively traded and their values can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flows, collateral values, discount rate used and other assumptions. Further, the Group has applied judgements in estimating the cash flows considering the current uncertain economic environment with the range of possible effects unknown to the Group arising out of the COVID 19 Pandemic. In view of the complexities and significant judgements involved we have considered the valuation of these investments as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed in respect these investments and financial assets included following:

Independent Auditors' Report (Contd.)

- 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, etc.
- Analysed reasonableness of the determination of the appropriate recovery rate and estimated cash flows.
- Compared the management's assumption of discount rates with the supporting evidence.
- Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any.
- We assessed the reasonableness of the judgements in estimating the cash flows in response to COVID-19 related economic uncertainty and corroborated the assumptions based on the information used by the Group.

Information Other than the 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 Director's report, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the ability of 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report (Contd.)

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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

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

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

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

As required by Section 143(3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the

Independent Auditors' Report (Contd.)

explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) There were no pending litigations which would impact the consolidated financial position of the Group.

(ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN 21105035AAAADB1245

Place: Mumbai
Date: April 28, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of JM Financial Asset Reconstruction Company Limited (hereinafter referred to as "Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN 21105035AAAADB1245

Place: Mumbai
Date: April 28, 2021

Consolidated Balance Sheet

as at March 31, 2021

₹ in Crore

Sr. No.	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
(I)	**Financial assets**			
A	Cash and cash equivalents	4	132.49	266.67
B	Bank balance other than (A) above	5	0.91	0.76
C	Trade receivables	6	171.47	153.74
D	Loans	7	625.33	525.93
E	Investments	8	1,039.53	1,164.22
F	Other financial assets	9	2,253.88	2,016.16
	Total Financial Assets (I)		**4,223.61**	**4,127.48**
(II)	**Non-financial assets**			
A	Current tax assets (net)	10	28.34	26.79
B	Deferred tax assets (net)	11	15.19	10.17
C	Property, Plant and Equipment	12	20.30	23.20
D	Other intangible assets	12	0.08	0.07
E	Other non-financial assets	13	4.37	1.82
	Total Non-Financial Assets (II)		**68.28**	**62.05**
	Total Assets (I+II)		**4,291.89**	**4,189.53**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(I)	**Financial liabilities**			
A	**Trade Payables**	14		
	(i) total outstanding dues of micro and small enterprises		0.15	0.08
	(ii) total outstanding dues of creditors other than micro and small enterprises		2.00	2.72
B	Debt securities	15	1,197.24	2,058.25
C	Borrowings (Other than Debt Securities)	16	1,379.10	508.22
D	Other financial liabilities	17	109.25	64.65
	Total financial liabilities (I)		**2,687.74**	**2,633.92**
(II)	**Non-financial liabilities**			
A	Current tax liabilities (net)	18	-	6.25
B	Provisions	19	2.23	2.00
C	Other non-financial liabilities	20	15.67	8.58
	Total non-financial liabilities (II)		**17.90**	**16.83**
(III)	**EQUITY**			
A	Equity share capital	21	344.64	344.64
B	Other equity	22	1,170.28	1,105.37
	Equity attributable to owners of the Company		**1,514.92**	**1,450.01**
C	Non-Controlling interest		71.33	88.77
	Total equity (III)		**1,586.25**	**1,538.78**
	Total liabilities and equity (I+II+III)		**4,291.89**	**4,189.53**

The accompanying notes from an integral part of the consolidated financial statements 1 to 50

In terms of our report attached

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

Pallavi A. Gorakshakar
Partner
Membership No.: 105035

Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Consolidated Statement of Profit and Loss
for the year ended March 31, 2021

₹ in Crore

Sr. No.	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I	**INCOME**			
	Revenue from operations			
	Interest income	23	148.19	180.67
	Fees and incentives	24	182.72	208.75
	Net gain on fair value changes	25	52.10	15.18
	Net gain on de-recognition of financial instruments carried at amortised cost	26	-	2.04
	Total Revenue from Operations		**383.01**	**406.64**
II.	**OTHER INCOME**	27	**1.59**	**6.86**
III.	**TOTAL INCOME (I+II)**		**384.60**	**413.50**
IV.	**EXPENSES:**			
	Finance costs	28	265.81	269.39
	Impairment of financial instruments	29	(6.57)	16.75
	Employee Benefits Expenses	30	20.52	19.71
	Depreciation and amortization	12	3.00	3.24
	Operating and other expenses	31	17.55	23.64
	Total expenses		**300.31**	**332.73**
V.	**Profit before Tax (III-IV)**		**84.29**	**80.77**
VI.	**Less: Tax expense**	32		
	Current tax		24.63	47.35
	Deferred tax		(4.79)	(17.24)
	Tax adjustment of earlier years (net)		-	2.98
	Total tax expenses		**19.84**	**33.09**
VII.	**Profit for the year (V-VI)**		**64.45**	**47.68**
VIII.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	-Actuarial gain/(losses) on post-retirement benefit plans		0.12	(0.01)
	- Income tax on the above		0.03	#
	Total other comprehensive income		**0.09**	**(0.01)**
IX.	**Total comprehensive income (VII+VIII)**		**64.54**	**47.67**
X.	**Net profit for the year attributable to:**			
	Owners of parent company		63.66	42.26
	Non-controlling interests		0.79	5.42
XI.	**Other comprehensive Income attributable to:**			
	Owners of parent company		0.09	(0.01)
	Non-controlling interests		-	-
XII.	**Total comprehensive Income attributable to:**			
	Owners of parent company		**63.75**	**42.25**
	Non-controlling interests		**0.79**	**5.42**
XIII.	**Earnings per equity share (Face value of ₹ 10/- each)**	33		
	Basic Earning Per Share (in ₹)		1.60	1.23
	Diluted Earning Per Share (in ₹)		1.60	1.23

The accompanying notes from an integral part of the consolidated financial statements 1 to 50

Denote amount below ₹50,000

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Partner
Membership No.: 105035

Place: Mumbai
Date: April 28, 2021

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Consolidated Statement Of Changes In Equity

As At March 31, 2021

A. EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
Equity Share Capital	344.64	-	344.64	-	344.64

B. OTHER EQUITY

₹ in Crore

Particulars	Securities Premium	Retained earnings	Capital reserves on change in interest without loss of control	Compulsorily Convertible Debentures	Initial Corpus	Impairment Reserve	Stock Option Outstanding	Attributed to owners of the Company	Non-Controlling Interest	Total
Balance at April 1, 2019	**194.34**	**698.10**	**28.15**	**-**	**#**	**-**	**-**	**920.59**	**484.05**	**1,404.64**
Profit for the year	-	42.26	-	-	-	-	-	42.26	5.42	47.68
Addition during the year	-	-	-	-	-	-	-	-	80.00	80.00
Initial Corpus	-	-	-	-	0.01	-	-	0.01	-	0.01
Issued during the year (Refer note 15.5)	-	-	-	142.52	-	-	-	142.52	-	142.52
Loss of control on subsidiaries	-	-	-	-	-	-	-	-	(480.70)	(480.70)
Re-measurement of defined benefit plans	-	(0.01)	-	-	-	-	-	(0.01)	-	(0.01)
Balance at March 31, 2020	**194.34**	**740.35**	**28.15**	**142.52**	**0.01**	**-**	**-**	**1,105.37**	**88.77**	**1,194.14**

Denote amount below ₹50,000

₹ in Crore

Particulars	Securities Premium	Retained earnings	Capital reserves on change in interest without loss of control	Compulsorily Convertible Debentures	Initial Corpus	Impairment Reserve	Stock Option Outstanding	Attributed to owners of the Company	Non-Controlling Interest	Total
Balance at April 1, 2020	**194.34**	**740.35**	**28.15**	**142.52**	**0.01**	**-**	**-**	**1,105.37**	**88.77**	**1,194.14**
Profit for the year	-	63.66	-	-	-	-	-	63.66	0.79	64.45
Redemption of security receipts	-	-	-	-	-	-	-	-	(37.63)	(37.63)
Initial Corpus	-	-	-	-	#	-	-	#	-	#
Share of distribution of income	-	-	-	-	-	-	-	-	(1.78)	(1.78)
Change of controlling interest	-	-	-	-	-	-	-	-	21.18	21.18
ESOP Grant During the year	-	-	-	-	-	-	3.40	3.40	-	3.40
ESOP Deferred employee compensation	-	-	-	-	-	-	(2.24)	(2.24)	-	(2.24)
Impairment reserve (Refer note 22.2)	-	(14.43)	-	-	-	14.43	-	-	-	-
Re-measurement of defined benefit plans	-	0.09	-	-	-	-	-	0.09	-	0.09
Balance at April 31, 2021	**194.34**	**789.67**	**28.15**	**142.52**	**0.01**	**14.43**	**1.16**	**1,170.28**	**71.33**	**1,241.61**

Denote amount below ₹50,000

The accompanying notes from an integral part of the consolidated financial statements 1 to 50

In terms of our report attached

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

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Partner
Membership No.: 105035

Place: Mumbai
Date: April 28, 2021

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Consolidated Statement of cash flow

for the year ended March 31, 2021

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	84.29	80.77
Adjustment for		
Depreciation and amortisation of expenses	3.00	3.24
Interest income on fixed deposits	(1.44)	(6.69)
Interest on debt component of compulsory convertible debenture	5.79	3.85
Gain on sale of Property, Plant and Equipment (PPE)	-	(0.02)
Net (gain) on fair value changes	(52.10)	(15.18)
Interest on lease liability	2.09	2.18
Loss on de-recognition of subsidiary and change in controlling interest	-	0.10
Amortisation of deferred employee compensation (ESOP)	1.16	-
Impairment of financial instruments	(6.57)	16.75
Operating profit before working capital changes	**36.22**	**85.00**
Change in operating assets and liabilities		
(Increase)/ Decrease in security receipts and financial assets of trusts	(99.36)	146.09
(Increase) in trade receivables	(18.45)	(19.25)
(Increase) in long term loans and advances	(98.35)	(46.68)
Decrease/ (Increase) in other financial assets	26.18	(24.96)
(Increase)/Decrease in non-financial assets	(2.55)	0.03
(Increase)/Decrease in other bank balances	(0.15)	0.73
(Decrease)/ Increase in trade payables	(0.65)	9.65
Increase/(Decrease) in financial liabilities	45.96	(148.64)
Increase in non- financial liabilities	5.29	0.59
Increase in provisions	0.23	0.02
Cash (used in)/generated from operations	**(105.63)**	**2.58**
Income tax paid (net)	(32.43)	(88.17)
Net cash (used in) operating activities	**(138.06)**	**(85.59)**
B CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of PPE and Intangible assets	(0.11)	(0.03)
Sale of PPE	-	0.04
Interest Income	1.44	6.69
Net cash generated from investment activities	**1.33**	**6.70**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of CCD	-	200.24
Repayment of debt component of Compulsory Convertible Debenture (including interest)	(21.92)	-
Proceeds from debt securities	213.07	938.19
Repayment of debt securities	(1,056.15)	(1,039.34)
Repayment of lease liabilities (including interest)	(3.33)	(3.15)
Proceeds from borrowing	2,233.10	375.00
Repayment of borrowing	(1,362.22)	(286.74)
Net cash generated from financing activities	**2.55**	**184.20**
Net (decrease)/ increase in cash and cash equivalents	**(134.18)**	**105.31**
Effect of loss of control in subsidiary	-	(0.06)
Cash and cash equivalents at the beginning of the financial year	266.67	161.42
Cash and cash equivalents at the end of the financial year	**132.49**	**266.67**

Denote amount below ₹50,000

The accompanying notes from an integral part of the consolidated financial statements 1 to 50

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Partner
Membership No.: 105035

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Place: Mumbai
Date: April 28, 2021

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

1 Corporate Information

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

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

2. Significant Accounting Policies

2.1 Statement of Compliance

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

2.2 Basis of Preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

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

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

The principal accounting policies are set out below.

2.3 Basis of Consolidation

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

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

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

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

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

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

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

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

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

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

2.4 Associates

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

2.5 Property, plant and equipment and Intangible Assets

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

"Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and recognises depreciation of the right-of-use asset. The cost of the right-of-use asset shall comprise of:

a) the amount of the initial measurement of the lease liability which is the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease;

b) any lease payments made at or before the commencement date, less any lease incentives received;

c) any initial direct costs incurred by the lessee; and

d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

(Also refer to policy on leases, borrowing costs and impairment of assets below).

Depreciation / amortization is recognized on a straight-line basis over the estimated useful lives of respective assets as under:

Tangible assets	Useful Life
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Leasehold improvements	10 years or lease period whichever is lower
Intangible Assets	**Useful Life**
Computer Software	5 years

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

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

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

Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”. Intangible assets are amortized on straight line basis over the estimated useful life of 5 years. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized as profit or loss when the asset is derecognized.

Impairment losses on non-financial assets

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

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

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

2.6 Revenue Recognition

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

(a) Each party’s enforceable rights regarding the service to be provided and received by the parties;

(b) The consideration to be exchanged; and

(c) The manner and terms of agreements or offer documents.

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

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

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

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

2.7 Leasing

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

The Group as a lessee

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,

b) the right to obtain substantially all the economic benefits from use of the identified asset, and

c) the right to direct the use of the identified asset.

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the Straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

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

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

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

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

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

The Group as a lessor

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

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

2.8 Foreign currency translation

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

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

2.9 Borrowing costs

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

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

2.10 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

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

Defined Benefit Obligation

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

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

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

Short-term employee benefits

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

Other long-term employee benefits

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

2.11 Income Tax

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

Current Tax

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

Deferred tax

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

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

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

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

2.12 Goods and Services Input Tax Credit

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

2.13 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

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

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

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

Contingent liability is disclosed in case of:

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

Contingent Assets:

Contingent assets are not recognized in the financial statements.

2.14 Commitments

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

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

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

2.15 Statement of Cash Flows

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

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

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

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.17 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the Group becomes the party to the contractual provisions of the instruments.

Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

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

Subsequent Measurement of Financial Assets

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

Interest income

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

Classification of Financial Assets:

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

Debt instruments at amortised cost or at FVTOCI

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

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

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

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

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

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

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

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

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

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

Reclassifications

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

Impairment of financial assets:

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

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categories its loans into Stage 1, Stage 2 and Stage 3, as described below:

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

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

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

De-recognition of financial assets

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

Where the entity has transferred an assets, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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

Write off

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

De-recognition of financial liabilities

The Group de-recognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognized in profit or loss.

2.18 Earnings Per Share

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

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

2.19 Share-based payment arrangements

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

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

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

3 Critical accounting judgments and key sources of estimation uncertainty

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

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

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

Fair value measurement and valuation processes

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

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. The Group engages third party external rating agencies to perform the valuations. The Management works closely with the qualified external rating agencies to establish the appropriate valuation techniques and inputs to the model.

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

Consolidation of trusts under distressed credit business

The Group's shareholding in security receipts of certain trusts formed in respect of distressed credit business is less than 50% and are being consolidated as subsidiaries, based on the management evaluation of right to variable returns determined on the basis of expected cash flow in form of management fees, recovery incentives, upside income and investment and priority on said cash flow determined that the Group has a control over these Trusts in terms of Ind AS 110- Consolidated Financial Statements.

4 Cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
-In current accounts	114.32	14.16
-In Deposit accounts (Refer note 4.1)	18.17	252.51
Total	**132.49**	**266.67**

4.1 Balance in deposit accounts carrying fixed rate interest with period ranging 1 days to 364 days (Previous year: period ranging 1 days to 276 days).

5 Other bank balances

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balance with banks:		
- In current account (refer note 5.1)	0.76	0.76
- In deposit account (refer note 5.2)	0.15	-
Total	**0.91**	**0.76**

5.1 Current account marked as ‘no debit’ status by bank.

5.2 Balance in deposit accounts carry fixed rate of interest and are for period up to 15 months and have lien against bank guarantees obtained by the Group.

6 Trade receivables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Unsecured, considered good: Trade receivables	184.77	166.32
Less: Impairment loss allowance (Refer note 44)	(13.30)	(12.58)
Total	**171.47**	**153.74**

7 Loans

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Loans secured by tangible assets	550.85	504.54
Interest accrued	97.43	45.39
Total	648.28	549.93
Less: Impairment loss allowance (Refer note 44)	(22.95)	(24.00)
Total	**625.33**	**525.93**

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

8 Investments

(At FVTPL)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Quoted:		
Equity instruments:		
70,07,709 of equity shares of Nitco Limited of ₹ 10/- each fully paid up	13.35	8.83
Unquoted:		
a) Security receipts of trusts held in distressed credit business (Refer notes below)	1,026.18	1,155.39
Total	**1,039.53**	**1,164.22**

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

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

8.3 **Commitments:**

In respect of two trust, the Group has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts on or before September 29, 2021. Security receipts outstanding as at March 31, 2021 is ₹ 66.29 crore (Previous year: ₹ 66.29 crore).

9 Other Financial assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets under Distressed Credit Business (carried at FVTPL)	2,222.82	1,965.16
Recoverable from trusts	34.00	59.65
Interest receivable	#	0.65
Security deposits:		
-To Related parties	1.34	1.22
-To Others	4.20	4.20
Total	2,262.36	2,030.88
Less: Impairment loss allowance on recoverable from trusts (Refer note 44)	(8.48)	(14.72)
Total	**2,253.88**	**2,016.16**

10 Current Tax Assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax (net of provision for taxes)	28.34	26.79
Total	**28.34**	**26.79**

11 Deferred tax liability/(asset)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Measurement of Financial instruments at fair value	(1.04)	5.66
Impairment of financial instruments	(11.34)	(12.49)
Difference between books and tax Written down value of PPE	(0.38)	(0.39)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(2.43)	(2.95)
Total	**(15.19)**	**(10.17)**

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

For the year ended March 31, 2021

₹ in crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in Other Equity*	Recognised in OCI	Closing balance
a) Measurement of fin. instruments at fair value	5.66	(6.44)	(0.26)	-	(1.04)
b) Impairment on financial instruments	(12.49)	1.15	-	-	(11.34)
c) Difference between books and tax WDV of PPE	(0.39)	0.01	-	-	(0.38)
d) Others	(2.95)	0.49	-	0.03	(2.43)
Total- DTL/ (DTA)	**(10.17)**	**(4.79)**	**(0.26)**	**0.03**	**(15.19)**

For the year ended March 31, 2020

₹ in crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in Other Equity*	Recognised in OCI	Closing balance
a) Measurement of fin. instruments at fair value	23.00	(17.11)	(0.23)	-	5.66
b) Impairment on financial instruments	(10.14)	(2.35)	-	-	(12.49)
c) Difference between books and tax WDV of PPE	(0.46)	0.07	-	-	(0.39)
d) Others	(5.10)	2.15	-	#	(2.95)
Total- DTL/ (DTA)	**7.30**	**(17.24)**	**(0.23)**	**#**	**(10.17)**

Denote amount below ₹ 50,000

* represent deferred tax on gain/ losses on loss of control/ change in controlling interest of subsidiaries recognized in Other Equity.

12 Property, Plant and Equipment:

As at March 31, 2021:

Tangible Assets:

₹ in crore

Description	Gross block				Accumulated depreciation				Net block
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Charge for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Owned Assets:									
Freehold Land (Refer note 12.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and fixtures	0.02	-	-	0.02	0.01	#	-	0.01	0.01
Office equipment	0.11	-	-	0.11	0.08	0.01	-	0.09	0.02
Computers	0.55	0.05	-	0.60	0.45	0.11	-	0.56	0.04
Leasehold improvements	1.84	-	-	1.84	1.24	0.10	-	1.34	0.50
Leased Assets:									
Office premises (Right to use asset – refer note 34)	24.81	-	-	24.81	2.59	2.65	-	5.24	19.57
Vehicles (Refer note 12.2)	0.47	-	-	0.47	0.26	0.08	-	0.34	0.13
Total	**27.83**	**0.05**	**-**	**27.88**	**4.63**	**2.95**	**-**	**7.58**	**20.30**

Intangible Assets:

₹ in crore

Description	Gross block				Accumulated depreciation				Net block
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Charge for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Software (Refer note 12.3)	0.38	0.06	-	0.44	0.31	0.05	-	0.36	0.08
Total	**0.38**	**0.06**	**-**	**0.44**	**0.31**	**0.05**	**-**	**0.36**	**0.08**

 # Denote amount below ₹ 50,000

Notes:

12.1 Mortgaged as security against secured non-convertible debentures.

12.2 Vendor have a lien over assets taken on lease.

12.3 The Intangible assets are other than internally generated.

As at March 31, 2020:

Tangible Assets:

₹ in crore

Description	Gross block				Accumulated depreciation				Net block
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	Charge for the year	Deductions	As at March 31, 2020	As at March 31, 2020
Owned Assets									
Freehold Land (Refer note 12.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and fixtures	0.02	#	#	0.02	0.01	#	#	0.01	0.01
Office equipment	0.18	#	(0.07)	0.11	0.10	0.04	(0.06)	0.08	0.03
Computers	0.55	-	-	0.55	0.31	0.14	-	0.45	0.10
Leasehold improvements	1.89	0.02	(0.07)	1.84	1.01	0.29	(0.06)	1.24	0.60
Leased Assets									
Office premises (Right to used asset – refer note 34)	-	24.81	-	24.81	-	2.59	-	2.59	22.22
Vehicles (Refer note 12.2)	0.47	-	-	0.47	0.16	0.10	-	0.26	0.21
Total	**3.14**	**24.83**	**(0.14)**	**27.83**	**1.59**	**3.16**	**(0.12)**	**4.63**	**23.20**

Intangible Assets:

₹ in crore

Description	Gross block				Accumulated depreciation				Net block
	As at April 01, 2019	Additions	Deductions	As at March 31, 2020	As at April 01, 2019	Charge for the year	Deductions	As at March 31, 2020	As at March 31, 2020
Software (Refer note 12.3)	0.37	0.01	-	0.38	0.23	0.08	-	0.31	0.07
Total	**0.37**	**0.01**	**-**	**0.38**	**0.23**	**0.08**	**-**	**0.31**	**0.07**

 # Denote amount below ₹ 50,000

Notes

12.1 Mortgaged as security against secured non-convertible debentures.

12.2 Vendor have a lien over assets taken on lease.

12.3 The Intangible assets are other than internally generated

13 Other non-financial assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	2.84	1.19
Balances with Government Authorities	1.48	0.54
Other non-financial Assets	0.05	0.09
Total	**4.37**	**1.82**

14 Trade Payables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payable		
Payables to micro and small enterprises (Refer note 14.1)	0.15	0.08
Payables other than micro and small enterprises	2.00	2.72
Total	**2.15**	**2.80**

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	0.15	0.08
(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	**0.15**	**0.08**

15 Debt Securities

(Within India)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Secured		
Non-Convertible Debentures (Refer note 15.1 and 15.2)	849.84	1,799.31
Add: Premium/ interest accrued	165.97	198.68
Total Secured	**1,015.81**	**1,997.99**
Unsecured		
Compulsory Convertible Debentures (Refer note 15.5)	39.63	56.41
Add: Interest accrued	2.70	3.85
Total	42.33	60.26
Commercial papers (Refer note 15.3 and 15.4)	150.00	-
Less: Unamortised interest	(10.90)	-
Total	139.10	-
Total Unsecured	**181.43**	**60.26**
Total	**1,197.24**	**2,058.25**

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

15.2 Maturity profile and rate of interest of NCDs:

₹ in crore

Particulars		As at March 31, 2021	As at March 31, 2020
9.50%	Tranche V NCD redeemable in the year 2020-21*	-	139.00
9.30%	Tranche IX NCD redeemable in year 2020-21*	-	28.50
9.15 %	Tranche XII NCD redeemable in year 2020-21*	-	14.70
9.25%	Tranche XIV - Option A redeemable in the year 2020-21*	-	26.70
9.35%	Tranche XIV - Option B redeemable in the year 2021-22*	14.00	14.00
8.75%	Tranche XV redeemable in the year 2020-21@	-	25.00
9.5%	Tranche XVI redeemable in the year 2021-22*	21.00	21.00
9.75%	Tranche XVII redeemable in the year 2021-22*	5.00	5.00
9.8%	Tranche XVIII redeemable in the year 2021-22*	28.00	28.00
9.8%	Tranche XIX redeemable in the year 2021-22*	19.00	19.00
10.25%	Tranche XX - Option A redeemable in the year 2021-22*	50.00	50.00
10.2%	Tranche XX - Option B redeemable in the year 2021-22*	10.00	10.00
9.5%	Tranche XXI - Option A redeemable in the year 2020-21@	-	25.00
10.25%	Tranche XXI - Option B redeemable in the year 2021-22*	130.00	130.00
10.25%	Tranche XXI - Option C redeemable in the year 2021-22*	11.50	11.50
10.25%	Tranche XXII - Option A redeemable in the year 2021-22*	20.00	20.00
10.25%	Tranche XXII - Option B redeemable in the year 2021-22	25.00	25.00
10.25%	Tranche XXII - Option C redeemable in the year 2021-22*	19.50	19.50
10.25%	Tranche XXII - Option D redeemable in the year 2021-22*	100.00	100.00
10.48%	Tranche XXIII redeemable in the year 2022-23*	50.00	50.00
10.38%	Tranche XXIV - Option A redeemable in the year 2021-22*	20.00	20.00
10.38%	Tranche XXIV - Option B redeemable in the year 2021-22*	10.00	10.00
11%	Tranche XXV redeemable in the year 2020-21@	-	25.00
11.5%	Tranche XXVI - Option A redeemable in the year 2021-22^	-	150.00
11.5%	Tranche XXVI - Option B redeemable in the year 2022-23^	148.00	150.00
10%	Tranche XXVII redeemable in the year 2020-21@	-	50.00
10%	Tranche XXVIII redeemable in the year 2020-21@	-	50.00
12.40%	Tranche XXIX-Option A redeemable in the year 2021-22^	-	100.00
12.40%	Tranche XXIX-Option B redeemable in the year 2021-22^	-	250.00
12.50%	Tranche XXIX-Option C redeemable in the year 2022-23^	-	150.00
10%	Tranche XXX redeemable in the year 2021-22@	100.00	100.00
8.5%	Tranche XXXI redeemable in the year 2022-23@	75.00	-
Total		**856.00**	**1,816.90**

Note :

@ The interest is linked to IGB 6.45 Government Securities of 10 years.

* Redeemable at premium

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

Maturity profile above is disclosed at face value which excludes cumulative premium amounting to ₹ 0.33 crore (2019-20: ₹ 0.59 crore),cumulative discount of ₹ 3.99 crore (2019-20: ₹ 14.49 crore) and cumulative impact of effective interest rate adjustment amounting to ₹ 2.50 crore (2019-20: ₹ 3.69 crore).

15.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 150 crore (Previous year: ₹ 630 crore).

15.4 Interest rate of commercial paper is 7.88% p.a. (Previous year: interest range between 9.20% to 9.88% p.a.).

15.5 During the financial year 2019-20, the group has issued Compulsory Convertible Debentures aggregating ₹ 200.24 crore out of which ₹ 56.41 crore (net of TDS) has recognised as debt component and balance ₹ 142.52 crore as equity in accordance with Ind AS 32

16 Borrowings (Other than Debt securities)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortized cost		
Secured		
Term loans from (Refer note 16.1 and 16.2)		
(a) Banks	220.00	137.38
(b) Others	150.00	125.00
Add: Interest accrued	0.15	7.47
	370.15	**269.85**
Other loans from banks as (Refer note 16.3)		
(a) Working capital demand loans	36.00	-
(b) Cash credit facilities	138.12	112.20
Add: Interest accrued	0.18	0.36
	174.30	**112.56**
Finance lease obligation (Refer note 16.4)	0.14	0.20
Unsecured		
Inter corporate deposits (Refer note 16.5)		
(a) From related party (Refer note 41)	431.10	-
(a) From others	394.00	125.00
Add : Interest accrued	9.41	0.61
	834.51	**125.61**
Total	**1,379.10**	**508.22**

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

16.2 Maturity profile and rate of interest of term loans:

₹ in crore

Residual Maturities	Interest range from			
	8% to 9%	9% to 10%	10% to 11%	12% to 13%
As at March 31, 2021:				
Up to one year (April- 21 to March- 22)	-	51.05	-	-
Up to 1-3 years (April- 22 to March- 24)	-	138.00	150.00	-
3 years and above (April- 24 onwards)	-	30.95	-	-
Total	**-**	**220.00**	**150.00**	**-**
As at March 31, 2020:				
Up to one year (April- 20 to March- 21)	20.00	107.54	32.84	-
Up to 1-3 years (April- 21 to March- 23)	-	10.00	17.00	75.00
3 years and above (April- 23 onwards)	-	-	-	-
Total	**20.00**	**117.54**	**49.84**	**75.00**

Notes:

i) Maturity profile shown excluding effective interest rate impact amounting to ₹ 0.15 crore (2019-20: ₹ 7.47 crore)

ii) The rate of interest of above term loans are linked with MCLR/ base rate of banks and subject to change from time to time. Classification of term loans based on interest rates has been done on interest rate prevalent as on the relevant reporting period ends.

16.3 Other loans from banks in the nature of working capital demand and cash credit facilities are secured by way of pledge of certain identified security receipts.
16.4 Finance lease obligations are secured by way of hypothecation of vehicles.
16.5 Inter corporate deposits taken from related party are repayable on call and taken from others are for 345-544 days.
16.6 All borrowings are made within India.

17 Other financial liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits payable	10.50	12.06
Amount collected on behalf of trust	29.05	17.49
Lease liability (Refer note 34)	20.97	22.21
Provision for CSR Expenditure	4.10	-
Undistributed collection in trusts	44.12	12.38
Others	0.51	0.51
Total	**109.25**	**64.65**

18 Current Tax Liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for taxes (net of advance tax)	-	6.25
Total	**-**	**6.25**

19 Provisions

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
- Gratuity (Refer note 40)	1.50	1.34
- Compensated absence	0.73	0.66
Total	**2.23**	**2.00**

20 Other Non-Financial Liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	12.17	6.11
Other	3.50	2.47
Total	**15.67**	**8.58**

21 Share Capital

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
1,85,00,00,000 Equity Shares of ₹ 10/- each		
(As at March 31, 2020: 185,00,00,000)	1,850.00	1,850.00
15,00,00,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
	2,000.00	**2,000.00**
Issued, Subscribed and Paid-up		
34,46,42,857 Equity shares of ₹ 10/- each fully paid-up	344.64	344.64
(As at March 31, 2020: 34,46,42,857)		
Total	**344.64**	**344.64**

21.1 Terms and rights

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

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

21.2 Reconciliation of number of shares

	Equity Shares	
Particulars	As at March 31, 2021	As at March 31, 2020
Shares outstanding at the beginning of the year	34,46,42,857	34,46,42,857
Shares issued during the year	-	-
Shares outstanding at the end of the year	34,46,42,857	34,46,42,857

21.3 Details of shareholding more than 5%

₹ in crore

	As at March 31, 2021		As at March 31, 2020	
Particulars	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:				
JM Financial Limited	20,41,97,279	59.25%	20,41,97,279	59.25%
Mr. Narotam S Sekhsaria	5,68,66,072	16.50%	5,68,66,072	16.50%
Indian Overseas Bank	2,10,00,000	6.09%	2,10,00,000	6.09%
Valiant Maurtius Partners FDI Ltd	2,90,28,911	8.42%	2,90,28,911	8.42%

22 Other Equity

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Reserve and surplus:		
Securities Premium Reserve	194.34	194.34
Capital reserve on change in interest without loss of control	28.15	28.15
Retained earnings	789.67	740.35
Equity component of Compulsory convertible debenture (Refer note 15.5)	142.52	142.52
Employee Stock option outstanding	1.16	-
Impairment reserve (Refer note 22.2)	14.43	-
Initial Corpus	0.01	0.01
Total	**1,170.28**	**1,105.37**

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

22.1 Nature of each reserves:

a) 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.

b) Capital reserve on acquisitions/ disposals represents reserves created on acquisition / disposal of subsidiaries without loss of control.

c) Retained earnings are the profits that the Group has earned till date less any transfers to general reserve, statutory reserve, impairment reserve, dividends or other distributions to the shareholders.

d) Initial corpus is corpus contributed by Group for setting up of a Trust under SARFAESI Act for acquisition of account under distressed credit business.

e) 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 39.2).

f) Impairment 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 March 13, 2020 on Implementation of Indian Accounting Standards.

22.2 During the year, Impairment Reserve has been created in accordance with Income Recognition, Asset Classification and Provisioning (IRACP) provided under RBI /2019-20/ 170 DOR (NBFC). CC. PD. No. 109/ 22.10.106/2019-20 dated March 13, 2020.

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”.

The loan accounts aggregating ₹ 203.73 Crore belonging to the said borrower group have outstanding interest which has not been serviced for more than 180 days. Notwithstanding the days past due, these loan accounts are continued to be classified as Standard assets, considering the aforesaid orders issued by the Honorable Supreme Court. However, Group has made the provision amounting to ₹ 20.37 Crore for these loan accounts as required under the extant RBI guidelines for Non-Performing Advances out of which, ₹ 14.43 Crore is made by transfer to the impairment reserve.

23 Interest Income

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income:		
On loans (at amortized cost)	128.79	112.40
On financial instruments (at FVTPL)	-	66.89
On others (at FVTPL)	19.40	1.38
Total	**148.19**	**180.67**

24 Fees and Incentives

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Management and restructuring fees	172.49	203.60
Recovery incentives fees	10.23	5.15
Total	**182.72**	**208.75**

25 Net Gain on fair value changes

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On financial instruments designated at FVTPL:		
Equity instruments	4.52	(18.86)
Security receipts and financial assets	47.58	34.04
Total	**52.10**	**15.18**

25.1 Investment in security receipts of face value of ₹ 1.59 crore (Previous year ₹ Nil) for one trust written off during the year.

25.2 Net Gain on fair value changes:

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Realised Gain	83.71	65.43
Unrealised Loss	(31.61)	(50.25)
Total	**52.10**	**15.18**

26 Net gain on de-recognition of financial instruments carried at amortised cost

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net gain on de-recognition of financial instruments carried at amortised cost	-	2.04
Total	**-**	**2.04**

27 Other Income

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on fixed deposit (at amortised cost)	1.44	6.69
Other interest income	0.12	0.11
Miscellaneous income	0.03	0.06
Total	**1.59**	**6.86**

28 Finance Costs

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
At amortized cost:		
Debt securities	176.46	215.17
Borrowings (other than debt securities)	84.81	44.98
Others	4.54	9.24
Total	**265.81**	**269.39**

28.1 Above interest on debt securities includes interest on compulsory convertible debentures of ₹ 5.79 crore (Previous year: ₹ 3.85 crore).

28.2 Interest on others includes interest on lease obligations of ₹ 2.09 crore (Previous year: ₹ 2.18 crore).

29 Impairment of Financial Instruments

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
At amortized cost:		
Loans	(1.05)	6.46
Trade receivables	0.72	7.32
Advances	(6.24)	2.97
Total	**(6.57)**	**16.75**

30 Employee benefits

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, bonus and other allowances	19.45	18.47
Contribution to provident and other funds (Refer note 40)	0.79	0.84
Gratuity (Refer note 40)	0.28	0.30
Staff welfare expenses	#	0.10
Total	**20.52**	**19.71**

Denote amount below ₹ 50,000

31 Other Expenses

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rate & Taxes	1.22	2.72
Legal & professional fees	5.70	4.44
Lease rentals (Refer note 34)	0.08	0.40
Donation	4.65	4.10
Support service charges	2.16	2.16
Manpower expenses	0.49	0.66
Director's commission & sitting fees	0.69	0.72
Travelling expenses	0.07	0.39
Repairs & Maintenance	0.04	0.06
Auditors remuneration (Refer note 31.1)	0.16	0.14
Insurance expenses	0.18	4.30
Electricity expenses	0.15	0.23
Demat charges	0.20	0.04
Conveyance expense	0.05	0.11
Car hire charges	#	0.02
Miscellaneous expenses	1.71	3.15
Total	**17.55**	**23.64**

Denote amount below ₹ 50,000

31.1 Payment to Auditors (Excluding Goods & Service tax)

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- Audit fees	0.12	0.09
- In any other matters (certification, limited reviews, etc.)	0.04	0.04
- Out of pocket expenses	-	0.01
Total	**0.16**	**0.14**

32 Income Tax

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	24.63	47.35
Tax adjustment in respect of earlier years	-	2.98
Deferred tax	(4.79)	(17.24)
Total income tax expenses recognised in the current year	**19.84**	**33.09**
Income tax expense recognised in other comprehensive income	0.03	#
Total income tax expenses	**19.87**	**33.09**

Denote amount below ₹ 50,000

32.1 Reconciliation of total tax charge

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year	84.29	80.77
Income tax rate	25.17%	25.17%
Income tax expense	21.22	20.33
Tax Effect of:		
Effect of non-deductible expenses	1.11	1.03
Effect of unrecognised deferred tax (net)	(1.14)	6.11
Deferred tax on Re-measurement of employee defined benefit obligation	0.03	#
Earlier year tax adjustment	-	2.98
Effect of rate change (refer note below)	-	2.64
Others	(1.35)	-
Income tax expense recognised in profit and loss	**19.87**	**33.09**

Denote amount below ₹ 50,000

Note:

The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay corporate tax at reduced rate effective 1st April 2019, subject to certain conditions. The company has availed the option of reduced rate which has resulted in deferred tax of ₹ 2.64 crore on account of reversal of opening balance of deferred tax assets.

33 Earnings per share

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

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Profit for the year attributable to equity shareholders	63.66	42.26
- Basic EPS (₹ in Cr.)		
b) Add: Interest on compulsory convertible debentures (₹ in Cr.)	-	3.85
c) Profit for the year attributable to equity shareholders-	63.66	46.11
- Diluted EPS (₹ in Cr.)		
d) Weighted average number of equity shares outstanding (Nos.)	34,46,42,857	34,46,42,857
e) Add: Employee stock option scheme (ESOS) **	-	-
f) Add: Conversion of compulsory convertible debenture (Nos.)	5,36,82,680	2,95,62,243
g) Weighted average number of equity shares outstanding (Nos.)	39,83,25,537	37,42,05,100
Basic earnings per share (₹)	1.60	1.23
Dilutive earning per share (₹)*	1.60	1.23
Nominal value per share (₹)	10.00	10.00

* Previous year- Antidilutive and therefore restricted to basic earning per share.
** Shares issued under ESOS are anti-dilutive and therefore considered as Nil.

34 Lease Transactions:

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2021:

₹ in crore

Category of ROU asset	Gross Block				Accumulated Depreciation				Net block
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Premises	24.81	-	-	24.81	2.59	2.65	-	5.24	19.57

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2020:

₹ in crore

Category of ROU asset	Gross Block				Accumulated Depreciation				Net block
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deductions	As at March 31, 2020	As at March 31, 2020
Premises	-	24.81	-	24.81	-	2.59	-	2.59	22.22

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	22.21	22.51
Additions during the year	-	0.67
Finance cost during the year	2.04	2.11
Payment of lease liabilities	(3.28)	(3.08)
Closing balance	**20.97**	**22.21**

Table showing contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis:

On Office Premises:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	3.45	3.28
Later than one year and not later than five years	14.87	14.47
Later than five years	11.88	15.73

On Motor Vehicle

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	0.09	0.11
Later than one year and not later than five years	0.07	0.15
Later than five years	-	-
Total Finance lease commitment (on an undiscounted basis)	**0.16**	**0.26**

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

35 Foreign Currency Exposure and Un-hedged Foreign Currency Exposure

Sr. No.	Particulars	Amount in foreign Currency (Equivalent to USD in Million)	Amount in INR (₹ in crore)
I.	Details of Foreign Currency Exposure		
	(A) Receivables	NIL	NIL
	(i) Export of goods		
	(ii) Services Rendered / Other Income		
	(B) Payables	NIL	NIL
	(i) Import of Goods		
	(ii) Services utilised / Other Expenses		
	(C) Non-Trade Items	NIL	NIL
	(i) Foreign Currency Loans (ECBs, FCTLs, etc.)		
	(a) Principal Payments		
	(b) Interest		
	(ii) Foreign Currency Investments		
	Total Foreign Currency Exposure	**NIL**	**NIL**
II.	**Details of Hedgings**		
	(A) Natural Hedges	NIL	NIL
	(B) Financial Hedges	NIL	NIL
	(i) Forward Contracts Booked:		
	(a) For Export and other Receivables		
	(b) For Import and other Payables		
	(ii) Swaps		
	(a) Principal amount Swaps		
	(b) Interest Rate Swaps		
	(iii) Other Financial Derivative Hedging Instruments		
	Total Hedging of Foreign Currency Exposure	NIL	NIL
III.	**Amount of Unhedged Foreign Currency Exposure**	NIL	NIL
IV.	**Realised/ Recognised Amount of Foreign Currency Loss / Gain**	NIL	NIL
V.	**EBID**		333.34
VI.	**Total Banking Exposure of the company**		
	(i) Term Loans Exposure (Outstanding amounts + Undisbursed)		220.00
	(ii) Working Capital Exposure (Limit sanctioned and accepted)		175.00

Notes:

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.

36 Corporate Social Responsibility

Details of expenses towards corporate social responsibility as per Section 135 of the Act, 2013 read with schedule VII there to:

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spent by the Group during the year	4.40	3.85
b) Amount spent	0.30	3.85
Amount provided for on-going projects	4.10	-
Total	**4.40**	**3.85**
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.40	3.85
Total	**4.40**	**3.85**

37 Segment Reporting

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

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

38 Impact of COVID-19 pandemic

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.

Given the uncertainty over the potential macro-economic impact and the external regulatory developments, the Group's management has considered internal and external information up to the date of approval of these consolidated financial statements / results. The Group has based on current available information, estimated impact on the cash flows in respect of the financial assets and also applied management overlays as per the policy approved by the Board of Directors for the purpose of determination of fair value of the financial assets and determination of impairment of loans carried at amortised cost. Accordingly, the fair value of the financial assets and provision for expected credit loss on loans given to entities covered under the resolution plan recognized as at March 31, 2021 is after considering the potential impact on account the pandemic. Based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these financial assets.

In addition, while assessing the liquidity situation, the Group has taken into consideration certain assumptions with respect to the expected realisation of the financial assets and the expected source of funds, based on its past experience which have been adjusted for the current events.

The extent to which the pandemic including the current "second wave", that has significantly increased the number of cases in India will continue to impact the Group's consolidated financial statements will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition, the impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these consolidated financial statements. The Group will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future periods.

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 16, 2016	122,397	Stock Options
April 12, 2018	88,236	Stock Options

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

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

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

	Number of outstanding options	
Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	58,824	1,29,035
Granted during the year	-	-
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/forfeited during the year	-	-
Exercised during the year	-	(70,211)
Outstanding at the end of the year	58,824	58,824
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.13 crore (Previous year: ₹ 0.33 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 financial year 2020-21, the Nomination and Remuneration Committee has granted 15,81,444 options (previous year Nil) at an exercise price of ₹ 28.46 per option to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	-	-
Add: Granted during the year	1,581,444	-
Less: Exercised and shares allotted during the year	-	-
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	-	-
Less: Lapsed during the year	-	-
Outstanding at end of the year	1,581,444	-
Exercisable at end of the year	-	-

The Group follows fair value method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Details of options granted during the current and previous financial year based on the graded vesting and fair value of the options are as under:

Tranches	% of Options to be vested	No. of options granted		Vesting date		Fair value per option (₹)	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche 1	33.33%	527,148	-	16/04/22	-	19.79	-
Tranche 2	33.33%	527,148	-	16/04/23	-	21.58	-
Tranche 3	33.34%	527,148	-	16/04/24	-	23.08	-

The following table summarizes the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)		Risk-free interest rate		Volatility		Dividend Yield	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche 1	3.50	-	5.59%	-	0.5160	-	-	-
Tranche 2	4.50	-	6.16%	-	0.5005	-	-	-
Tranche 3	5.50	-	6.51%	-	0.4870	-	-	-

* Dividend Yield is Nil as the Company has not declared and paid any dividend in previous years and no dividend is expected to be paid.

Details of options granted

Particulars	Options
Grant date	16-04-2020
Options granted	15,81,444
Options exercised till March 31, 2021	-
Options forfeited/cancelled till March 31, 2021	-
Options lapsed till March 31, 2021	-
Outstanding at end of year	15,81,444
Exercisable at end of year	-
Vesting 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
Exercise price	₹ 28.46
Pricing formula	As was determined by the Nomination and Remuneration Committee
Grant date	16-04-2020

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 1.16 crore (Previous year: ₹ Nil).

40 Employee Benefits

a) Defined contribution plans

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

The Group's contribution to Provident Fund aggregating ₹ 0.69 crore (Previous year ₹ 0.74 crore) has been recognized in the Statement of Profit and Loss under the head Employee Benefits Expense.

b) Defined benefit obligation

The Group's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the Group, which results in a higher liability for the Group and is therefore a plan risk for the Group.

The principal assumptions used for the purposes of the actuarial valuations:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	6.80%
Expected rate of salary increase	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2012-14) Ult table.

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	0.19	0.21
Past service cost	-	-
Net interest cost	0.09	0.09
Components of defined benefits recognised in profit or loss	**0.28**	**0.30**
Re-measurements on the net defined benefit liability:		
- Return on plan assets, excl. amount included in interest exp. (income)	-	-
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.01)	0.10
- Actuarial (gain)/loss from change in experience adjustments	(0.11)	(0.09)
Total amount recognised in OCI	**(0.12)**	**0.01**
Total	**0.16**	**0.31**

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

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	1.50	1.34
Fair value of plan assets	-	-
Net asset arising from defined benefit obligation	**1.50**	**1.34**

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	1.34	1.21
Current service cost	0.19	0.21
Interest cost	0.09	0.09
Past service cost	-	-
Re-measurements (gains)/losses:	-	-
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.01)	0.10
- Actuarial (gain)/loss from change in experience adjustments	(0.11)	(0.09)
Benefits paid	-	(0.18)
Closing defined benefit obligation	**1.50**	**1.34**

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	-	-
Employer contribution	-	0.18
Interest on plan assets	-	-
Administrative Expenses	-	-
Re-measurement due to :		
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	-	(0.18)
Asset acquired/(settled)	-	-
Asset distributed on settlements	-	-

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation (base)	1.50	1.34

₹ in crore

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.43	1.54	1.27	1.41
Impact of increase in 50 bps on DBO	-4.63%	3.02%	(4.86%)	5.25%
Defined benefit obligation on decrease in 50 bps	1.57	1.45	1.41	1.27
Impact of decrease in 50 bps on DBO	5.03%	-2.92%	5.29%	4.88%

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

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognized in the balance sheet.

Projected benefits payable:

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected benefits for year 1	0.07	0.06
Expected benefits for year 2	0.07	0.06
Expected benefits for year 3	0.25	0.06
Expected benefits for year 4	0.24	0.24
Expected benefits for year 5	0.06	0.23
Expected benefits for year 6	0.11	0.05
Expected benefits for year 7	0.19	0.09
Expected benefits for year 8	0.05	0.17
Expected benefits for year 9	0.20	0.05
Expected benefits for year 10 and above	2.26	2.20

Compensated absences

As per Group's policy, provision of ₹ 0.73 crore (Previous year ₹ 0.66 crore) has been made towards compensated absences, calculated on the basis of unutilized leave as on the last day of the financial year.

c) Code on Social Security, 2020

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

41. Disclosure of related party

a) Name and relationship with related parties:

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

Ultimate holding company

JM Financial Limited

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

A) Ultimate holding company

JM Financial Limited

B) Fellow Subsidiaries

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

C) Key managerial personnel

Mr. Anil Bhatia - Chief Executive Officer (Managing Director till November 8, 2019)

Non-Executive Directors

Mr. V. P. Shetty- Chairman
Mr. Narotam Sekhsaria
Mr. Pulkit Sekhsaria
Mr. Adi Patel
Mr. Vishal Kampani (appointed as Nominee Director with effect from November 8, 2019)

Independent Directors

Ms. Rupa Vora
Dr. Vijay Kelkar
Mr. Ameet Desai
Mr. Satish Chand Mathur (appointed as director with effect from April 15, 2019)
Mr. G M Ramamurthy (Ceased to be director with effect from March 31, 2020)

D) Entity controlled or jointly controlled by key management personnel of a parent of the reporting entity

J.M. Financial & Investment Consultancy Services Private Limited (with effect from November 8, 2019)

b) Transactions with related parties:

₹ in crore

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
JM Financial Limited (JMFL)	(A)		
Inter Corporate Deposit taken		515.00	40.00
Inter Corporate Deposit paid		163.00	40.00
Interest on Inter Corporate Deposits		15.92	0.08
Rating Support Fees		2.24	2.98
Support Service Charges		1.98	1.98
Recovery of Expense		0.22	0.11
Reimbursement of Expenses		0.02	0.04
ESOP Charges		0.13	0.33
Issue of Compulsory Convertible Debentures		-	183.37
Interest on Compulsory Convertible Debenture		22.00	12.24
JM Financial Properties and Holdings Limited (JMFPHL)	(B)		
Space and other related cost		2.67	2.55
Interest Expenses		0.80	0.07
Inter Corporate deposit taken		30.00	35.00
Inter Corporate deposit repaid		30.00	35.00
Reimbursement of Expenses		0.48	0.53

₹ in crore

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
JM Financial Home Loans Limited (JMFHL)	(B)		
Purchase of Plant and equipment		-	0.04
Reimbursement of Expenses		-	0.06
JM Financial Products Limited (JMFPL)	(B)		
Inter Corporate Deposit taken		136.00	-
Inter Corporate Deposit paid		136.00	-
Management Fees received		1.26	1.26
Interest on Inter Corporate Deposits paid		5.40	-
Reimbursement of Expenses		0.06	-
Repayment of NCD		-	35.00
Interest paid on NCD		-	6.29
JM Financial Services Limited (JMFSL)	(B)		
Market linked Non-Convertible Debentures issued		75.00	123.30
Rent and fees paid		#	#
Arranger Fees		0.89	3.39
JM Financial Capital Limited (JMFCL)	(B)		
Inter Corporate Deposit taken		150.00	-
Inter Corporate Deposit paid		150.00	-
Interest on Inter Corporate Deposits paid		2.94	-
Market linked Non-Convertible Debentures redemption		0.36	-
Market linked Non-Convertible Debentures issued		-	65.00
JM Financial Credit Solutions Ltd (JMFCSL)	(B)		
Inter Corporate Deposit taken		104.00	-
Inter Corporate Deposit paid		104.00	-
Interest on Inter Corporate Deposits paid		3.04	-
JM Financial & Investment Consultancy Services Private Limited	(D)		
Repayment of Non-Convertible Debentures		-	15.00
Interest paid on Non-Convertible Debentures		-	3.10
CR Retail Malls (India) Limited	(B)		
Interest on Inter Corporate Deposits		2.38	-
Inter Corporate Deposit taken		55.00	-
JM Financial Asset Management Limited	(B)		
Interest on Inter Corporate Deposits		5.31	-
Inter Corporate Deposit taken		124.10	-
Inter Corporate Deposit paid		100.00	-
Key Managerial Personnel	(C)		
Remuneration (refer note (d) below)		2.90	3.15
Contribution to provident fund		0.09	0.08

# Denotes amount less than ₹ 50,000/-

c) Closing balances:

₹ in crore

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
Inter Corporate Deposit payable			
JM Financial Limited (JMFL)	(A)	352.00	-
CR Retail Malls (India) Limited	(B)	55.00	-
JM Financial Asset Management Limited	(B)	24.10	-
Interest on Compulsory Convertible Debenture			
JM Financial Limited (JMFL)	(A)	11.32	11.01
Security Deposit Recoverable			
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	2.75	2.75
Market linked Non-Convertible Debentures			
JM Financial Services Ltd	(B)	3.02	12.13
JM Financial Capital Ltd	(B)	-	0.30
Dr. Vijay Kelkar	(C)	0.20	-
Trade Payable			
JM Financial Limited (JMFL)	(A)	0.61	0.68
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	-	#
JM Financial Home Loans Limited (JMFHL)	(B)	-	0.06
Key Managerial Personnel	(C)	3.63	3.74

# Denotes amount less than ₹ 50,000/-

d) The remuneration includes directors sitting fees and commissions and excludes provision for gratuity as the incremental liability has been accounted for Group as a whole.

e) There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.

f) The transactions disclosed above are exclusive of GST.

Note:

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

42. Capital Management

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

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings (Debt securities and borrowing other than debt securities)	2,576.34	2,566.47
Less: Cash and cash equivalents	(132.49)	(266.67)
Net debt	**2,443.85**	**2,299.80**
Total equity (excluding non-controlling interest)	1,514.92	1,450.01
Net Debt to Equity Ratio	1.61	1.59

43. Fair value measurement

a) Fair value hierarchy and method of valuation:

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

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

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

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

b) Categories of Financial Instruments:

As at March 31, 2021

₹ 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	-	-	132.49	132.49	-	-	-	-
Other bank balances	-	-	0.91	0.91	-	-	-	-
Trade receivables (net)	-	-	171.47	171.47	-	-	-	-
Loans (net)	-	-	625.33	625.33	-	-	-	-
Investments	1,039.53	-	-	1,039.53	13.35	-	1,026.18	1,039.53
Other financial assets (net)	2,222.82	-	31.06	2,253.88	-	-	2,222.82	2,222.82
Total	**3,262.35**	**-**	**961.26**	**4,223.61**	**13.35**	**-**	**3,249.00**	**3,262.35**
Financial liabilities								
Trade payables	-	-	2.15	2.15	-	-	-	-
Debt securities	-	-	1,197.24	1,197.24	-	-	-	-
Borrowing (other than debt securities)	-	-	1,379.10	1,379.10	-	-	-	-
Other financial liabilities	-	-	109.25	109.25	-	-	-	-
Total	-	**-**	**2,687.74**	**2,687.74**	**-**	-	-	-

As at March 31, 2020

₹ 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	-	-	266.67	266.67	-	-	-	-
Other bank balances	-	-	0.76	0.76	-	-	-	-
Trade receivables (net)	-	-	153.74	153.74	-	-	-	-
Loans (net)	-	-	525.93	525.93	-	-	-	-
Investments	1,164.22	-	-	1,164.22	8.83	-	1,155.39	1,164.22
Other financial assets (net)	1,965.16	-	51.00	2,016.16	-	-	1,965.16	1,965.16
Total	**3,129.38**	**-**	**998.10**	**4,127.48**	**8.83**	**-**	**3,120.55**	**3,129.38**
Financial liabilities								
Trade payables	-	-	2.80	2.80	-	-	-	-
Debt securities	-	-	2,058.25	2,058.25	-	-	-	-
Borrowing (other debt securities)	-	-	508.22	508.22	-	-	-	-
Other financial liabilities	-	-	64.65	64.65	-	-	-	-
Total	-	**-**	**2,633.92**	**2,633.92**	**-**	-	-	-

Notes:

1. Includes debt securities issued at fixed rate of interest for which carrying value and fair value are as under:

As at	Carrying value	Fair value
As at March 31, 2021	828.44	829.96
As at March 31, 2020	1,704.71	1,681.42

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 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.

The Group has made necessary adjustments on account of COVID-19 pandemic to the timing of cash flows and values of collaterals to be realized for the purpose of determination of the fair values of financial assets carried at FVTPL based on the information presently available with the Group.

d) Fair value measurements use significant unobservable inputs (Level-3):

The following table presents the changes in level 3 items for the year ended March 31, 2021 and March 31, 2020

₹ in crore

Particulars	Investments in SRs	Financial assets	Total
As at April 1, 2019	**1,400.64**	**2,241.87**	**3,642.51**
Acquisitions made	20.16	293.97	314.13
(Realisations) made	(227.74)	(152.48)	(380.22)
Impact of change in control	84.73	(574.64)	(489.91)
Net (loss)/ gain on fair value changes	(122.40)	156.44	34.04
As at March 31, 2020	**1,155.39**	**1,965.16**	**3,120.55**
Acquisitions made	0.56	353.51	354.07
(Realisations) made	(63.61)	(492.30)	(555.91)
Impact of change in control	(49.78)	332.49	282.71
Net (Loss)/ Gain on fair value changes	(16.38)	63.96	47.58
As at March 31, 2021	**1,026.18**	**2,222.82**	**3,249.00**

e) Sensitivity for instruments:

₹ in crore

Nature of the instrument	Fair value as at March 31, 2021	Fair value as at March 31, 2020	Significant unobservable inputs	Increase/ Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2021		Sensitivity Impact for the year ended March 31, 2020	
					FV Inc.	FV Dec.	FV Inc.	FV Dec.
Investment in Security receipts	1,026.18	1,155.39	Estimated cash flow based on realisation of collaterals value, etc.	5%	64.51	(64.51)	69.25	(69.25)
Investment in financial assets of structured entities	2,222.82	1,965.16	Estimated cash flow based on realisation of collaterals value, etc.	5%	99.80	(99.80)	86.79	(86.79)

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 balance and experienced team of resources to drive its business.

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

a) Credit risk

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

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

Group has classified its receivables in to following categories:

a) Loans given (in the nature of restructuring loans, additional funding for working capital, etc.); and

b) Other receivables under distress credit business.

Provision for expected credit loss

1. For loans:

Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group's current credit risk rating and grading framework comprises the following categories:
For stage-1 performing assets- 12 months Expected Credit Loss (ECL); and
For stage-2- under performing assets- lifetime ECL (on default occurred)
For stage-3-credit impaired assets-based on expected cash flows

The Group has made adjustments in ECL Model to consider the impact of the COVID-19 pandemic on the provision. The probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to pandemic. The impact on collateral values is also assessed for determination of loss given default and reasonable haircuts are applied wherever necessary.

(i) Movement of gross carrying amount in loans given:

₹ in crore

Particulars	As at March 31, 2021 Stage 1	Stage 2	Stage 3	Total
Gross carrying amount- opening balance	368.73	-	181.20	549.93
New assets originated or purchased	164.32	-	43.91	208.23
Assets derecognised or repaid (excluding write offs)	(97.00)	-	(12.88)	(109.88)
Transfer to Stage 3	(185.79)	-	185.79	-
Gross carrying amount- closing balance	**250.26**	**-**	**398.02**	**648.28**

₹ in crore

Particulars	As at March 31, 2020 Stage 1	Stage 2	Stage 3	Total
Gross carrying amount- opening balance	**489.11**	**-**	**14.14**	**503.25**
New assets originated or purchased	251.13	-	1.31	252.44
Assets derecognised or repaid (excluding write offs)	(205.76)	-	-	(205.76)
Transfer to Stage 3	(165.75)	-	165.75	-
Gross carrying amount- closing balance	**368.73**	**-**	**181.20**	**549.93**

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

₹ in crore

Particulars	As at March 31, 2021 Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**5.91**	-	18.09	**24.00**
New assets originated or purchased	1.51	-	4.79	6.30
Assets derecognised or repaid (excluding write offs)	(0.40)	-	(6.95)	(7.35)
Transfer to Stage 3	0.20	-	(0.20)	-
ECL allowance - closing balance	**7.22**	**-**	**15.73**	**22.95**

₹ in crore

Particulars	As at March 31, 2020 Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**3.40**	**-**	**14.14**	**17.54**
New assets originated or purchased	4.11	-	2.35	6.46
Transfer to Stage 3	(1.60)	-	1.60	-
ECL allowance - closing balance	**5.91**	**-**	**18.09**	**24.00**

2. For other receivables under distressed credit business:

For the purpose of measuring the expected credit loss, including the lifetime expected credit loss allowances for other receivables under distress credit business, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

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

Movement of provision for impairment

₹ in crore

Particulars	As at March 31, 2021 Trade receivables	Recoverable from trusts	Total
ECL allowance - opening balance	12.58	14.72	27.30
Addition	0.72	(6.24)	(5.52)
Utilization/ written back	-	-	-
Closing balance	**13.30**	**8.48**	**21.78**

₹ in crore

Particulars	As at March 31, 2020 Trade receivables	Recoverable from trusts	Total
Opening balance	**5.26**	**11.76**	**17.02**
Addition	10.07	2.96	13.03
Utilization/ written back	(2.75)	-	(2.75)
Closing balance	**12.58**	**14.72**	**27.30**

The ageing of trade receivables:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Past due 1–180 days	47.35	36.90
More than 180 days	137.42	129.42
Total	**184.77**	**166.32**

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 rests 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 ₹ 1.10 crore and ₹ 238.24 crore as of March 31, 2021 and March 31, 2020 respectively, from its bankers for working capital requirements. The Company also has Bank balances of ₹ 132.49 crore as on March 31, 2021

Exposure to liquidity risk

The following tables details the Group's remaining contractual/ expected maturities for its non-derivative financial liabilities and assets as at the reporting date. The tables have been drawn up based on undiscounted cash flow basis.

₹ in crore

As at March 31, 2021	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	2,576.34	2,576.34	1,953.19	592.20	30.95	-
Trade payables	2.15	2.15	2.15	-	-	-
Other financial liabilities	109.25	109.25	82.49	11.29	5.14	10.33
Total	**2,687.74**	**2,687.74**	**2,037.83**	**603.49**	**36.09**	**10.33**
Financial Assets						
Cash and cash equivalents	132.49	132.49	132.49	-	-	-
Other Bank balances	0.91	0.91	-	0.91	-	-
Trade receivables (net)	171.47	171.47	120.04	51.43	-	-
Loans (net)	625.33	625.33	319.01	306.32	-	-
Investment	1,039.53	1,039.53	578.19	204.09	230.29	26.96
Other Financial Assets (net)	2,253.88	2,253.88	394.74	440.92	1,416.69	1.53
Total	**4,223.61**	**4,223.61**	**1,544.47**	**1,003.67**	**1,646.98**	**28.49**

₹ in crore

As at March 31, 2020	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	2,566.47	2,566.47	791.50	1,774.97	-	-
Trade payables	2.80	2.80	2.80	-	-	-
Other financial liabilities	64.65	64.65	28.32	6.33	16.93	13.07
Total	**2,633.92**	**2,633.92**	**822.62**	**1,781.30**	**16.93**	**13.07**
Financial Assets						
Cash and cash equivalents	266.67	266.67	266.67	-	-	-
Other Bank balances	0.76	0.76	-	0.76	-	-
Trade receivables (net)	153.74	153.74	62.90	90.84	-	-
Loans (net)	525.93	525.93	235.94	289.99	-	-
Investment	1,164.22	1,164.22	446.45	325.59	258.92	133.26
Other Financial Assets (net)	2,016.16	2,016.16	483.74	537.24	991.95	3.23
Total	**4,127.48**	**4,127.48**	**1,495.70**	**1,244.42**	**1,250.87**	**136.49**

Notes:

a) The maturities of non-derivative financial liabilities are based on the earliest date on which the Group may be required to pay.

b) The maturities of the financial assets are based on the management's estimation on realization.

c) The liquidity gap between 0-1 year for the financial year 2021-22 would be met by refinancing through bank facilities / other refinancing options. The liquidity gap includes inter corporate deposit payable to related party which are payable on call and also Bank working capital balances which are annually renewable.

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, 2021	As at March 31, 2020
Borrowings:		
Fixed rate borrowings	1,831.31	1,710.34
Floating rate borrowings	566.62	645.16
Total	**2,397.93**	**2,355.50**

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, 2021 would decrease/ increase by ₹ 5.67 crore (Previous year: decrease/ increase by ₹ 6.45 crore).

3. Equity Price Risk

Equity price risk is related to the change in market reference price of the instruments in quoted and unquoted securities. The fair value of the Group's investments exposes to equity price risks. In general, these securities are not held for trading purposes.

Equity Price Sensitivity analysis:

The fair value of equity instruments as at March 31, 2021 aggregate to ₹ 13.35 crore (Previous year ₹ 8.83 crore). If price of equity instruments decrease/ increase by 5%, the Group's profit for the year ended March 31, 2021 would be decrease/ increase by ₹ 0.67 crore (Previous year: decrease/ increase by ₹ 0.44 crore).

45. Entities considered for Consolidation

a) Composition of the Group

Information about the composition of the Group at the end of each reporting period is as follows:

Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at March 31, 2021	As at March 31, 2020
Subsidiary Trusts in India			**(%)**	**(%)**
JMFARC - BOI 2009 I Trust^	Asset reconstruction	India	37%	37%
JMFARC - DB-ICICI Trust	Asset reconstruction	India	100%	100%
JMFARC - DB SBI Trust	Asset reconstruction	India	100%	100%
JMFARC - DB DCB Trust	Asset reconstruction	India	100%	100%
JMFARC - Jord SUUTI Trust	Asset reconstruction	India	100%	100%
JMFARC - Pasupati SASF Trust	Asset reconstruction	India	100%	100%

Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at March 31, 2021	As at March 31, 2020
JMFARC - Central Bank Tube Trust	Asset reconstruction	India	100%	100%
JMFARC - UTI Tube Trust	Asset reconstruction	India	100%	100%
JMFARC - Yarn 2010 Trust^	Asset reconstruction	India	100%	100%
JMFARC - SASF Tube Trust	Asset reconstruction	India	100%	100%
JMFARC - UCO Bank March 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC - Textile 2013 Trust^	Asset reconstruction	India	100%	100%
JMFARC - Corp Textile 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Corp Apparel 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Central India 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Dena Bank March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC - Gelatine March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC - ICICI Bank July 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC - Axis Bank Cement March 2015 Trust	Asset reconstruction	India	100%	100%
JMFARC - ICICI Bank Cement June 2015 Trust	Asset reconstruction	India	100%	100%
JMFARC - United Bank Cement Sept 2015 Trust	Asset reconstruction	India	100%	100%
JMFARC - ICICI Geometric Trust	Asset reconstruction	India	15%	15%
JMFARC - ICICI Bank September 2016 Trust*	Asset reconstruction	India	NA	15%
JMFARC - Axis Bank February 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - OBC Cement March 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - Indian Bank I March 2016 Trust^	Asset reconstruction	India	100%	100%
JMFARC - Axis Iris II March 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - SBI Geometric October 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - IRIS Cash 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - Tata Capital December 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - IDBI March 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - BOB 2008 Trust	Asset reconstruction	India	100%	100%
JMFARC - SME Retail 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC - IOB II March 2011 Trust	Asset reconstruction	India	50%	50%
JMFARC - Corp I 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Corp II 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Retail June 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC - Retail Aug 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC – IRIS IIFL May 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - ALHB Bank Textile June 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - ALHB Bank June 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - Federal Bank June 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - IRIS Cash July 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - Woods October 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics August 2018 I Trust	Asset reconstruction	India	100%	100%
JMFARC - IRIS Cash March 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC - 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	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%

Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at March 31, 2021	As at March 31, 2020
JMFARC - Fabrics June 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics June 2019 II Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics June 2019 III Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics December 2019 I Trust	Asset reconstruction	India	100%	100%
JMFARC - March 2018	Asset reconstruction	India	60%	60%
JMFARC - Fabrics September 2020 Trust	Asset reconstruction	India	100%	-
JMFARC - Fabrics November 2020 Trust	Asset reconstruction	India	100%	-
JMFARC - Metallics February 2018 Trust	Asset reconstruction	India	92%	-
JMFARC - Metallics November 2018 Trust	Asset reconstruction	India	95%	-
JMFARC - Metallics December 2018 Trust	Asset reconstruction	India	94%	-
JMFARC - KTK Metallics December 2018 Trust	Asset reconstruction	India	94%	-
JMFARC - Coated February 2021 Trust	Asset reconstruction	India	100%	-

* Subsidiary till February 29, 2020

^ Trusts closed during the year

Note:

All the entities considered for consolidation above are Trust formed under SARFAESI Act in India for conducting principal activities of acquisition of accounts under distressed credit business.

b) Additional Information, as required under Schedule III to the Act, 2013, of enterprises consolidated as Subsidiaries

i) As at and for the year ended March 31, 2021

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
Parent								
JM Financial Asset Reconstruction Company Limited	(578.92)	-36.50%	47.37	73.50%	0.09	100.00%	47.46	73.54%
Subsidiary Trusts in India								
JMFARC - BOI 2009 I Trust	-	-	9.93	15.41%	-	-	9.93	15.39%
JMFARC - DB-ICICI Trust	(0.03)	0.00%	6.37	9.88%	-	-	6.37	9.87%
JMFARC - DB SBI Trust	(0.02)	0.00%	2.90	4.50%	-	-	2.90	4.49%
JMFARC - DB DCB Trust	(0.01)	0.00%	0.79	1.23%	-	-	0.79	1.22%
JMFARC - Jord SUUTI Trust	(0.01)	0.00%	0.30	0.47%	-	-	0.30	0.46%
JMFARC - Pasupati SASF Trust	(0.18)	-0.01%	(0.10)	-0.16%	-	-	(0.10)	-0.15%
JMFARC - Central Bank Tube Trust	(0.02)	0.00%	1.53	2.37%	-	-	1.53	2.37%
JMFARC - UTI Tube Trust	(0.01)	0.00%	0.24	0.37%	-	-	0.24	0.37%
JMFARC - Yarn 2010 Trust	-	-	(0.14)	-0.22%	-	-	(0.14)	-0.22%
JMFARC - SASF Tube Trust	(0.02)	0.00%	2.22	3.44%	-	-	2.22	3.44%
JMFARC - UCO Bank March 2011 Trust	0.12	0.01%	-	-	-	-	-	-
JMFARC - Textile 2013 Trust	-	-	(0.04)	-0.06%	-	-	(0.04)	-0.06%
JMFARC - Corp Textile 2013 Trust	0.14	0.01%	0.71	1.10%	-	-	0.71	1.10%
JMFARC - Corp Apparel 2013 Trust	0.09	0.01%	0.02	0.03%	-	-	0.02	0.03%
JMFARC - Central India 2013 Trust	29.04	1.83%	-	-	-	-	-	-
JMFARC - Dena Bank March 2014 Trust	5.45	0.34%	-	-	-	-	-	-

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
JMFARC - Gelatine March 2014 Trust	48.34	3.05%	-	-	-	-	-	-
JMFARC - ICICI Bank July 2014 Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - Indian Bank I March 2016- Trust	-	-	(0.02)	-0.03%	-	-	(0.02)	-0.03%
JMFARC - Axis Bank Cement March 2015 Trust	27.30	1.72%	-	-	-	-	-	-
JMFARC - ICICI Bank Cement June 2015 Trust	21.01	1.32%	-	-	-	-	-	-
JMFARC - United Bank Cement Sept 2015 Trust	24.73	1.56%	-	-	-	-	-	-
JMFARC - ICICI Geometric Trust	1.55	0.10%	1.42	2.20%	-	-	1.42	2.20%
JMFARC - Axis Bank February 2016 Trust	0.34	0.02%	0.16	0.25%	-	-	0.16	0.25%
JMFARC - OBC Cement March 2016 Trust	3.59	0.23%	-	-	-	-	-	-
JMFARC - Axis Iris II March 2016 Trust	6.00	0.38%	-	-	-	-	-	-
JMFARC - SBI Geometric October 2016 Trust	26.88	1.69%	0.61	0.95%	-	-	0.61	0.95%
JMFARC - IRIS Cash 2016 Trust	76.17	4.80%	-	-	-	-	-	-
JMFARC - Tata Capital December 2016 Trust	9.04	0.57%	-	-	-	-	-	-
JMFARC - IDBI March 2017 Trust	2.37	0.15%	-	-	-	-	-	-
JMFARC – IRIS IIFL May 2017 Trust	4.08	0.26%	-	-	-	-	-	-
JMFARC - IRIS Cash July 2017 Trust	21.96	1.38%	(0.09)	-0.14%	-	-	(0.09)	-0.14%
JMFARC - Woods October 2017 Trust	13.48	0.85%	-	-	-	-	-	-
JMFARC - IRIS Cash March 2018 Trust	11.68	0.74%	(0.06)	-0.09%	-	-	(0.06)	-0.09%
JMFARC - BOB 2008 Trust	0.02	0.00%	0.02	0.03%	-	-	0.02	0.03%
JMFARC - SME Retail 2011 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	1.90	0.12%	2.53	3.93%	-	-	2.53	3.92%
JMFARC - Federal Bank March 2013 Trust	33.08	2.09%	15.89	24.65%	-	-	15.89	24.62%
JMFARC - Corp I 2013 Trust	4.05	0.26%	(1.51)	-2.34%	-	-	(1.51)	-2.34%
JMFARC - Corp II 2013 Trust	0.27	0.02%	-	-	-	-	-	-
JMFARC - ALHB Bank June 2017 Trust	0.01	0.00%	(0.11)	-0.17%	-	-	(0.11)	-0.17%
JMFARC - ALHB Bank Textile June 2017 Trust	8.28	0.52%	-	-	-	-	-	-
JMFARC - Federal Bank June 2017 Trust	56.20	3.54%	(7.73)	-11.99%	-	-	(7.73)	-11.98%
JMFARC - Metallics July 2018 Trust	-	-	(1.87)	-2.90%	-	-	(1.87)	-2.90%
JMFARC - Fabrics August 2018 I Trust	848.30	53.48%	(3.13)	-4.86%	-	-	(3.13)	-4.85%
JMFARC - Fabrics September 2018 I Trust	80.99	5.11%	(0.30)	-0.47%	-	-	(0.30)	-0.46%
JMFARC - Fabrics September 2018 II Trust	57.52	3.63%	(0.21)	-0.33%	-	-	(0.21)	-0.33%
JMFARC - PNB IRIS II September 2018 Trust	1.15	0.07%	-	-	-	-	-	-
JMFARC - Fabrics June 2018 Trust	79.56	5.02%	(0.29)	-0.45%	-	-	(0.29)	-0.45%
JMFARC - Fabrics March 2019 I	36.31	2.29%	(0.14)	-0.22%	-	-	(0.14)	-0.22%
JMFARC - Retail June 2011 Trust	0.05	0.00%	-	-	-	-	-	-
JMFARC - Retail Aug 2011 Trust	0.08	0.01%	-	-	-	-	-	-
JMFARC - Fabrics June 2019 II Trust	76.04	4.79%	(0.28)	-0.43%	-	-	(0.28)	-0.43%
JMFARC - Fabrics June 2019 III Trust	19.68	1.24%	(0.07)	-0.11%	-	-	(0.07)	-0.11%
JMFARC - Fabrics December 2019 I Trust	5.28	0.33%	(0.03)	-0.05%	-	-	(0.03)	-0.05%
JMFARC - March 2018	93.85	5.92%	-	-	-	-	-	-
JMFARC - Fabrics September 2020 Trust	10.85	0.68%	0.75	1.16%	-	-	0.75	1.16%
JMFARC - Fabrics November 2020 Trust	54.60	3.44%	3.79	5.88%	-	-	3.79	5.87%
JMFARC - Metallics February 2018 Trust	0.02	0.00%	(1.54)	-2.39%	-	-	(1.54)	-2.39%
JMFARC - Metallics November 2018 Trust	0.01	0.00%	(7.13)	-11.06%	-	-	(7.13)	-11.05%
JMFARC - Metallics December 2018 Trust	0.01	0.00%	(5.56)	-8.62%	-	-	(5.56)	-8.61%
JMFARC - KTK Metallics December 2018 Trust	0.01	0.00%	(3.54)	-5.48%	-	-	(3.54)	-5.47%
JMFARC - Coated February 2021 Trust	292.62	18.45%	-	-	-	-	-	-

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
	1,514.92	**95.52%**	**63.66**	**98.78%**	**0.09**	**100.00%**	**63.75**	**98.78%**
Minority Interests in all subsidiaries	**71.33**	**4.48%**	**0.79**	**1.22%**	**-**	**-**	**0.79**	**1.22%**
JMFARC - BOI 2009 I Trust	-	-	-	-	-	-	-	-
JMFARC - ICICI Geometric Trust	8.77	0.55%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	-	-	-	-	-	-	-	-
JMFARC - March 2018	62.56	3.93%	-	-	-	-	-	-
JMFARC - Metallics February 2018 Trust	-	-	0.37	0.57%	-	-	0.37	0.57%
JMFARC - Metallics November 2018 Trust	-	-	0.15	0.23%	-	-	0.15	0.23%
JMFARC - Metallics December 2018 Trust	-	-	0.18	0.28%	-	-	0.18	0.28%
JMFARC - KTK Metallics December 2018 Trust	-	-	0.09	0.14%	-	-	0.09	0.14%
Total	**1,586.25**	**100%**	**64.45**	**100%**	**0.09**	**100%**	**64.54**	**100%**

Note: Subsidiaries share in OCI is Nil for the year ended March 31, 2021.

ii) As at and for the year ended March 31, 2020

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
Parent								
JM Financial Asset Reconstruction Company Limited	(368.17)	-23.93%	(47.58)	-99.82%	(0.01)	100.00%	(47.59)	-99.83%
Subsidiary Trusts in India						-		
JMFARC - BOI 2009 I Trust	(0.30)	-0.02%	(0.45)	-0.94%	-	-	(0.45)	-0.94%
JMFARC - DB-ICICI Trust	(0.32)	-0.02%	(0.04)	-0.08%	-	-	(0.04)	-0.08%
JMFARC - DB SBI Trust	(0.19)	-0.01%	(0.02)	-0.04%	-	-	(0.02)	-0.04%
JMFARC - DB DCB Trust	(0.05)	0.00%	(0.01)	-0.02%	-	-	(0.01)	-0.02%
JMFARC - Jord SUUTI Trust	(0.06)	0.00%	(0.04)	-0.08%	-	-	(0.04)	-0.08%
JMFARC - Pasupati SASF Trust	(0.09)	-0.01%	(0.08)	-0.17%	-	-	(0.08)	-0.17%
JMFARC - Central Bank Tube Trust	(0.16)	-0.01%	(0.02)	-0.04%	-	-	(0.02)	-0.04%
JMFARC - UTI Tube Trust	(0.04)	0.00%	(0.01)	-0.02%	-	-	(0.01)	-0.02%
JMFARC - Yarn 2010 Trust	0.14	0.01%	0.11	0.23%	-	-	0.11	0.23%
JMFARC - SASF Tube Trust	(0.18)	-0.01%	(2.17)	-4.55%	-	-	(2.17)	-4.55%
JMFARC - UCO Bank March 2011 Trust	0.12	0.01%	0.52	1.09%	-	-	0.52	1.09%
JMFARC - Textile 2013 Trust	0.05	0.00%	0.03	0.06%	-	-	0.03	0.06%
JMFARC - Corp Textile 2013 Trust	13.88	0.90%	(0.14)	-0.29%	-	-	(0.14)	-0.29%
JMFARC - Corp Apparel 2013 Trust	0.07	0.00%	0.05	0.10%	-	-	0.05	0.10%
JMFARC - Corp Biotech 2013 Trust	(0.01)	0.00%	(0.34)	-0.71%	-	-	(0.34)	-0.71%
JMFARC - Central India 2013 Trust	29.04	1.89%	(0.91)	-1.91%	-	-	(0.91)	-1.91%
JMFARC - Dena Bank March 2014 Trust	5.45	0.35%	(1.25)	-2.62%	-	-	(1.25)	-2.62%
JMFARC - Gelatine March 2014 Trust	48.34	3.14%	(0.08)	-0.17%	-	-	(0.08)	-0.17%
JMFARC - Petro BOB March 2014 Trust	-	-	(0.11)	-0.23%	-	-	(0.11)	-0.23%
JMFARC - Petro UCO March 2014 Trust	-	-	(0.32)	-0.67%	-	-	(0.32)	-0.67%
JMFARC - Petro CBOI March 2014 Trust	-	-	(0.10)	-0.21%	-	-	(0.10)	-0.21%
JMFARC - ICICI Bank July 2014 Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - Axis Bank Cement March 2015 Trust	27.30	1.77%	4.30	9.02%	-	-	4.30	9.02%
JMFARC - ICICI Bank Cement June 2015 Trust	21.01	1.37%	3.96	8.31%	-	-	3.96	8.31%

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
JMFARC - United Bank Cement Sept 2015 Trust	24.73	1.61%	0.85	1.78%	-	-	0.85	1.78%
JMFARC - ICICI Geometric Trust	0.13	0.01%	(1.93)	-4.05%	-	-	(1.93)	-4.05%
JMFARC - Axis Bank February 2016 Trust	0.19	0.01%	0.29	0.61%	-	-	0.29	0.61%
JMFARC - OBC Cement March 2016 Trust	3.59	0.23%	(2.19)	-4.59%	-	-	(2.19)	-4.59%
JMFARC - Indian Bank I March 2016 Trust	0.02	0.00%	(0.01)	-0.02%	-	-	(0.01)	-0.02%
JMFARC - Axis Iris II March 2016 Trust	6.00	0.39%	(1.96)	-4.11%	-	-	(1.96)	-4.11%
JMFARC - SBI Geometric October 2016 Trust	27.90	1.81%	(5.24)	-10.99%	-	-	(5.24)	-10.99%
JMFARC - IRIS Cash 2016 Trust	76.17	4.95%	27.73	58.16%	-	-	27.73	58.16%
JMFARC - Tata Capital December 2016 Trust	9.04	0.59%	0.31	0.65%	-	-	0.31	0.65%
JMFARC - IDBI March 2017 Trust	2.45	0.16%	-	-	-	-	-	-
JMFARC - Retreat II March 2017 Trust	-	-	(12.00)	-25.17%	-	-	(12.00)	-25.17%
JMFARC – IRIS IIFL May 2017 Trust	4.08	0.27%	0.92	1.93%	-	-	0.92	1.93%
JMFARC - IRIS Cash July 2017 Trust	22.22	1.44%	0.19	0.40%	-	-	0.19	0.40%
JMFARC - Woods October 2017 Trust	13.48	0.88%	(0.12)	-0.25%	-	-	(0.12)	-0.25%
JMFARC - IRIS Cash March 2018 Trust	11.73	0.76%	1.66	3.48%	-	-	1.66	3.48%
JMFARC - BOB 2008 Trust	(0.01)	0.00%	0.15	0.31%	-	-	0.15	0.31%
JMFARC - SME Retail 2011 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	2.72	0.18%	(1.49)	-3.13%	-	-	(1.49)	-3.13%
JMFARC - Federal Bank March 2013 Trust	30.21	1.96%	1.58	3.31%	-	-	1.58	3.31%
JMFARC - Corp I 2013 Trust	5.56	0.36%	0.19	0.40%	-	-	0.19	0.40%
JMFARC - Corp II 2013 Trust	0.27	0.02%	(0.09)	-0.19%	-	-	(0.09)	-0.19%
JMFARC - ICICI Bank September 2016 Trust	-	-	0.10	0.21%	-	-	0.10	0.21%
JMFARC - ALHB Bank June 2017 Trust	0.42	0.03%	(0.77)	-1.61%	-	-	(0.77)	-1.61%
JMFARC - ALHB Bank Textile June 2017 Trust	8.28	0.54%	0.28	0.59%	-	-	0.28	0.59%
JMFARC - Federal Bank June 2017 Trust	77.03	5.01%	11.60	24.33%	-	-	11.60	24.33%
JMFARC - Metallics July 2018 Trust	18.50	1.20%	(0.85)	-1.78%	-	-	(0.85)	-1.78%
JMFARC - Fabrics August 2018 I Trust	851.43	55.33%	46.54	97.61%	-	-	46.54	97.63%
JMFARC - Fabrics September 2018 I Trust	81.29	5.28%	4.46	9.35%	-	-	4.46	9.35%
JMFARC - Fabrics September 2018 II Trust	57.73	3.75%	3.17	6.65%	-	-	3.17	6.65%
JMFARC - Fabrics September 2018 IV Trust	-	-	(0.59)	-1.24%	-	-	(0.59)	-1.24%
JMFARC - PNB IRIS II September 2018 Trust	1.15	0.07%	-	-	-	-	-	-
JMFARC - Fabrics June 2018 Trust	79.86	5.19%	4.38	9.19%	-	-	4.38	9.19%
JMFARC - Fabrics March 2019 I	36.44	2.37%	2.66	5.58%	-	-	2.66	5.58%
JMFARC - Retail June 2011 Trust	0.05	0.00%	(0.23)	-0.48%	-	-	(0.23)	-0.48%
JMFARC - Retail Aug 2011 Trust	0.08	0.01%	(0.02)	-0.04%	-	-	(0.02)	-0.04%
JMFARC - Fabrics June 2019 II Trust	76.32	4.96%	5.57	11.68%	-	-	5.57	11.68%
JMFARC - Fabrics June 2019 III Trust	19.75	1.28%	1.44	3.02%	-	-	1.44	3.02%
JMFARC - Fabrics December 2019 I Trust	5.32	0.35%	0.38	0.80%	-	-	0.38	0.80%
JMFARC - March 2018	120.01	7.80%	**-**	**-**	**-**	**-**	**-**	**-**
	1,450.01	**94.23%**	**42.26**	**88.63%**	**(0.01)**	**100.00%**	**42.25**	**88.64%**
Non-Controlling Interests in all subsidiaries	**88.77**	**5.77%**	**5.42**	**11.37%**	**-**	**-**	**5.42**	**11.36%**
JMFARC - BOI 2009 I Trust	-	-	1.83	3.84%	-	-	1.83	3.83%
JMFARC - ICICI Geometric Trust	8.77	0.57%	(1.95)	-4.09%	-	-	(1.95)	-4.10%
JMFARC - IOB II March 2011 Trust	-	-	4.97	10.42%	-	-	4.97	10.43%
JMFARC - ICICI Bank September 2016 Trust	-	-	0.57	1.20%	-	-	0.57	1.20%
JMFARC - March 2018	80.00	5.20%	-	-	-	-	-	-
Total	**1,538.78**	**100%**	**47.68**	**100%**	**-0.01**	**100%**	**47.67**	**100%**

46. Details of non-wholly owned subsidiaries that have material non-controlling interest

a) The table below shows details of non-wholly owned subsidiaries of the Company that have material non-controlling interests:

₹ in crore

Name of the subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests		Profit/ (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
JMFARC BOI 2009 I Trust	India	62.62%	62.62%	-	1.83	-	-
JMFARC ICICI Geometric Trust	India	85.00%	85.00%	-	(1.95)	8.77	8.77
JMFARC IOB II March 2011 Trust	India	50.44%	50.44%	-	4.97	-	-
JMFARC ICICI Bank September 2016 Trust @	India	-	85.00%	-	0.57	-	-
JMFARC – March 2018	India	40.00%	40.00%	-	-	62.56	80.00
JMFARC Metallics February 2018 Trust*	India	7.61%	-	0.37	-	-	-
JMFARC Metallics November 2018 Trust*	India	5.08%	-	0.15	-	-	-
JMFARC Metallics December 2018 Trust*	India	6.16%	-	0.18	-	-	-
JMFARC KTK Metallics December 2018 Trust*	India	6.16%	-	0.09	-	-	-
Total				**0.79**	**5.42**	**71.33**	**88.77**

@subsidiary till February 29, 2020.
*acquisition of controlling stake as on August 20,2020.

46.1 During the year, the Group has acquired controlling stake in four trusts namely JMFARC Metallics February 2018 Trust, JMFARC Metallics November 2018 Trust, JMFARC Metallics December 2018 Trust, JMFARC KTK Metallics December 2018 Trust for consideration of ₹ 260.57 crore. These investments are redeemed by Parent on resolution of financial assets during the year.

46.2 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 BOI 2009 I Trust		JMFARC ICICI Geometric Trust		JMFARC – March 2018	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets	#	-	0.43	-	156.50	200.44
Non-financial assets	#	0.10	10.32	10.80	-	-
Financial liabilities	#	0.40	0.42	1.94	0.08	0.43
Non-financial liabilities	#	-	0.01	(0.04)	-	0.01
Equity attributable to owners of the Company	-	(0.30)	1.55	0.13	93.86	120.00
Non-controlling interests	-	-	8.77	8.77	62.56	80.00
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Revenue	-	-	0.43	(3.05)	0.15	0.44
Expenses	(10.03)	(1.43)	(1.47)	(1.15)	0.15	0.44
Tax Expenses	0.10	0.05	0.48	1.98	-	-
Profit for the year	**9.93**	**1.38**	**1.42**	**(3.88)**	-	-
Profit attributable to owners of the Company	9.93	(0.45)	1.42	(1.93)	-	-
Profit attributable non-controlling interests	-	1.83	-	(1.95)	-	-
Profit for the year	**9.93**	**1.38**	**1.42**	**(3.88)**	**-**	**-**
Other comp. income attributable to owners of the Co.	-	-	-	-	-	-

₹ in crore

Particulars	JMFARC BOI 2009 I Trust		JMFARC ICICI Geometric Trust		JMFARC – March 2018	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Other comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comp. income attributable to owners of the Co.	9.93	(0.45)	1.42	(1.93)	-	-
Total comprehensive income attributable to non-controlling interests	-	1.83	-	(1.95)	-	-
Total comprehensive income for the year	**9.93**	**1.38**	**1.42**	**(3.88)**	**-**	**-**
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	2.73	#	#	#	43.58	(200.88)
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(2.73)	-	-	-	(43.58)	200.88
Net cash generated from/(used in)	**#**	**#**	**#**	**#**	**#**	**#**

# Denotes amount less than ₹ 50,000

₹ in crore

Particulars	JMFARC IOB II March 2011 Trust		JMFARC ICICI Bank September 2016 Trust		JMFARC Metallics February 2018 Trust	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets	0.03	0.03	-	-	1.13	-
Non-financial assets	1.87	2.72	-	-	(0.01)	-
Financial liabilities	#	0.03	-	-	0.01	-
Non-financial liabilities	#	-	-	-	1.09	-
Equity attributable to owners of the Company	1.90	2.72	-	-	0.02	-
Non-controlling interests	-	-	-	-	#	-
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Revenue	-	3.78	-	15.42	7.65	-
Expenses	(3.38)	(0.61)	-	14.52	1.15	-
Tax Expenses	0.85	0.90	-	0.23	**(0.39)**	-
Profit for the year	**2.53**	**3.49**	**-**	**0.67**	**6.89**	**-**
Profit attributable to owners of the Company	2.53	(1.48)	-	0.10	6.52	-
Profit attributable non-controlling interests	-	4.97	-	0.57	0.37	-
Profit for the year	**2.53**	**3.49**	**-**	**0.67**	**6.89**	**-**
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	2.53	(1.48)	-	0.10	6.52	-
Total comprehensive income attributable to non-controlling interests	-	4.97	-	0.57	0.37	-
Total comprehensive income for the year	**2.53**	**3.49**	**-**	**0.67**	6.89	**-**
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	3.38	0.01	-	0.02	132.10	-
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(3.35)	-	-	-	(130.97)	-
Net cash generated from/(used in)	**0.03**	0.01	**-**	0.02	**1.13**	-

# Denotes amount less than ₹ 50,000

₹ in crore

Particulars	JMFARC Metallics November 2018 Trust		JMFARC Metallics December 2018 Trust		JMFARC KTK Metallics December 2018 Trust	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets	0.67	-	0.68	-	0.36	-
Non-financial assets	-	-	-	-	-	-
Financial liabilities	-	-	#	-	-	-
Non-financial liabilities	0.65	-	0.65	-	0.35	-
Equity attributable to owners of the Company	0.02	-	0.03	-	0.01	-
Non-controlling interests	#	-	#	-	#	-
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Revenue	4.52	-	4.58	-	2.42	-
Expenses	0.68	-	0.68	-	0.36	-
Tax Expenses	(2.35)	-	(1.81)	-	(1.16)	-
Profit for the year	**6.19**	**-**	**5.71**	**-**	**3.22**	**-**
Profit attributable to owners of the Company	6.04	-	5.53	-	3.13	-
Profit attributable non-controlling interests	0.15	-	0.18	-	0.09	-
Profit for the year	**6.19**	**-**	**5.71**	**-**	**3.22**	**-**
Other comprehensive income attributable to owners of the Co.	-	-	-	-	-	-
Other comprehensive income attributable to non-controlling interests	-		-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income attributable to owners of the Co.	6.04	-	5.53	-	3.13	-
Total comprehensive income attributable to non-controlling interests	0.15	-	0.18	-	0.09	-
Total comprehensive income for the year	**6.19**	**-**	**5.71**	**-**	**3.22**	-
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	69.81	-	72.67	-	37.35	-
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(69.15)	-	(72.00)	-	(37.00)	-
Net cash generated from/(used in)	**0.66**	**-**	**0.67**	**-**	**0.35**	**-**

# Denotes amount less than ₹ 50,000

47. Maturity Analysis of Assets and Liabilities

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSESTS						
(1) Financial Assets						
(a) Cash and cash equivalents	132.49	-	132.49	266.67	-	266.67
(b) Other bank balances	-	0.91	0.91	-	0.76	0.76
(c) Trade Receivables	120.04	51.43	171.47	62.90	90.84	153.74
(d) Loans	319.01	306.32	625.33	235.94	289.99	525.93
(e) Investments	578.19	461.34	1,039.53	446.45	717.77	1,164.22
(f) Other Financial assets of ARC trusts	394.74	1,859.14	2,253.88	483.74	1,532.42	2,016.16
(2) Non-financial Assets						
(a) Current tax Assets (Net)	-	28.34	28.34	-	26.79	26.79
(b) Deferred tax assets (net)	-	15.19	15.19	-	10.17	10.17
(c) Property, Plant and Equipment	-	20.30	20.30	-	23.20	23.20
(d) Other Intangible assets	-	0.08	0.08	-	0.07	0.07
(e) Other non-financial assets	4.37	-	4.37	1.82	-	1.82
Total Assets	**1,548.84**	**2,743.05**	**4,291.89**	**1,497.52**	**2,692.01**	**4,189.53**
LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(a) Trade Payables	2.15	-	2.15	2.80	-	2.80
(b) Debt Securities	894.11	303.13	1,197.24	511.02	1,547.23	2,058.25
(c) Borrowings (Other than Debt Securities)	1,059.08	320.02	1,379.10	280.48	227.74	508.22
(d) Other financial liabilities	82.49	26.76	109.25	28.32	36.33	64.65
(2) Non-Financial Liabilities						
(a) Current tax liabilities (net)	-	-	-	-	6.25	6.25
(b) Provisions	0.80	1.43	2.23	0.72	1.28	2.00
(c) Other non-financial liabilities	15.67	-	15.67	8.58	-	8.58
Total Liabilities	**2,054.30**	**651.34**	**2,705.64**	**831.92**	**1,818.83**	**2,650.75**

Note : Maturity Analysis of Assets and Liabilities- within 12 months of current year is negative on account of ICDs payables to related parties are on call and working capital demand loans/ cash credit facilities which are annually renewals. The shortfall will be balance through refinancing/ others modes of borrowings.

48. Schedule of security receipts

₹ in crore

Name of Trust	As at March 31, 2021		As at March 31, 2020	
	No. of SRs	Amount	No. of SRs	Amount
Investment in Trust Security receipts at fair value				
JMFARC - BOI 2009 – Trust	48,600	-	48,600	-
JMFARC - Swarna 2011 – Trust	72,199	0.98	72,199	0.98
JMFARC - Swarna II 2012 – Trust	66,200	1.58	66,200	2.37
JMFARC - Swarna II 2012 – Trust	12,500	0.31	12,500	0.88
JMFARC - Fed Textile 2013 – Trust	8,820	-	8,820	0.33
JMFARC - BOI Textile 2013 –Trust	41,000	-	41,000	0.70
JMFARC - OBC March 2014 - Trust	34,500	2.35	34,500	1.73
JMFARC - Fed Gelatine March 2014 - Trust	17,500	0.40	17,500	0.44
JMFARC - OBC March 2014 II - Trust	4,760	0.29	4,760	0.29

₹ in crore

Name of Trust	As at March 31, 2021		As at March 31, 2020	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - UBOI March 2014 - Trust	66,750	3.30	66,750	3.30
JMFARC - SBI Ceramics June 2014 - Trust	1,56,000	5.53	1,56,000	5.53
JMFARC - Indian Bank June 2014 - Trust	32,200	1.57	32,200	1.57
JMFARC - Vijaya Bank June 2014 - Trust	25,360	1.37	25,360	1.37
JMFARC - Hotels June 2014 - Trust	3,29,099	-	3,29,099	-
JMFARC - Hotels June 2014 - Trust	20,71,631	-	20,71,631	-
JMFARC - Central Bank of India June 2014 - Trust	32,000	-	32,000	-
JMFARC - CSB Ceramics September 2014 - Trust	32,625	2.45	32,625	2.45
JMFARC - LVB Ceramics September 2014 - Trust	27,900	2.09	27,900	2.09
JMFARC - SBOP Ceramics December 2014 - Trust	11,850	0.89	11,850	0.89
JMFARC - SBH Ceramics December 2014 - Trust	60,000	4.50	60,000	4.50
JMFARC - SBT Ceramics March 2015 - Trust	23,250	1.74	23,250	1.74
JMFARC - SBI Steel March 2015 - Trust	93,150	4.19	93,150	3.82
JMFARC - SBM Ceramics March 2015 – Trust	12,750	0.96	12,750	0.96
JMFARC - Karnataka Bank Cement March 2015 - Trust	49,500	3.61	49,500	3.61
JMFARC - Vijaya Bank Ceramics March 2015 - Trust	27,000	2.03	27,000	1.97
JMFARC - SBH Cement June 2015 - Trust	66,000	4.95	66,000	4.95
JMFARC - United Bank Textile September 2015 - Trust	27,075	1.30	27,075	1.41
JMFARC - PNB Ceramics November 2015 – Trust	4,01,640	29.85	4,01,640	29.85
JMFARC - Corp Bank Ceramics September 2015 - Trust	46,065	4.61	46,065	4.61
JMFARC - SBOP Geometric - Trust	61,560	-	61,560	-
JMFARC - Dena Ceramics January 2016 - Trust	15,750	1.58	15,750	1.42
JMFARC - UBOI Steel March 2016 - Trust	63,000	3.97	63,000	3.34
JMFARC - OBC March 2016 - Trust	72,000	3.24	72,000	7.58
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	5.15	57,180	5.15
JMFARC - EXIM Ceramics March 2016 - Trust	17,101	1.66	17,101	1.66
JMFARC - UCO Geometric March 2016 - Trust	88,965	-	88,965	-
JMFARC - KVB Iris II March 2016 - Trust	37,500	5.63	37,500	5.63
JMFARC - Indian Bank March 2016 - Trust	97,515	1.11	97,515	0.65
JMFARC - IOB March 2016 – Trust	50,250	2.55	50,250	3.22
JMFARC - Iris March 2016 –Trust	10,00,165	111.03	10,00,165	113.98
JMFARC - Exim Iris March 2016 - Trust	60,000	8.28	60,000	8.28
JMFARC - Axis Iris March 2016 - Trust	1,50,000	22.50	1,50,000	22.50
JMFARC - KB Metals September 2016 - Trust	22,500	0.55	22,500	1.28
JMFARC - Andhra Resin September 2016 - Trust	37,605	#	37,605	#
JMFARC - Dena SEZ September 2016 - Trust	7,335	0.73	7,335	0.73
JMFARC - IDBI Geometric Dec 2016 - Trust	41,250	0.19	41,250	0.21
JMFARC - IRIS December 2016 - Trust	31,110	4.67	31,110	4.67
JMFARC - IRIS UBOI December 2016 - Trust	16,005	2.40	16,005	2.40
JMFARC - IRIS PNB January 2017 - Trust	41,550	6.18	41,550	6.18
JMFARC - IOB CHN March 2017 - Trust	37,500	3.75	37,500	3.75
JMFARC - IOB Ceramics March 2017 - Trust	33,000	2.48	33,000	2.48
JMFARC - IRIS United March 2017 - Trust	66,900	3.51	66,900	3.64
JMFARC - SBP March 2017 - Trust	31,665	2.28	31,665	2.06
JMFARC - IRIS UCO March 2017 - Trust	38,310	5.29	38,310	5.29
JMFARC - SBP Retreat March 2017 - Trust	77,600	7.76	77,600	7.76
JMFARC - SBI Retreat March 2017 - Trust	1,66,800	16.68	1,66,800	16.68
JMFARC - SBI Tollways March 2017 - Trust	1,53,000	10.81	1,53,000	10.81

₹ in crore

Name of Trust	As at March 31, 2021		As at March 31, 2020	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - Karnataka Bank September 2017 - Trust	20,310	2.03	20,310	2.03
JMFARC - Syndicate Ceramics September 2017 - Trust	1,25,250	8.77	1,25,250	8.77
JMFARC - Allahabad Bank December 2017 - Trust	76,275	7.02	76,275	7.02
JMFARC - Motors December 2017 - Trust	94,500	5.39	94,500	5.39
JMFARC - IOB Metallics February 2018 - Trust	3,60,000	-	3,60,000	21.96
JMFARC - Township February 2018 - Trust	4,80,000	48.00	4,80,000	48.00
JMFARC - Metallics February 2018 - Trust*	-	-	1,98,375	21.02
JMFARC - IRIS Canara March 2018 - Trust	18,225	2.48	18,225	2.48
JMFARC - IDBI March 2018 - Trust	60,000	5.93	60,000	5.93
JMFARC - Alphahealth 2018 - Trust	22,14,000	265.68	22,14,000	270.11
JMFARC - Fabrics August 2018 II - Trust	3,80,000	41.80	3,80,000	42.00
JMFARC - Fabrics September 2018 III - Trust	40,200	4.42	40,200	4.44
JMFARC - Metallics November 2018 - Trust*	-	-	1,03,725	12.45
JMFARC - Metallics December 2018 - Trust*	-	-	1,08,000	12.64
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	4.77	33,000	4.77
JMFARC - KTK Metallics December 2018 - Trust*	-	-	55,500	6.60
JMFARC - Infra March 2019 - Trust	60,000	4.50	60,000	4.50
JMFARC - IOB March 2011 – Trust	2,80,000	-	2,80,000	-
JMFARC - IOB March 2011 – Trust	96,500	-	96,500	-
JMFARC - UCO Bank March 2014 - Trust	4,62,500	15.03	4,62,500	19.07
JMFARC - SBI March 2014 I - Trust	1,73,750	5.41	1,73,750	5.67
JMFARC - SBI March 2014 II - Trust	45,250	1.52	45,250	1.64
JMFARC - Cosmos March 2014 - Trust	1,54,500	3.56	1,54,500	6.15
JMFARC - Indian Bank March 2014 - Trust	44,500	1.51	44,500	1.78
JMFARC - BOI March 2014 II - Trust	2,15,750	7.59	2,15,750	8.03
JMFARC - OBC June 2014 – Trust	8,915	0.44	8,915	0.67
JMFARC - UBOI June 2014 – Trust	59,915	0.81	59,915	1.48
JMFARC - Karnataka Bank December 2014 - Trust	1,72,500	6.28	1,72,500	7.25
JMFARC - CSB September 2015 - Trust	63,000	3.45	63,000	4.85
JMFARC - PNB December 2015 – Trust	-	-	24,765	1.24
JMFARC - SBH December 2015 –Trust	73,380	0.01	73,380	9.54
JMFARC - KVB March 2016 –Trust	3,55,095	17.12	3,55,095	20.02
JMFARC - Federal Bank March 2016 - Trust	73,350	3.77	73,350	3.77
JMFARC - PAN INDIA 2016 – Trust	15,46,908	154.69	15,46,908	154.69
JMFARC - PNB March 2017 – Trust	2,22,075	13.48	2,22,075	13.48
JMFARC - SBT March 2017 – Trust	55,875	3.63	55,875	4.02
JMFARC - LTF June 2017 – Trust	6,00,000	20.43	6,00,000	21.32
JMFARC - Central Bank Retail 2011 – Trust	88,872	-	88,872	-
JMFARC - ICICI Bank September 2016 – Trust	8,55,495	41.95	8,55,495	57.57
JMFARC - Fabrics June 2019 I - Trust Class A	50,400	5.54	50,400	5.57
JMFARC - Fabrics June 2019 I - Trust Class B	1,51,200	3.78	1,51,200	3.78
JMFARC - Textile Gama I – Trust	5,610	0.56	-	-
		1,026.18		**1,155.39**

# Denotes amount less than ₹ 50,000

*acquisition of controlling stake as on August 20, 2020 and become subsidiary of the Group.

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. The consolidated financial statements are approved for issue by the Board of Directors at its meeting held on April 28, 2021.

For and on behalf of the Board of Directors

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Independent Auditors' Report

To the Members of

JM Financial Asset Reconstruction Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **JM Financial Asset Reconstruction Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 36 to the standalone financial statements, which describes that the potential impact of the COVID-19 pandemic on the Company's financial statements and particularly the determination of fair value of the financial assets and the impairment provisions are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Investments in Security Receipts carried at fair value (refer note 8 to the standalone financial statements)

Key Audit Matter Description

The Company has made investments in security receipts in Trusts formed under distressed credit business aggregating to ₹ 3,170.52 crore as at March 31, 2021 carried at fair value.

The valuation of these investments is based on a recovery range provided by the External Rating Agency and other unobservable inputs. These assets classified as level 3 in valuation hierarchy are not actively traded and their values can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flows, collateral values, discount rate used and other assumptions. Further, the Company has applied judgements in estimating the cash flows considering the current uncertain economic environment with the range of possible effects unknown to the Company arising out of the COVID 19 Pandemic. In view of the complexities and significant judgements involved we have considered the valuation of these investments as a key audit matter.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed in respect of these investments included following:

- Tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates.
- For selected samples:
  - o Analysed reasonableness of the determination of the appropriate recovery rate and estimated cash flows;

Independent Auditors' Report (Contd.)

- o Compared the management's assumption of discount rate with the supporting internal/ external evidence;
- o Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any.
- o We assessed the reasonableness of the judgements in estimating the cash flows in response to Covid-19 related economic uncertainty and corroborated the assumptions based on the information used by the Company.

Information Other than the 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 Director'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 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 the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Independent Auditors' Report (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Section 143(3) of the Act, based on our audit, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position.

Independent Auditors' Report (Contd.)

(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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN 21105035AAAADA2868

Place: Mumbai
Date: April 28, 2021

Independent Auditors' Report (Contd.)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JM Financial Asset Reconstruction Company Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN 21105035AAAADA2868

Place: Mumbai
Date: April 28, 2021

Independent Auditors' Report (Contd.)

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its property, plant and equipment:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) All fixed assets were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising of the immovable properties of land which are freehold, are held in the name of the Company. In respect of immovable properties of office premises that have been taken on lease and disclosed as fixed asset (lease assets- right to use) in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted loans, made investments or provided guarantees which requires compliance with the provisions of Section 185 and 186 of the Act and hence reporting under clause (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues where applicable, to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) There are no dues of Income-tax, Goods and Services Tax and Customs Duty as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company does not have loans or borrowings from Government and financial institutions.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or directors of its subsidiaries or persons

Independent Auditors' Report (Contd.)

connected with the directors and hence provisions of Section 192 of the Act are not applicable.

(xvi) The Company being a Securitisation and Reconstruction Company ('SCRC') under Securitisation & Reconstruction of Financial Assets & Enforcement of Securities Interest Act, 2002, it is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN 21105035AAAADA2868

Place: Mumbai
Date: April 28, 2021

Standalone Balance Sheet

as at March 31, 2021

₹ in Crore

Sr. No.	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
(I)	**Financial Assets**			
A	Cash and cash equivalents	4	113.86	253.20
B	Bank balance other than (a) above	5	0.91	0.76
C	Trade receivables	6	173.08	154.12
D	Loans	7	625.33	525.93
E	Investments	8	3,183.87	3,037.02
F	Other financial assets	9	42.98	60.13
	Total Financial Assets (I)		**4,140.03**	**4,031.16**
(II)	**Non-financial Assets**			
A	Current tax assets (net)	10	28.34	26.79
B	Deferred tax assets (net)	11	7.13	2.06
C	Property, Plant and Equipment	12	20.30	23.20
D	Other intangible assets	12	0.08	0.07
E	Other non-financial assets	13	4.37	1.82
	Total Non-Financial Assets (II)		**60.22**	**53.94**
	Total Assets (I+II)		**4,200.25**	**4,085.10**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(I)	**Financial Liabilities**			
A	**Payables**	14		
	(I) Trade payables			
	(i) total outstanding dues of micro and small enterprises		0.15	0.08
	(ii) total outstanding dues of creditors other than micro and small enterprises		1.95	2.62
B	Debt securities	15	1,197.24	2,058.25
C	Borrowings (other than debt securities)	16	1,379.10	508.22
D	Other financial liabilities	17	94.51	52.27
	Total Financial Liabilities (I)		**2,672.95**	**2,621.44**
(II)	**Non-Financial Liabilities**			
A	Current tax liabilities (net)	18	-	6.25
B	Provisions	19	2.23	2.00
C	Other non-financial liabilities	20	12.28	7.37
	Total Non-Financial Liabilities (II)		**14.51**	**15.62**
(III)	**EQUITY**			
A	Equity Share capital	21	344.64	344.64
B	Other Equity	22	1,168.15	1,103.40
	Total Equity (III)		**1,512.79**	**1,448.04**
	TOTAL LIABILITIES AND EQUITY (I+II+III)		**4,200.25**	**4,085.10**
	The accompanying notes from an integral part of the standalone financial statements	1 to 50		

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

Pallavi A. Gorakshakar
Partner
Membership No.: 105035

For and on behalf of the Board of Directors

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

₹ in Crore

Sr. No.	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	**Revenue from operations**			
(a)	Interest income	23	148.36	187.42
(b)	Fees and incentives	24	189.98	220.56
(c)	Net gain on fair value changes	25	33.43	-
(d)	Net gain on derecognisition of financial assets carried at amortised cost	26	-	2.04
			371.77	**410.02**
II.	**Other income**	27	1.48	5.67
III.	**Total Income (I+II)**		**373.25**	**415.69**
IV.	**Expenses:**			
(a)	Finance costs	28	265.81	269.39
(b)	Net loss on fair value changes	29	-	11.36
(c)	Impairment on financial instruments	30	(9.80)	20.32
(d)	Employee benefits expense	31	20.52	19.71
(e)	Depreciation and amortization expense	12	3.00	3.24
(f)	Other expenses	32	10.69	11.61
	Total expenses (IV)		**290.22**	**335.63**
V.	**Profit before Tax (III-IV)**		83.03	80.06
VI.	**Less: Tax expense**			
	Current tax	33	24.63	47.35
	Deferred tax		(5.10)	(29.50)
	Earlier year tax adjustments		-	2.98
	Total tax expenses (VI)		**19.53**	**20.83**
	Profit for the year (V-VI)		**63.50**	**59.23**
VII.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit & loss		0.12	(0.01)
	(ii) Income tax relating to items that will be reclassified to profit or loss		0.03	#
	Total other comprehensive income		**0.09**	**(0.01)**
VIII.	**Total Comprehensive Income (VI+VII)**		**63.59**	**59.22**
IX.	**Earnings per equity share (Face value of ₹ 10/- each)**	34		
	Basic (in ₹)		1.59	1.72
	Diluted (in ₹)		1.59	1.69
	The accompanying notes from an integral part of the standalone financial statements	1 to 50		

# Denotes amount less than Rs 50,000/-

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

Pallavi A. Gorakshakar
Partner
Membership No.: 105035

For and on behalf of the Board of Directors

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

Standalone Statement Of Changes In Equity

As At March 31, 2021

A. EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
Equity Share Capital	344.64	-	344.64	-	344.64

B. OTHER EQUITY

₹ in Crore

Particulars	Reserves and Surplus					Total Other Equity
	Securities Premium	Retained earnings	Other Equity	Impairment reserve	Employee Stock Outstanding	
Balance at April 1, 2019	**194.34**	**707.32**	**-**	**-**	**-**	**901.66**
Profit for the year	-	59.23	-	-	-	59.23
Equity component of compulsory convertible debenture	-	-	142.52	-	-	142.52
Other comprehensive income	-	(0.01)	-	-	-	(0.01)
As at March 31, 2020	**194.34**	**766.54**	**142.52**	**-**	**-**	**1,103.40**
Profit for the year	-	63.50	-	-	-	63.50
Impairment reserve (Refer note 48(h))	-	(14.43)	-	14.43	-	-
Stock option grant during the year	-	-	-	-	3.40	3.40
Deferred employee compensation	-	-	-	-	(2.24)	(2.24)
Other comprehensive income	-	0.09	-	-	-	0.09
As at March 31, 2021	**194.34**	**815.70**	**142.52**	**14.43**	**1.16**	**1,168.15**

The accompanying notes from an integral part of the standalone financial statements: 1 to 50

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

Pallavi A. Gorakshakar
Partner
Membership No.: 105035

Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Standalone Statement of cash flow

for the year ended March 31, 2021

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	83.03	80.06
Adjustment for:		
Depreciation	3.00	3.24
Net (gain)/loss on fair value changes	(33.43)	11.36
Impairment on financial instruments	(9.80)	20.32
Gain on sale of Property, Plant and Equipment	-	(0.02)
Interest on lease liability	2.09	2.18
Interest on debt component of compulsory convertible debenture	5.79	3.85
Interest income on fixed deposits	(1.33)	(5.51)
Amortisation of deferred employee compensation (ESOP)	1.16	-
Operating profit before working capital changes	**50.51**	**115.48**
Adjustment for:		
(Increase)/Decrease in Investments in security receipts- Others	(113.42)	135.69
(Increase) in trade receivables	(19.68)	(9.16)
(Increase) in loans	(98.35)	(46.68)
Decrease/(Increase) in Other Financial Assets	26.73	(44.30)
(Increase)/ Decrease in other non-financial assets	(2.55)	0.03
(Increase)/ Decrease in other bank balances	(0.15)	0.73
(Decrease)/Increase in trade payables	(0.60)	0.69
Increase in provisions	0.23	0.02
Increase/(Decrease) in other financial liabilities	43.48	(155.32)
Increase/(Decrease) in other non-financial liabilities	3.12	(0.12)
Cash (used in) operations	**(110.68)**	**(2.94)**
Direct taxes paid (net)	(32.43)	(88.18)
Net cash (used in) operating activities	**(143.11)**	**(91.11)**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(0.11)	(0.03)
Sale of Property, Plant and Equipment	-	0.04
Interest Income	1.33	5.51
Net cash generated from investment activities	**1.22**	**5.52**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from debt securities	213.07	938.19
Repayment of debt securities	(1,056.15)	(1,039.34)
Proceed from issue of compulsory convertible debenture	-	200.24
Repayment of debt component of Compulsory Convertible Debenture (including interest)	(21.92)	-
Repayment of lease liability (including interest)	(3.33)	(3.15)
Proceeds from borrowing	2,233.10	375.00
Repayment of borrowing (including interest)	(1,362.22)	(286.74)
Net cash generated from financing activities	**2.55**	**184.20**
Net (decrease)/ increase in cash and cash equivalents	**(139.34)**	**98.61**
Cash and cash equivalents at the beginning of the financial year	253.20	154.59
Cash and cash equivalents at the closing of the financial year	**113.86**	**253.20**

The accompanying notes from an integral part of the standalone financial statements 1 to 50

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

For and on behalf of the Board of Directors

Pallavi A. Gorakshakar
Partner
Membership No.: 105035

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

1 Corporate Information

JM Financial Asset Reconstruction Company Limited (the "Company" or "JMFARC") was incorporated as a private limited company on September 19, 2007 under the provision of Companies Act, 1956 and is registered with the Reserve Bank of India ("RBI") as an asset reconstruction company ("ARC") under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") vide RBI certificate of registration no. 11/2008 dated September 23, 2008. The Company was converted into a Public Limited Company with effect from April 12, 2017. The Company is engaged in the business of acquisition of non-performing and distressed assets (NPA) from Banks and Financial institutions and resolving them.

2. Significant Accounting Policies

2.1 Statement of Compliance

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

2.2 Basis of Preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

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

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

The principal accounting policies are set out below.

2.3 Investment in Subsidiary:

Subsidiaries are all entities over which the Company has control. Investment in Security Receipts of Subsidiaries are accounted at fair value under Ind AS 109 (also refer para 2.15).

2.4 Revenue Recognition

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

(a) each party's enforceable rights regarding the service to be provided and received by the parties;

(b) the consideration to be exchanged; and

(c) the manner and terms of agreements or offer documents."

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

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

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

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

2.5 Leasing

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

The Company as a lessee

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

a) the use of an identified asset,

b) the right to obtain substantially all the economic benefits from use of the identified asset, and

c) the right to direct the use of the identified asset.

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

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

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

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

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

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

The Company as a lessor

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

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

2.6 Foreign Currency translation

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

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

2.7 Borrowing costs

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

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

2.8 Employee Benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

Payments to defined contribution plans are recognized 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 recognized as an asset to the extent that cash refund or a reduction in the future payment is available.

Defined Benefit Obligation:

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

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

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

Short-term employee benefits:

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

Other long-term benefits:

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

2.9 Income Tax

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

Current Tax

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

Deferred Tax

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

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

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

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

2.10 Property, Plant and equipment's and Intangible Assets

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

Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and recognises depreciation of the right-of-use asset. The cost of the right-of-use asset shall comprise of

a) the amount of the initial measurement of the lease liability which is the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease;

b) any lease payments made at or before the commencement date, less any lease incentives received;

c) any initial direct costs incurred by the lessee; and

d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

(Also refer to policy on leases, borrowing costs and impairment of assets above).

Depreciation / amortization is recognised on a straight-line basis over the estimated useful lives of respective assets as under:

Tangible assets	Useful Life
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Leasehold improvements	10 years or lease period whichever is lower
Intangible Assets	**Useful Life**
Computer Software	5 years

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

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

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

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development". Intangible assets are amortized on straight line basis over the estimated useful life of 5 years. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life. An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized as profit or loss when the asset is derecognized.

Impairment losses on non-financial assets

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

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

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

2.11 Goods and Services Input Tax Credit

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

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

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

Contingent liability is disclosed in case of:

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

Contingent Assets:

Contingent assets are not recognised in the financial statements.

2.13 Commitments

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

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

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

2.14 Statements of cash flows

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

- changes during the period in receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes; and

- all other items for which the cash effects are investing or financing cash flows.

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

2.15 Financial Instruments

Recognition of Financial Instruments

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

Initial Measurement of Financial Instruments

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

Subsequent Measurement of Financial Assets

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

Interest income .

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

Classification of Financial Assets:

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

Debt instruments at amortised cost or at FVTOCI

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

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

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

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.

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

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

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

Reclassifications

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

Impairment of financial assets:

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

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

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

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

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

Derecognition of financial assets

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

Where the entity has transferred an assets, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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

Write off

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

2.16 Earnings Per Share

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

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

2.17 Share-based payment arrangements

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

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

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

2.18 Cash and Cash Equivalents

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

3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of standalone financial statements in conformity with Ind AS requires the Company's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the standalone financial statements that are not readily apparent from other sources. The judgments, 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 judgments and estimations that have been made by the Management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the standalone financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement and valuation processes

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

In estimating the fair value of an asset, the Company uses market-observable data to the extent it is available. 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 43.

4 Cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- in current accounts	113.86	13.20
- in deposit accounts (Refer note 4.1)	-	240.00
Total	**113.86**	**253.20**

4.1 Balance in deposit accounts carrying fixed rate of interest with period ranging 1 day to 30 days.

5 Other bank balances

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balance with banks:		
- In current account (Refer note 5.1)	0.76	0.76
- In deposit account (Refer note 5.2)	0.15	-
Total	**0.91**	**0.76**

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

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

6 Trade receivables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost:		
Unsecured considered good:		
Trade receivables	186.38	166.70
Less: Impairment Loss Allowance (Refer note 44)	(13.30)	(12.58)
Total	**173.08**	**154.12**

7 Loans

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Loans- Secured by tangible assets	550.85	504.54
Interest accrued	97.43	45.39
Total	648.28	549.93
Less: Impairment loss allowance (Refer note 44)	(22.95)	(24.00)
Total	**625.33**	**525.93**

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

8 Investments

(At FVTPL)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Quoted Investment		
Equity instruments		
70,07,709 of equity shares of Nitco Limited of ₹ 10/- each fully paid up	13.35	8.83
Unquoted		
Security receipts of trusts held in distressed credit business (Refer notes below)	3,170.52	3,028.19
Total	**3,183.87**	**3,037.02**

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

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

8.3 **Commitments:**

In respect of two trust, the Company has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts on or before September 29, 2021. Security receipts outstanding as at March 31, 2021 is ₹ 66.29 crore (Previous year: ₹ 66.29 crore).

9 Other Financial assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Recoverable from trusts	46.26	72.35
Interest receivable	#	0.65
Security deposits		
To Related Parties	1.34	1.22
To Others	4.20	4.20
	51.80	**78.42**
Less: Impairment loss allowance on recoverable from trusts (Refer note 44)	(8.82)	(18.29)
Total	**42.98**	**60.13**

# Denotes amount less than ₹ 50,000/-

10 Current tax assets (net)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax paid (net of provisions)	28.34	26.79
Total	**28.34**	**26.79**

11 Deferred tax liability/(asset)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Measurement of financial instruments at fair value	7.03	13.77
Impairment of financial instruments	(11.34)	(12.49)
Difference between books and tax WDV of Property, plant and equipment (PPE)	(0.38)	(0.39)
Others (43B, 35D, etc. allowances in Income Tax Act, 1961)	(2.43)	(2.95)
Total	**(7.12)**	**(2.06)**

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

For the year ended March 31, 2021

₹ in crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in OCI	Closing balance
Measurement of fin. instruments at fair value.	13.77	(6.75)	-	7.02
Impairment on financial instruments	(12.49)	1.15	-	(11.34)
Difference between books and tax WDV of PPE	(0.39)	0.01	-	(0.38)
Others	(2.95)	0.49	0.03	(2.43)
Total- DTL/ (DTA)	**(2.06)**	**(5.10)**	**0.03**	**(7.13)**

For the year ended March 31, 2020

₹ in crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in OCI	Closing balance
Measurement of fin. instruments at fair value	43.02	(29.37)	-	13.77
Impairment on financial instruments	(10.14)	(2.35)	-	(12.49)
Difference between books and tax WDV of PPE	(0.48)	0.07	-	(0.39)
Others	(4.96)	2.15	#	(2.95)
Total- DTL/ (DTA)	**27.44**	**(29.50)**	**#**	**(2.06)**

# Denotes amount less than ₹ 50,000/-

12 Property, Plant and Equipment:

₹ in crore

Description	Gross block				Depreciation / Amortisation				Net block
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	Up to April 01, 2020	Additions	Deductions	Up to March 31, 2021	As at March 31, 2021
TANGIBLE ASSETS:									
Owned Assets:									
Freehold land (Refer note 12.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and Fixtures	0.02	-	-	0.02	0.01	#	-	0.01	0.01
Office Equipment's	0.11	-	-	0.11	0.08	0.01	-	0.09	0.02
Computers	0.55	0.05	-	0.60	0.45	0.11	-	0.56	0.04
Lease Hold Improvements	1.84	-	-	1.84	1.24	0.10	-	1.34	0.50
Leased Assets:									
Office Premises (Right to use- Refer note 38)	24.81	-	-	24.81	2.59	2.65	-	5.24	19.57
Vehicles (Refer note 12.2)	0.47	-	-	0.47	0.26	0.08	-	0.34	0.13
Total	**27.83**	**0.05**	**-**	**27.88**	**4.63**	**2.95**	**-**	**7.58**	**20.30**
INTANGIBLE ASSETS:									
Software (Refer note 12.3)	0.38	0.06	-	0.44	0.31	0.05	-	0.36	0.08
Total	**0.38**	**0.06**	**-**	**0.44**	**0.31**	**0.05**	**-**	**0.36**	**0.08**

Previous year:

₹ in crore

Description	Gross block				Depreciation / Amortisation				Net block
	As at April 01, 2019	Additions	Disposals	As at March 31, 2020	Up to April 01, 2019	Additions	Deductions	Up to March 31, 2020	As at March 31, 2019
TANGIBLE ASSETS:									
Owned Assets:									
Freehold land (Refer note 12.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and Fixtures	0.02	#	#	0.02	0.01	#	#	0.01	0.01
Office Equipment's	0.18	#	(0.07)	0.11	0.10	0.04	(0.06)	0.08	0.03
Computers	0.55	-	-	0.55	0.31	0.14	-	0.45	0.10
Lease Hold Improvements	1.89	0.02	(0.07)	1.84	1.01	0.29	(0.06)	1.24	0.60
Leased Assets:									
Office Premises									
(Right to use- Refer note 38)	-	24.81	-	24.81	-	2.59	-	2.59	22.22
Vehicles (Refer note 12.2)	0.47	-	-	0.47	0.16	0.10	-	0.26	0.21
Total	**3.14**	**24.83**	**(0.14)**	**27.83**	**1.59**	**3.16**	**(0.12)**	**4.63**	**23.21**
INTANGIBLE ASSETS:									
Software (Refer note 12.3)	0.37	0.01	-	0.38	0.23	0.08	-	0.31	0.07
Total	**0.37**	**0.01**	**-**	**0.38**	**0.23**	**0.08**	**-**	**0.31**	**0.07**

 # Denotes amount less than ₹ 50,000/-

12.1 Mortgaged as security against secured non-convertible debentures.

12.2 Vendor have a lien over assets taken on lease.

12.3 The Intangible assets are other than internally generated.

13 Other non-financial assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	2.84	1.19
Balances with Service Tax / VAT Authorities etc.	1.48	0.54
Other non-financial Assets	0.05	0.09
Total	**4.37**	**1.82**

14 Trade Payables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Payables to micro and small enterprises	0.15	0.08
Payables other than micro and small enterprises	1.95	2.62
Total	**2.10**	**2.70**

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	0.15	0.08
(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	**0.15**	**0.08**

15 Debt Securities

(Within India)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Secured		
Non-Convertible Debentures (refer note 15.1 and 15.2)	849.84	1,799.31
Add: Premium/ interest accrued	165.97	198.68
Total Secured	**1,015.81**	**1,997.99**
Unsecured		
Compulsory Convertible Debentures (refer note 15.5)	39.63	56.41
Add: Interest accrued but not due	2.70	3.85
Total	42.33	60.26
Commercial papers (refer note 15.3 and 15.4)	150.00	-
Less: Unamortised interest	(10.90)	-
Total	139.10	-
Total Unsecured	**181.43**	**60.26**
Total	**1,197.24**	**2,058.25**

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

15.2 Maturity profile and rate of interest of debt securities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
9.50% Tranche V NCD Redeemable in the year 2020-21*	-	139.00
9.30% Tranche IX NCD Redeemable in year 2020-21*	-	28.50
9.15% Tranche XII NCD Redeemable in year 2020-21*	-	14.70
9.25% Tranche XIV - Option A Redeemable in the year 2020-21*	-	26.70
9.35% Tranche XIV - Option B Redeemable in the year 2021-22*	14.00	14.00
8.75% Tranche XV Redeemable in the year 2020-21@	-	25.00
9.50% Tranche XVI Redeemable in the year 2021-22*	21.00	21.00
9.75% Tranche XVII Redeemable in the year 2021-22*	5.00	5.00
9.80% Tranche XVIII Redeemable in the year 2021-22*	28.00	28.00
9.80% Tranche XIX Redeemable in the year 2021-22*	19.00	19.00
10.25% Tranche XX - Option A Redeemable in the year 2021-22*	50.00	50.00

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
10.20% Tranche XX - Option B Redeemable in the year 2021-22*	10.00	10.00
9.50% Tranche XXI - Option A Redeemable in the year 2020-21@	-	25.00
10.25% Tranche XXI - Option B Redeemable in the year 2021-22*	130.00	130.00
10.25% Tranche XXI - Option C Redeemable in the year 2021-22*	11.50	11.50
10.25% Tranche XXII - Option A Redeemable in the year 2021-22*	20.00	20.00
10.25% Tranche XXII - Option B Redeemable in the year 2021-22	25.00	25.00
10.25% Tranche XXII - Option C Redeemable in the year 2021-22*	19.50	19.50
10.25% Tranche XXII - Option D Redeemable in the year 2021-22*	100.00	100.00
10.48% Tranche XXIII Redeemable in the year 2022-23*	50.00	50.00
10.38% Tranche XXIV - Option A Redeemable in the year 2021-22*	20.00	20.00
10.38% Tranche XXIV - Option B Redeemable in the year 2021-22*	10.00	10.00
11.00% Tranche XXV Redeemable in the year 2020-21@	-	25.00
11.5% Tranche XXVI - Option A Redeemable in the year 2021-22^	-	150.00
11.5% Tranche XXVI - Option B Redeemable in the year 2022-23^	148.00	150.00
10.00% Tranche XXVII Redeemable in the year 2020-21@	-	50.00
10.00% Tranche XXVIII Redeemable in the year 2020-21@	-	50.00
12.40% Tranche XXIX-Option A Redeemable in the year 2021-22^	-	100.00
12.40% Tranche XXIX-Option B Redeemable in the year 2021-22^	-	250.00
12.50% Tranche XXIX-Option C Redeemable in the year 2022-23^	-	150.00
10.00% Tranche XXX Redeemable in the year 2021-22@	100.00	100.00
8.50% Tranche XXXI Redeemable in the year 2022-23@	75.00	-
Total	**856.00**	**1,816.90**

Note :

@ The interest is linked to IGB 6.45 Government Securities of 10 years.

* Redeemable at premium

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

Maturity profile above is disclosed at face value which excludes cumulative premium amounting to ₹ 0.33 crore (2019-20: ₹ 0.59 crore),cumulative discount of ₹ 3.99 crore (2019-20: ₹ 14.49 crore) and cumulative impact of effective interest rate adjustment amounting to ₹ 2.50 crore (2019-20: ₹ 3.69 crore).

15.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 150 crore (Previous year: ₹ 630 crore).

15.4 Interest rate of commercial paper is 7.88% p.a. (Previous year: interest range between 9.20% to 9.88% p.a.).

15.5 During FY 2019-20, Company issued Compulsory Convertible Debentures aggregating ₹ 200.24 crore out of which ₹ 56.41 crore (net of TDS) has recognised as debt component and balance ₹ 142.52 crore as equity component in accordance with Ind AS 32.

16 Borrowings (Other than Debt securities)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortized cost		
Secured		
Term loans from (Refer note 16.1 and 16.2)		
(a) Banks	220.00	137.38
(b) Others	150.00	125.00
Add: Interest accrued	0.15	7.47
	370.15	**269.85**
Other loans from banks as (Refer note 16.3)		
(a) Working Capital Demand Loans	36.00	-
(b) Cash credit facilities	138.12	112.20

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Add: Interest accrued	0.18	0.36
	174.30	**112.56**
Finance lease obligation (Refer note 16.4)	0.14	0.20
Unsecured		
Inter corporate deposits (Refer note 16.5)		
(a) From related party (Refer note 41)	431.10	-
(a) From others	394.00	125.00
Add : Interest accrued	9.41	0.61
	834.51	**125.61**
Total	**1,379.10**	**508.22**

16.1 Term loans are secured by way of pledge of certain identified security receipts.
16.2 Maturity profile and rate of interest of term loans:

₹ in crore

Residual Maturities	Interest range from			
	8% to 9%	9% to 10%	10% to 11%	12% to 13%
As at March 31, 2021:				
Up to one year (April- 21 to March- 22)	-	51.05	-	-
Up to 1-3 years (April- 22 to March- 24)	-	138.00	150.00	-
3 years and above (April- 24 onwards)	-	30.95	-	-
Total	**-**	**220.00**	**150.00**	**-**
As at March 31, 2020:				
Up to one year (April- 20 to March- 21)	20.00	107.54	32.84	-
Up to 1-3 years (April- 21 to March- 23)	-	10.00	17.00	75.00
3 years and above (April- 23 onwards)	-	-	-	-
Total	**20.00**	**117.54**	**49.84**	**75.00**

Notes:
i) Maturity profile shown excluding effective interest rate impact amounting to ₹ 0.15 crore (2019-20: ₹ 7.47 crore)
ii) The rate of interest of above term loans are linked with MCLR/ base rate of banks and subject to change from time to time. Classification of term loans based on interest rates has been done on interest rate prevalent as on the relevant reporting period ends.

16.3 Other loans from banks in the nature of working capital demand and cash credit facilities are secured by way of pledge of certain identified security receipts.
16.4 Finance lease obligations are secured by way of hypothecation of vehicles.
16.5 Inter corporate deposits taken from related party are repayable on call and taken from others are for 345-544 days.
16.6 All borrowings are made within India.

17 Other financial liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits payable	10.50	12.06
Amount collected on behalf of trust	58.43	17.49
Lease liabilities (Refer note 38)	20.97	22.21
Provision for CSR Expenditure	4.10	-
Others	0.51	0.51
Total	**94.51**	**52.27**

18 Current Tax Liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for tax (net)	-	6.25
Total	**-**	**6.25**

19 Provisions

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
For Gratuity (Refer note 39)	1.50	1.34
For compensated absence	0.73	0.66
Total	**2.23**	**2.00**

20 Other Non-Financial Liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	12.07	5.27
Other	0.21	2.10
Total	**12.28**	**7.37**

21 Equity share capital

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
1,85,00,00,000 Equity Shares of ₹ 10/- each	1,850.00	1,850.00
15,00,00,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
Total	**2,000.00**	**2,000.00**
Issued, Subscribed and Paid-up		
34,46,42,857 Equity shares of ₹ 10/- each fully paid-up (As at March 31, 2020: 34,46,42,857 Equity Shares)	344.64	344.64
Total	**344.64**	**344.64**

21.1 Terms and rights

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

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

21.2 Reconciliation of number of shares

No of Equity Shares

Particulars	As at March 31, 2021	As at March 31, 2020
Shares outstanding at the beginning of the year	34,46,42,857	34,46,42,857
Shares issued during the year	-	-
Shares outstanding at the end of the year	**34,46,42,857**	**34,46,42,857**

21.3 Details of shareholding more than 5%

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:				
JM Financial Limited	20,41,97,279	59.25%	20,41,97,279	59.25%
Mr. Narotam S Sekhsaria	5,68,66,072	16.50%	5,68,66,072	16.50%
Indian Overseas Bank	2,10,00,000	6.09%	2,10,00,000	6.09%
Valiant Maurtius Partners FDI Ltd	2,90,28,911	8.42%	2,90,28,911	8.42%

22 Other equity

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Reserve and surplus:		
Securities premium reserve	194.34	194.34
Retained earnings	815.70	766.50
Equity component of compulsory convertible debenture (Refer note 15.5)	142.52	142.52
Impairment reserve (Refer note 48(h))	14.43	-
Employee Stock option outstanding	1.16	-
Total	**1,168.15**	**1,103.40**

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

22.1 Nature of each reserves:

a) 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.

b) 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.

c) 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.

d) 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 46.2)

23 Interest Income

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income:		
On loans (at amortised cost)	128.79	112.40
On financial instruments (at FVTPL)	-	73.64
On others (at FVTPL)	19.57	1.38
Total	**148.36**	**187.42**

24 Fees and Incentives

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Management and restructuring fees	179.37	215.13
Recovery incentives fees	10.61	5.43
Total	**189.98**	**220.56**

25 Net Gain on fair value changes

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On financial instruments designated at FVTPL:		
- Security Receipts	28.91	-
- Equity instruments	4.52	-
Total	**33.43**	**-**

25.1 Investment in security receipts of ₹ 1.59 crore (Previous year ₹ Nil) in respect of one trust is written off during the year.
25.2 Net gain on fair value changes:

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- Realised Gain	70.92	-
- Unrealised Loss	(37.49)	-
Total	**33.43**	**-**

26 Net gain on de-recognition of financial instruments carried (at amortised cost)

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net gain on derecognition of financial instruments carried at amortised cost	-	2.04
Total	**-**	**2.04**

27 Other Income

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on fixed deposit	1.33	5.50
Other interest income	0.12	0.11
Miscellaneous income	0.03	0.06
Total	**1.48**	**5.67**

28 Finance Costs

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
At amortized cost:		
Debt securities	176.46	215.17
Borrowings (other than debt securities)	84.81	44.98
Others	4.54	9.24
Total	**265.81**	**269.39**

28.1 Above interest on debt securities includes interest on compulsory convertible debentures of ₹ 5.79 crore (Previous year: ₹ 3.85 crore).

28.2 Interest on others includes interest on lease obligations of ₹ 2.09 crore (Previous year: ₹ 2.18 crore).

29 Net loss on fair value changes

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Financial Instruments designated at FVTPL		
- Security Receipts	-	(7.50)
- Equity instruments	-	18.86
Total	**-**	**11.36**

29.1 Net loss on fair value changes

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- Realised gain	-	(65.43)
- Unrealised Loss	-	76.79
Total	**-**	**11.36**

30 Impairment of Financial Instruments

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
At amortised cost:		
Loans	(1.05)	6.46
Trade receivable	0.72	7.32
Financial assets	(9.47)	6.54
Total	**(9.80)**	**20.32**

31 Employee Benefits Expense

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, bonus, other allowances and benefits (Refer note 46)	19.45	18.47
Contribution to provident and other funds (Refer note 39)	0.79	0.84
Gratuity (Refer note 39)	0.28	0.30
Staff welfare expenses	#	0.10
Total	**20.52**	**19.71**

Denote amount below ₹ 50,000

32 Other Expenses

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates & Taxes	0.55	0.87
Travelling Expenses	0.06	0.13
Repairs & Maintenance	0.04	0.06

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Lease rentals	0.08	0.40
Audit Expenses (refer note 32.1)	0.11	0.12
Support service charges	2.16	2.16
Insurance Expenses	0.15	0.29
Professional Fees	1.31	1.35
Electricity Expenses	0.15	0.23
Director's commission & sitting fees	0.69	0.72
Demat Charges	0.04	0.04
Conveyance Expense	0.02	0.07
Car Hire & Other Expenses	#	0.01
Donation	4.65	4.10
Manpower Expenses	0.10	0.17
Communication expenses	0.02	0.04
Membership & Subscription	0.11	0.07
Printing and stationery	0.02	0.09
Information Technology Expenses	0.27	0.33
Other Expenses	0.16	0.36
Total	**10.69**	**11.61**

Denote amount below ₹ 50,000

32.1. Auditors' remuneration (Excluding goods and service tax):

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit Fees	0.07	0.07
In any other manner (Certifications, limited reviews, etc.)	0.04	0.04
Out of pocket	-	0.01
Total	**0.11**	**0.12**

33 Income Tax

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	24.63	47.35
Deferred tax	(5.10)	(29.50)
Tax adjustment in respect of earlier years	-	2.98
Total income tax expenses recognised in the current year	**19.53**	**20.83**
Income tax expense recognised in other comprehensive income	0.03	#
Total income tax expenses	**19.56**	**20.83**

Denote amount below ₹ 50,000

33.1 Reconciliation of total tax charge

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year	83.03	80.06
Income tax rate	25.17%	25.17%

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income tax expense	20.91	20.15
Tax Effect of:		
Effect of non-deductible expenses	1.11	1.03
Effect of unrecognised deferred tax (net)	(1.14)	4.75
Deferred tax on Re-measurement of employee defined benefit obligation	0.03	#
Earlier year tax adjustment	-	2.98
Others	(1.35)	-
Effect of rate change (Refer note 33.2)	-	(8.08)
Income tax expense recognised in profit and loss	**19.56**	**20.83**

Denote amount below ₹ 50,000

33.2 The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay corporate tax at reduced rate effective April 1, 2019, subject to certain conditions. The company has adopted the option of reduced rate which has resulted deferred tax of ₹ 8.08 crore on account of reversal of opening balance of deferred tax liabilities.

34 Earning per share:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Profit for the year attributable to equity shareholders		
- Basic EPS (₹ in Cr.)	63.50	59.23
b) Add: Interest on compulsory convertible debentures (₹ in Cr.)	-	3.85
c) Profit for the year attributable to equity shareholders-		
- Diluted EPS (₹ in Cr.)	63.50	63.08
d) Weighted average number of equity shares outstanding (Nos.)	34,46,42,857	34,46,42,857
e) Add: Employee stock option scheme (ESOS) **	-	-
f) Add: Conversion of compulsory convertible debenture (Nos.)	5,36,82,680	2,95,62,243
g) Weighted average number of equity shares outstanding (Nos.)	39,83,25,537	37,42,05,100
Basic earnings per share (₹)	1.59	1.72
Dilutive earning per share (₹)	1.59	1.69
Nominal value per share (₹)	10.00	10.00

** Shares issued under ESOS are anti-dilutive and therefore considered as Nil.

35 Segment Reporting:

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

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

36 Impact of COVID-19 pandemic

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.

Given the uncertainty over the potential macro-economic impact and the external regulatory developments, the Company's management has considered internal and external information up to the date of approval of these standalone financial statements. The Company has based on current available information, estimated impact on the cash flows in respect of the financial assets and also applied management overlays as per the policy approved by the Board of Directors for the purpose of determination of fair value of the financial assets and determination of impairment of loans carried at amortised cost. Accordingly, the fair value of the financial assets and provision for expected credit loss on loans given to entities covered under the resolution plan recognized as at March 31, 2021 is after considering the potential impact on account the pandemic. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these financial assets.

In addition, while assessing the liquidity situation, the Company has taken into consideration certain assumptions with respect to the expected realisation of the financial assets and the expected source of funds, based on its past experience which have been adjusted for the current events.

The extent to which the pandemic including the current "second wave", that has significantly increased the number of cases in India will continue to impact the Company's standalone financial statements will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the Covid– 19 pandemic may be different from that estimated as at the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future periods.

37 Corporate Social Responsibilities:

Details of expenses towards corporate social responsibility as per section 135 of the Act, 2013 read with schedule VII there to:

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spent by the company during the year	4.40	3.85
b) Amount spent	0.30	3.85
Amount provided for on-going projects	4.10	-
Total	**4.40**	**3.85**
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.40	3.85
Total	**4.40**	**3.85**

38 Leasing:

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2021:

₹ in crore

	Gross Block				Accumulated Depreciation				Net block
Category of ROU asset	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Premises	24.81	-	-	24.81	2.59	2.65	-	5.24	19.57

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2020:

₹ in crore

	Gross Block				Accumulated Depreciation				Net block
Category of ROU asset	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deductions	As at March 31, 2020	As at March 31, 2020
Premises	-	24.81	-	24.81	-	2.59	-	2.59	22.22

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	22.21	22.51
Additions during the year	-	0.67
Finance cost during the year	2.04	2.11
Payment of lease liabilities	(3.28)	(3.08)
Closing balance	**20.97**	**22.21**

Table showing contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis:

On Office Premises:

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Not later than one year	3.45	3.28
Later than one year and not later than five years	14.87	14.47
Later than five years	11.88	15.73

On Motor Vehicle

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	0.09	0.11
Later than one year and not later than five years	0.07	0.15
Later than five years	-	-
Total	**0.16**	**0.26**

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.

39 Employee Benefits:

a) Defined contribution plans

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

The Company's contribution to Provident Fund aggregating ₹ 0.69 crore (Previous year ₹ 0.74 crore) has been recognized in the Statement of Profit and Loss under the head Employee Benefits Expense.

b) Defined benefit obligation

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the Company, which results in a higher liability for the Company and is therefore a plan risk for the Company.

The principal assumptions used for the purposes of the actuarial valuations:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.90%	6.80%
Expected rate of salary increase	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2012-14) Ult table.

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

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	0.19	0.21
Past service cost	-	-
Net interest cost	0.09	0.09
Components of defined benefits costs recognised in profit or loss.	**0.28**	**0.30**
Re-measurements on the net defined benefit liability :		
- Return on plan assets, excluding amount included in interest expense/(income)	-	-
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.01)	0.10
- Actuarial (gain)/loss from change in experience adjustments	(0.11)	(0.09)
Total amount recognised in OCI	**(0.12)**	**0.01**
Total	**0.16**	**0.31**

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

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	1.50	1.34
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**1.50**	**1.34**

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

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined benefit obligation	1.34	1.21
Current service cost	0.19	0.21
Interest cost	0.09	0.09
Past service cost	-	-
Re-measurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.01)	0.10
- Actuarial (gain)/loss from change in experience adjustments	(0.11)	(0.09)
Benefits paid	-	(0.18)
Closing defined benefit obligation	**1.50**	**1.34**

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

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening defined benefit plan assets	-	-
Employer contribution	-	0.18
Interest on plan assets	-	-
Administrative Expenses	-	-
Re-measurement due to :		
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	-	(0.18)
Asset acquired/(settled)*	-	-
Asset distributed on settlements	-	-

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation (base)	1.50	1.34

Particulars	As at March 31, 2021		As at March 31, 2020	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.43	1.54	1.27	1.41
Impact of increase in 50 bps on DBO	(4.63%)	3.02%	(4.86%)	5.25%
Defined benefit obligation on decrease in 50 bps	1.57	1.45	1.41	1.27
Impact of decrease in 50 bps on DBO	5.03%	(2.92%)	5.29%	4.88%

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

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognized in the balance sheet.

Projected benefits payable:

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected benefits for year 1	0.07	0.06
Expected benefits for year 2	0.07	0.06
Expected benefits for year 3	0.25	0.06
Expected benefits for year 4	0.24	0.24
Expected benefits for year 5	0.06	0.23
Expected benefits for year 6	0.11	0.05
Expected benefits for year 7	0.19	0.09
Expected benefits for year 8	0.05	0.17
Expected benefits for year 9	0.20	0.05
Expected benefits for year 10 and above	2.26	2.20

Compensated absences

As per Company's policy, provision of ₹ 0.73 crore (Previous year ₹ 0.66 crore) has been made towards compensated absences, calculated on the basis of unutilized leave as on the last day of the financial year.

c) Code on Social Security, 2020

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

40 Foreign Currency Exposure and Un-hedged Foreign Currency Exposure:

Sr. No.	Particulars	Amount in foreign Currency (Equivalent to USD in Million)	Amount in INR (₹ in crore)
I.	Details of Foreign Currency Exposure		
	(A) Receivables	NIL	NIL
	(i) Export of goods		
	(ii) Services Rendered / Other Income		
	(B) Payables	NIL	NIL
	(i) Import of Goods		
	(ii) Services utilised / Other Expenses		
	(C) Non-Trade Items	NIL	NIL
	(i) Foreign Currency Loans (ECBs, FCTLs, etc.)		
	(a) Principal Payments		
	(b) Interest		
	(ii) Foreign Currency Investments		
	Total Foreign Currency Exposure	**NIL**	**NIL**
II	**Details of Hedgings**		
	(A) Natural Hedges	NIL	NIL
	(B) Financial Hedges	NIL	NIL
	(i) Forward Contracts Booked:		

Sr. No.	Particulars	Amount in foreign Currency (Equivalent to USD in Million)	Amount in INR (₹ in crore)
	(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**		332.39
VI.	**Total Banking Exposure of the company**		
	(i) Term Loans Exposure (Outstanding amounts + Undisbursed)		220.00
	(ii) Working Capital Exposure (Limit sanctioned and accepted)		175.00

Notes:

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.

41 Disclosure of related party:

a) Name and relationship with related parties:

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

Holding Company

JM Financial Limited

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

(A) Holding Company

JM Financial Limited

(B) Fellow Subsidiaries

JM Financial Institutional Securities Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

JM Financial Home Loans Limited

JM Financial Services Limited

JM Financial Capital Limited

JM Financial Credit Solutions Limited

JM Financial Asset Management Limited

Astute Investments

CR Retail Malls (India) Limited

(C) Key managerial personnel

Mr. Anil Bhatia - Chief Executive Officer (Managing Director till November 8, 2019)

Non-Executive Directors

Mr. V. P. Shetty- Chairman

Mr. Narotam Sekhsaria

Mr. Pulkit Sekhsaria

Mr. Adi Patel

Mr. Vishal Kampani (appointed as Nominee Director with effect from November 8, 2019)

Independent Directors

Ms. Rupa Vora

Dr. Vijay Kelkar

Mr. Ameet Desai

Mr. Satish Chand Mathur (appointed as director with effect from April 15, 2019)

Mr. G M Ramamurthy (Ceased to be director with effect from March 31, 2020)

(D) Entity controlled or jointly controlled by key management personnel of a parent of the reporting entity

J.M. Financial & Investment Consultancy Services Private Limited (with effect from November 8, 2019)

(E) 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, 2021	As at March 31, 2020
Subsidiary Trusts in India		**(%)**	**(%)**
JMFARC - BOI 2009 I Trust^	India	37%	37%
JMFARC - DB-ICICI Trust	India	100%	100%
JMFARC - DB SBI Trust	India	100%	100%
JMFARC - DB DCB Trust	India	100%	100%
JMFARC - Jord SUUTI Trust	India	100%	100%
JMFARC - Pasupati SASF Trust	India	100%	100%
JMFARC - Central Bank Tube Trust	India	100%	100%
JMFARC - UTI Tube Trust	India	100%	100%
JMFARC - Yarn 2010 Trust^	India	100%	100%
JMFARC - SASF Tube Trust	India	100%	100%
JMFARC - UCO Bank March 2011 Trust	India	100%	100%
JMFARC - Textile 2013 Trust^	India	100%	100%
JMFARC - Corp Textile 2013 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 - ICICI Bank September 2016 Trust*	India	NA	15%
JMFARC - Axis Bank February 2016 Trust	India	100%	100%
JMFARC - OBC Cement March 2016 Trust	India	100%	100%
JMFARC - Indian Bank I 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%

Name of the Entity	Country of incorporation	Proportion of ownership interest and voting power held by the company	
		As at March 31, 2021	As at March 31, 2020
Subsidiary Trusts in India		(%)	(%)
JMFARC - IDBI March 2017 Trust	India	100%	100%
JMFARC - BOB 2008 Trust	India	100%	100%
JMFARC - SME Retail 2011 Trust	India	100%	100%
JMFARC - IOB II March 2011 Trust	India	50%	50%
JMFARC - Corp I 2013 Trust	India	100%	100%
JMFARC - Corp II 2013 Trust	India	100%	100%
JMFARC - Retail June 2011 Trust	India	100%	100%
JMFARC - Retail Aug 2011 Trust	India	100%	100%
JMFARC - IIFL May 2017 Trust	India	100%	100%
JMFARC - ALHB Bank Textile June 2017 Trust	India	100%	100%
JMFARC - ALHB Bank June 2017 Trust	India	100%	100%
JMFARC - Federal Bank June 2017 Trust	India	100%	100%
JMFARC - IRIS Cash July 2017 Trust	India	100%	100%
JMFARC - Woods October 2017 Trust	India	100%	100%
JMFARC - Fabrics August 2018 I Trust	India	100%	100%
JMFARC - IRIS Cash March 2018 Trust	India	100%	100%
JMFARC - Metallics July 2018 Trust	India	100%	100%
JMFARC - Federal Bank March 2013 Trust	India	100%	100%
JMFARC - Fabrics March 2019 I	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	India	60%	60%
JMFARC - Fabrics September 2020 Trust	India	100%	-
JMFARC - Fabrics November 2020 Trust	India	100%	-
JMFARC - Metallics February 2018 Trust	India	92%	-
JMFARC - Metallics November 2018 Trust	India	95%	-
JMFARC - Metallics December 2018 Trust	India	94%	-
JMFARC - KTK Metallics December 2018 Trust	India	94%	-
JMFARC - Coated February 2021 Trust	India	100%	-

*Subsidiary till February 29, 2020

^ Trusts closed during the year.

Principal activities of all trusts- Asset Reconstruction.

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

₹ in crore

Name of the related party	Nature of relationship	For the year ended March 31, 2021	For the year ended March 31, 2020
JM Financial Limited (JMFL)	(A)		
Inter Corporate Deposit taken		515.00	40.00
Inter Corporate Deposit paid		163.00	40.00
Interest on Inter Corporate Deposits		15.92	0.08
Rating Support Fees		2.24	2.98
Support Service Charges		1.98	1.98
Reimbursement of Expenses		0.02	0.04
Recovery of Expense		0.22	0.11
ESOP Charges		0.13	0.33
Issue of Compulsory Convertible Debenture		-	183.37
Interest on Compulsory Convertible Debenture		22.00	12.24
JM Financial Properties and Holdings Limited (JMFPHL)	(B)		
Space and other related cost		2.67	2.55
Interest expenses		0.80	0.07
Inter Corporate Deposit taken		30.00	35.00
Inter Corporate Deposit repaid		30.00	35.00
Reimbursement of expenses		0.48	0.53
JM Financial Home Loans Limited (JMFHL)	(B)		
Purchase of Plant and equipment's		-	0.04
Reimbursement of expenses		-	0.06
JM Financial Products Limited (JMFPL)	(B)		
Inter Corporate Deposit taken		136.00	-
Inter Corporate Deposit paid		136.00	-
Management Fees received		1.26	1.26
Interest on Inter Corporate Deposits paid		5.40	-
Reimbursement of Expenses		0.06	-
Repayment of NCD		-	35.00
Interest paid on NCD		-	6.29
JM Financial Services Limited (JMFSL)	(B)		
Market linked Non-Convertible Debentures issued		75.00	123.30
Rent and fees paid		#	#
Arranger fees paid		0.89	3.39
JM Financial and Investment Consultancy Services Private Limited (JMFICS)	(D)		
Repayment of NCDs		-	15.00
Interest on NCDs		-	3.10
JM Financial Capital Limited (JMFCL)	(B)		
Inter Corporate Deposit taken		150.00	-
Inter Corporate Deposit paid		150.00	-
Interest on Inter Corporate Deposits paid		2.94	-
Market linked Non-Convertible Debentures redemption		0.36	-
Market linked Non-Convertible Debentures issued		-	65.00
JM Financial Credit Solutions Ltd (JMFCSL)	(B)		
Inter Corporate Deposit taken		104.00	-
Inter Corporate Deposit paid		104.00	-
Interest on Inter Corporate Deposits paid		3.04	-

₹ in crore

Name of the related party	Nature of relationship	For the year ended March 31, 2021	For the year ended March 31, 2020
CR Retail Malls (India) Limited	(B)		-
Interest on Inter Corporate Deposits		2.38	-
Inter Corporate Deposit taken		55.00	
JM Financial Asset Management Limited (JMFAMC)	(B)		-
Interest on Inter Corporate Deposits		5.31	-
Inter Corporate Deposit taken		124.10	-
Inter Corporate Deposit paid		100.00	
Subsidiary trusts - managed by the Company as trustee	(D)		
Management fees and incentives			-
JMFARC - ICICI Bank September 2016 – Trust		-	11.76
JMFARC -ICICI Geometric-Trust		5.41	-
JMFARC - Coated February 2021 - Trust		1.46	
Other		0.38	0.05
Net gain on derecognition of security receipts			-
JMFARC-Axis Bank February 2016-Trust		-	12.44
JMFARC-Fabrics September 2018 IV Trust		-	5.77
JMFARC- Metallics February 2018- Trust		6.22	-
JMFARC- Metallics November 2018 Trust		5.04	-
JMFARC- Metallics December 2018 Trust		4.72	-
JMFARC-Corp Apparel 2013-Trust		2.79	-
JMFARC- KTK Metallics December 2018 Trust		2.61	
Others		4.22	0.72
Interest Income			
JMFARC Fabrics August 2018 I- Trust		-	51.14
JMFARC – Retreat II March 2017 – Trust		-	22.21
Others		0.16	0.37
Investment in security receipts			
JMFARC - Coated February 2021 - Trust		292.62	-
JMFARC- Metallics February 2018- Trust		102.59	
JMFARC – Metallics December 2018 – Trust		62.44	-
JMFARC- Metallics November 2018- Trust		62.73	-
JMFARC - Fabrics November 2020 - Trust		50.80	-
JMFARC – KTK Metallics December 2018 – Trust		32.81	-
JMFARC - Fabrics September 2020 - Trust		10.09	-
JMFARC March 2018 - Trust		-	120.00
JMFARC Fabric June 2019 II - Trust		-	70.75
Others		-	23.33
Redemption/sale of security receipts			
JMFARC- Metallics February 2018- Trust		122.24	-
JMFARC – Metallics December 2018 – Trust		73.24	-
JMFARC- Metallics November 2018- Trust		73.10	-
JMFARC – KTK Metallics December 2018 – Trust		38.36	-
JMFARC – March 2018 – Trust		26.15	-
JMFARC- Metallics July 2018- Trust		16.64	-
JMFARC- Corp Textile 2013- Trust		14.45	-
JMARC Retreat II March 2017 – Trust		-	36.50
JMFARC-Fabrics September 2018 IV Trust		-	30.00
JMFARC-Federal Bank June 2017-Trust		13.11	19.90
Others		21.73	35.73

₹ in crore

Name of the related party	Nature of relationship	For the year ended March 31, 2021	For the year ended March 31, 2020
Loans and advances given/ (repaid) (net)			
JMFARC-Gelatine March 2014-Trust		0.57	-
JMFARC Fabrics August 2018 I- Trust		0.18	2.64
JMFARC-Central India 2013-Trust		0.54	0.72
JMFARC-Corp I 2013-Trust		0.06	0.70
JMFARC March 2018 Trust		-	0.38
JMFARC Fabrics September I 2018 Trust		0.02	0.32
Others		(4.88)	(1.60)
Key Managerial Personnel	(C)		
Remuneration		2.90	3.15
Contribution to provident fund		0.09	0.08

c) Closing balances:

₹ in crore

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
Inter Corporate Deposit payable			
JM Financial Limited (JMFL)	(A)	352.00	-
CR Retail Malls (India) Limited	(B)	55.00	-
JM Financial Asset Management Limited	(B)	24.10	-
Interest on Compulsory Convertible Debenture			
JM Financial Limited (JMFL)	(A)	11.32	11.01
Security Deposit (including prepaid rent) receivable			
JM Financial Properties and Holdings Limited	(B)	2.75	2.75
Market Linked Non-Convertible Debenture			
JM Financial Services Ltd	(B)	3.02	12.13
JM Financial Capital Ltd	(B)	-	0.30
Dr Vijay Kelkar	(C)	0.20	-
Trade Payable			
JM Financial Limited (JMFL)	(A)	0.61	0.68
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	-	#
JM Financial Home Loans Limited (JMFHL)	(B)	-	0.06
Trade receivables/ loans and advances	(E)		
Subsidiaries trust			
JMFARC Fabric August 2018 I Trust		2.82	2.42
JMFARC Fabric June 2019 I Trust		-	2.18
JMFARC - Coated February 2021 – Trust		1.67	-
Others		8.57	1.87
Key Managerial Personnel	(C)	3.63	3.74

# Denotes amount below Rs.50,000/-

d) The remuneration includes directors sitting fees and commissions and excludes provision for gratuity as the incremental liability has been accounted for company as a whole.

e) There are no provisions for doubtful debts/ advances or amounts written off or written back during the year in respect of debts due from/ due to related parties.

f) The transactions disclosed above are exclusive of GST.

Note:

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

42. Capital Management

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

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings (Debt securities and borrowing other than debt securities)	2,576.34	2,566.47
Less: Cash and cash equivalents	(113.86)	(253.20)
Net debt	**2,462.48**	**2,313.26**
Total equity (excluding non-controlling interest)	1,512.79	1,448.04
Net Debt to Equity Ratio	1.63	1.60

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 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 and other assumptions.

b) Categories of Financial Instruments:

₹ in crore

As at March 31, 2021	Carrying amount				Fair value			
Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	113.86	113.86	-	-	-	-
Other bank balances	-	-	0.91	0.91	-	-	-	-
Trade receivables (net)	-	-	173.08	173.08	-	-	-	-
Loans (net)	-	-	625.33	625.33	-	-	-	-
Investments	3,183.87	-	-	3,183.87	13.35	-	3,170.52	3,183.87
Other Financial assets (net)	-	-	42.98	42.98	-	-	-	-
Total	**3,183.87**	**-**	**956.16**	**4,140.03**	**13.35**	**-**	**3,170.52**	**3,183.87**
Financial liabilities								
Trade payables	-	-	2.10	2.10	-	-	-	-
Debt securities	-	-	1,197.24	1,197.24	-	-	-	-
Borrowing (other debt securities)	-	-	1,379.10	1,379.10	-	-	-	-
Other financial liabilities	-	-	94.51	94.51	-	-	-	-
Total	-	-	**2,672.95**	**2,672.95**	-	-	-	-

As at March 31, 2020

₹ 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	-	-	253.20	253.20	-	-	-	-
Other bank balances	-	-	0.76	0.76	-	-	-	-
Trade receivables (net)	-	-	154.12	154.12	-	-	-	-
Loans (net)	-	-	525.93	525.93	-	-	-	-
Investments	3037.02	-	-	3,037.02	8.83	-	3,028.19	3,037.02
Other Financial assets (net)	-	-	60.13	60.13	-	-	-	-
Total	**3,037.02**	**-**	**994.14**	**4,031.16**	**8.83**	**-**	**3,028.19**	**3,037.02**
Financial liabilities								
Trade payables	-	-	2.70	2.70	-	-	-	-
Debt securities	-	-	2,058.25	2,058.25	-	-	-	-
Borrowing (other debt securities)	-	-	508.22	508.22	-	-	-	-
Other financial liabilities	-	-	52.27	52.27	-	-	-	-
Total	-	**-**	**2,621.44**	**2,621.44**	**-**	-	-	-

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, 2021	828.44	829.96
As at March 31, 2020	1,704.71	1,681.42

2. Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognized the financial statements approximate their fair values.

3. For financial assets that are measured at amortized cost, the carrying amounts are equals to the fair values.

c) Valuation techniques used to determine the fair values:

i) For level 1- Listed equity instruments are fair valued using quoted prices;

ii) For level 2- fair value measurements are derived from quoted prices of equity instruments; and

iii) For Level 3 fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Company. Impact of Covid-19 pandemic has been considered on the observable and unobservable inputs used for the purpose of valuation. The Company has made necessary adjustments to the timing of cash flows and values of collaterals to be realized for the purpose of determination of the fair values of financial assets carried at FVTPL.

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, 2021 and March 31, 2020.

₹ in crore

Particulars	Investment in Security Receipts
As at March 31, 2019	**3,156.35**
Acquisitions made	234.13
(Realisations) made	(369.79)
Net Loss on fair value changes	7.50
As at March 31, 2020	**3,028.19**

₹ in crore

Particulars	Investment in Security Receipts
Acquisitions made	614.64
(Realisations) made	(501.22)
Net Gain on fair value changes	28.91
As at March 31, 2021	**3,170.52**

e) Sensitivity for instruments:

₹ in crore

Nature of the instrument	Fair Value As at March 31, 2021	Fair Value As at March 31, 2020	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2021		Sensitivity Impact for the year ended March 31, 2020	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Investment in Security receipts	3,170.52	3,028.19	Estimated cash flow based on realisation of collaterals value, etc.	5%	159.44	(159.44)	150.30	(150.30)

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

44. Financial Risk Management

The 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.

a) Credit risk

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

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

Company has classified its receivables in to following categories:

a) Loans given (in the nature of restructuring loans, additional funding for working capital, etc.); and

b) Other receivables under distress credit business.

Provision for expected credit loss

1. For loans:

Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company's current credit risk rating and grading framework comprises the following categories:

- For stage-1 performing assets- 12 months Expected Credit Loss (ECL);
- For stage-2- under-performing assets- lifetime ECL (on default occurred); and
- For stage-3-credit impaired assets-based on expected cash flows.

The Company has made adjustments in ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to pandemic. The impact on collateral values and delay in expected cash flows is also assessed for determination of loss given default and reasonable haircuts are applied wherever necessary.

(i) Movement of gross carrying amount in loans given:

₹ in crore

Particulars	As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**368.73**	**-**	**181.20**	**549.93**
New assets originated or purchased	164.32	-	43.91	208.23
Assets derecognised or repaid (excluding write offs)	(97.00)	-	(12.88)	(109.88)
Transfer to Stage 3	(185.79)	-	185.79	-
Gross carrying amount	**250.26**	**-**	**398.02**	**648.28**

₹ in crore

Particulars	As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**489.11**	**-**	**14.14**	**503.25**
New assets originated or purchased	251.13	-	1.31	252.44
Assets derecognised or repaid (excluding write offs)	(205.76)	-	-	(205.76)
Transfer to Stage 3	(165.75)	-	165.75	-
Gross carrying amount	**368.73**	**-**	**181.20**	**549.93**

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

₹ in crore

Particulars	As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**5.91**	**-**	**18.09**	**24.00**
New assets originated or purchased	1.51	-	4.79	6.30
Assets derecognised or repaid	(0.40)	-	(6.95)	(7.35)
Transfer to Stage 3	0.20	-	(0.20)	-
ECL allowance - closing balance	**7.22**	**-**	**15.73**	**22.95**

₹ in crore

Particulars	As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**3.40**	**-**	**14.14**	**17.54**
New assets originated or purchased	4.11	-	2.35	6.46
Transfer to Stage 3	(1.60)	-	1.60	-
ECL allowance - closing balance	**5.91**	**-**	**18.09**	**24.00**

2 For other receivables under distressed credit business:

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

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

Movement of provision for impairment

₹ in crore

Particulars	As at March 31, 2021		
	Trade receivables	Recoverable from trusts	Total
ECL allowance - opening balance	**12.58**	**18.29**	**30.87**
Addition	0.72	(9.47)	(8.75)
Utilization/ written back	-	-	-
Closing balance	**13.30**	**8.82**	**22.12**

₹ in crore

Particulars	As at March 31, 2020		
	Trade receivables	Recoverable from trusts	Total
ECL allowance - opening balance	**5.26**	**11.76**	**17.02**
Addition	10.07	6.53	16.60
Utilization/ written back	(2.75)	-	(2.75)
Closing balance	**12.58**	**18.29**	**30.87**

The ageing of trade receivables:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Past due 1–180 days	48.96	37.28
More than 180 days	137.42	129.42
Total	**186.38**	**166.70**

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 ₹ 1.10 crore and ₹ 238.24 crore as of March 31, 2021 and March 31, 2020 respectively, from its bankers for working capital requirements. The Company also has Bank balances of ₹ 113.86 crore as on March 31, 2021

Exposure to liquidity risk

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross and undiscounted.

₹ in crore

As at March 31, 2021	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	2,576.34	2,576.34	1,953.19	592.20	30.95	-
Trade payables	2.10	2.10	2.10	-	-	-
Other financial liabilities	94.51	94.51	75.09	3.95	5.14	10.33
Total	**2,672.95**	**2,672.95**	**2,030.38**	**596.15**	**36.09**	**10.33**
Financial Assets						
Cash and cash equivalents	113.86	113.86	113.86	-	-	-
Other Bank balances	0.91	0.91	-	0.91	-	-
Trade receivables (net)	173.08	173.08	121.16	51.92	-	-
Loans (net)	625.33	625.33	319.01	306.32	-	-
Investment	3,183.87	3,183.87	888.25	637.05	1,631.61	26.96
Other Financial Assets (net)	42.98	42.98	39.64	0.08	1.73	1.53
Total	**4,140.03**	**4,140.03**	**1,481.92**	**996.28**	**1,633.34**	**28.49**

₹ in crore

As at March 31, 2020	Contractual cash flows					
Particulars	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities						
Borrowings and debt securities	2,566.47	2,566.47	791.50	1,774.97	-	-
Trade payables	2.70	2.70	2.70	-	-	-
Other financial liabilities	52.27	52.27	28.32	6.33	4.55	13.07
Total	**2,621.43**	**2,621.43**	**822.51**	**1,781.30**	**4.55**	**13.07**
Financial Assets						
Cash and cash equivalents	253.20	253.20	253.20	-	-	-
Other Bank balances	0.76	0.76	-	0.76	-	-
Trade receivables (net)	154.12	154.12	63.28	90.84	-	-
Loans (net)	525.93	525.93	235.94	289.99	-	-
Investment	3,037.02	3,037.02	639.94	949.72	1,314.10	133.26
Other Financial Assets (net)	60.13	60.13	36.31	18.40	-	5.42
Total	**4,031.15**	**4,031.15**	**1,228.66**	**1,349.71**	**1,314.10**	**138.68**

Notes:

a) The maturities of non-derivative financial liabilities are based on the earliest date on which the Company may be required to pay.

b) The maturities of the financial assets are based on the management's estimation on realization.

c) The liquidity gap between 0-1 year for the financial year 2021-22 would be met by refinancing through bank facilities / other refinancing options. The liquidity gap includes inter corporate deposit payable to related party which are payable on call and also Bank working capital balances which are annually renewable.

c) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

1. Currency risk

The functional currency of the Company is Indian Rupee (₹). The Company has not undertaken any transactions denominated in foreign currencies and therefore is not exposure to exchange rate fluctuations. Company has not taken derivative contracts during the year.

2. Interest rate risk

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk and provide appropriate guidelines to the Treasury to manage such risk. The ALCO reviews the interest rate risk on periodic basis and decides on the appropriate funding mix.

Exposure to interest rate risk

The exposure of the Company's borrowings to the interest rates risk at the end of the reporting period is:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings:		
Fixed-rate instruments	1,831.31	1,710.34
Floating-rate instruments	566.62	645.16
Total	**2,397.93**	**2,355.50**

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, 2021 would decrease/ increase by ₹ 5.67 crore (Previous year: decrease/ increase by ₹ 6.45 crore).

3. Equity Price Risk

Equity price risk is related to the change in market reference price of the instruments in quoted and unquoted securities. The fair value of the Company's investments exposes to company to equity price risks. In general, these securities are not held for trading purposes.

Equity Price Sensitivity analysis:

The fair value of equity instruments as at March 31, 2021 aggregate to ₹ 13.35 crore (Previous year ₹ 8.83 crore). If price of equity instruments decrease/ increase by 5%, the Company's profit for the year ended March 31, 2021 would be decrease/ increase by ₹ 0.67 crore (Previous year: decrease/ increase by ₹ 0.44 crore).

46. Maturity Analysis of Assets and Liabilities

₹ in crore

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSESTS						
(1) Financial Assets						
(a) Cash and cash equivalents	113.86	-	113.86	253.20	-	253.20
(b) Other bank balances	-	0.91	0.91	-	0.76	0.76
(c) Trade Receivables	121.16	51.92	173.08	63.28	90.84	154.12
(d) Loans	319.01	306.32	625.33	235.94	289.99	525.93
(e) Investments	888.25	2,295.62	3,183.87	639.94	2,397.08	3,037.02
(e) Other Financial assets	39.64	3.34	42.98	60.13	-	60.13
Total Financial Assets	**1,481.92**	**2,658.11**	**4,140.03**	**1,252.49**	**2,778.67**	**4,031.16**
(2) Non-financial Assets						
(a) Current tax Assets (Net)	-	28.34	28.34	-	26.79	26.79
(b) Deferred tax Assets (Net)	-	7.13	7.13	-	2.06	2.06
(c) Property, Plant and Equipment	-	20.30	20.30	-	23.20	23.20
(d) Other Intangible assets	-	0.08	0.08	-	0.07	0.07
(e) Other non-financial assets	4.37	-	4.37	1.82	-	1.82
Total Non -financial Assets	**4.37**	**55.85**	**60.22**	**1.82**	**52.12**	**53.94**
Total Assets (A)	**1,486.29**	**2,713.96**	**4,200.25**	**1,254.31**	**2,830.79**	**4,085.10**
LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(a) Trade Payables	2.10	-	2.10	2.70	-	2.70
(b) Debt Securities	894.11	303.13	1,197.24	511.02	1,547.23	2,058.25
(c) Borrowings (Other than Debt Securities)	1,059.08	320.02	1,379.10	280.48	227.74	508.22
(d) Other financial liabilities	75.09	19.42	94.51	28.32	23.95	52.27
Total Financial Liabilities	**2,030.38**	**642.57**	**2,672.95**	**822.52**	**1,798.92**	**2,621.44**
(2) Non-Financial Liabilities						
(a) Current tax liabilities (net)	-	-	-	-	6.25	6.25
(b) Provisions	0.80	1.43	2.23	0.72	1.28	2.00
(c) Other non-financial liabilities	12.28	-	12.28	7.37	-	7.37
Total Non-Financial Liabilities	**13.08**	**1.43**	**14.51**	**8.09**	**7.53**	**15.62**
Total Liabilities (B)	**2,043.46**	**644.00**	**2,687.46**	**830.61**	**1,806.45**	**2,637.06**
Net (A-B)	**(557.17)**	**2,069.96**	**1,512.79**	**423.70**	**1,024.34**	**1,448.04**

Note: Maturity Analysis of Assets and Liabilities- within 12 months of current year is negative on account of ICDs payables to related parties are on call and working capital demand loans/ cash credit facilities which are annually renewals. The shortfall will be balance through refinancing/ others modes of borrowings.

46 Employee Stock Option Scheme

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

May 16, 2016	122,397	Stock Options
April 12, 2018	88,236	Stock Options

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

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

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

Particulars	Number of outstanding options	
	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	58,824	129,035
Granted during the year	-	-
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/forfeited during the year	-	-
Exercised during the year	-	(70,211)
Outstanding at the end of the year	58,824	58,824
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.13 crore (Previous year: ₹ 0.33 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.

46.2 The Employee Stock Option Scheme (the "Scheme") provides for grant of stock options to the eligible employees and/ or directors ("the Employees") of the Company. The Stock Options are granted at an exercise price, which is either equal to the fair market price or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee of the Board of the Company.

During the financial year 2020-21, the Nomination and Remuneration Committee has granted 15,81,444 options at an exercise price of ₹ 28.46 per option to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	-	-
Add: Granted during the year	1,581,444	-
Less: Exercised and shares allotted during the year	-	-
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	-	-
Less: Lapsed during the year	-	-
Outstanding at end of the year	1,581,444	-
Exercisable at end of the year	-	-

The Company follows fair value method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value of each stock options granted during the current year and previous year is mentioned in the table below. The fair value has been calculated by applying Black and Scholes model as valued by an independent valuer.

Details of options granted during the current and previous financial year based on the graded vesting and fair value of the options are as under:

Tranches	% of Options to be vested	No. of options granted		Vesting date		Fair value per option (₹)	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche 1	33.33%	527,148	-	16/04/22	-	19.79	-
Tranche 2	33.33%	527,148	-	16/04/23	-	21.58	-
Tranche 3	33.34%	527,148	-	16/04/24	-	23.08	-

The following table summarizes the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in years)		Risk-free interest rate		Volatility		Dividend Yield	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche 1	3.50	-	5.59%	-	0.5160	-	-	-
Tranche 2	4.50	-	6.16%	-	0.5005	-	-	-
Tranche 3	5.50	-	6.51%	-	0.4870	-	-	-

* Dividend Yield is Nil as the Company has not declared and paid any dividend in previous years and no dividend is expected to be paid.

Details of options granted

Particulars	Options
Grant date	16-04-2020
Options granted	15,81,444
Options exercised till March 31, 2021	-
Options forfeited/cancelled till March 31, 2021	-
Options lapsed till March 31, 2021	-
Outstanding at end of year	15,81,444
Exercisable at end of year	-
Vesting 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
Exercise price	₹ 28.46
Pricing formula	As was determined by the Nomination and Remuneration Committee

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 1.16 crore (Previous year: ₹ Nil).

47. Schedule of security receipts

₹ in crore

Name of Trust	As at March 31, 2021		As at March 31, 2020	
	No. of SRs	Amount	No. of SRs	Amount
A) Subsidiary Trusts (at fair value)				
JMFARC - BOI 2009 I - Trust	-	-	36,000	-
JMFARC - DB-ICICI - Trust	115,000	-	115,000	-
JMFARC - DB-SBI - Trust	61,000	-	61,000	-
JMFARC - DB-DCB - Trust	7,500	-	7,500	-
JMFARC - JORD-SUUTI - Trust	8,000	-	8,000	-
JMFARC - Pasupati- SASF - Trust	250,000	-	250,000	-
JMFARC - Central bank - Tube - Trust	50,000	-	50,000	-
JMFARC - UTI - Tube - Trust	6,000	-	6,000	-
JMFARC - Yarn 2010 - Trust	-	-	100,000	-
JMFARC - SASF Tube - Trust	62,000	-	62,000	-
JMFARC - UCO Bank March 2011 - Trust	16,500	-	16,500	-
JMFARC - Textile 2013 - Trust	-	-	91,000	0.01

₹ in crore

Name of Trust	As at March 31, 2021		As at March 31, 2020	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - Corp Textile 2013 - Trust	150,000	-	150,000	13.50
JMFARC - Corp Apparel 2013 -Trust	120,000	0.01	120,000	0.01
JMFARC - Central India 2013 - Trust	289,360	28.07	289,360	28.07
JMFARC - Dena Bank March 2014 - Trust	67,000	5.03	67,000	5.03
JMFARC - Gelatine March 2014 - Trust	628,672	48.26	628,672	48.26
JMFARC - ICICI Bank July 2014 - Trust	20,000	#	20,000	#
JMFARC - Axis Bank Cement March 2015 - Trust	230,000	28.75	230,000	28.75
JMFARC - ICICI Bank Cement June 2015 - Trust	170,500	22.34	170,500	22.34
JMFARC - United Bank Cement September 2015 - Trust	180,000	27.00	180,000	27.00
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	3.13	49,700	3.13
JMFARC - Indian Bank I March 2016 - Trust	-	-	16,010	0.00
JMFARC - Axis Iris II March 2016 - Trust	60,000	6.00	60,000	6.00
JMFARC - SBI Geometric October 2016 - Trust	453,000	21.47	453,000	22.28
JMFARC - IRIS Cash 2016 - Trust	426,200	89.66	426,200	89.66
JMFARC - Tata Capital December 2016 - Trust	130,000	9.87	130,000	9.87
JMFARC - IDBI March 2017 - Trust	30,000	2.37	30,000	2.45
JMFARC - IRIS IIFL May 2017 - Trust	27,500	4.65	27,500	4.65
JMFARC - IRIS Cash July 2017 - Trust	264,000	24.52	264,000	24.81
JMFARC - Woods October 2017 - Trust	187,500	14.72	187,500	14.72
JMFARC - IRIS Cash March 2018 - Trust	78,500	13.06	78,500	13.13
JMFARC - Fabrics June 2018 - Trust	830,000	81.43	830,000	81.82
JMFARC - Metallics July 2018 - Trust	166,500	-	166,500	19.13
JMFARC - Fabrics August 2018 I - Trust	8,020,000	867.93	8,020,000	872.09
JMFARC - Fabrics September 2018 I - Trust	753,500	82.89	753,500	83.28
JMFARC - Fabrics September 2018 II - Trust	535,300	58.86	535,300	59.15
JMFARC - PNB IRIS II September 2018 - Trust	11,510	1.15	11,510	1.15
JMFARC - Fabrics March 2019 I - Trust	337,800	37.16	337,800	37.34
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	31.20	1,000,000	39.01
JMFARC - Corp I 2013 - Trust	93,000	4.04	93,000	6.07
JMFARC - Corp II 2013 - Trust	58,800	0.01	58,800	0.01
JMFARC - Allahabad Bank June 2017 - Trust	36,000	0.01	36,000	0.46
JMFARC - Allahabad Bank Textile June 2017 - Trust	69,000	9.04	69,000	9.04
JMFARC - Federal Bank June 2017 - Trust	1,572,000	64.87	1,572,000	76.67
JMFARC - Metallics February 2018 - Trust*	1,221,809	-	-	-
JMFARC - Metallics November 2018 - Trust*	656,405	-	-	-
JMFARC - Metallics December 2018 - Trust*	675,629	-	-	-
JMFARC - KTK Metallics December 2018 – Trust*	347,199	-	-	-
JMFARC - Retail June 2011 – Trust	469,884	0.05	469,884	0.05
JMFARC - Retail Aug 2011 - Trust	7,039	0.00	7,039	0.00
JMFARC - Fabrics June 2019 II - Trust	707,500	77.81	707,500	78.20
JMFARC - Fabrics June 2019 III - Trust	183,100	20.13	183,100	20.23
JMFARC - Fabrics December 2019 I - Trust	49,100	5.40	49,100	5.43

₹ in crore

Name of Trust	As at March 31, 2021		As at March 31, 2020	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - March 2018 - Trust	1,200,000	93.85	1,200,000	120.00
JMFARC - Fabrics September 2020 - Trust	100,900	11.10	-	-
JMFARC - Fabrics November 2020 - Trust	508,000	55.88	-	-
JMFARC - Coated February 2021 - Trust	2,926,165	292.62	-	-
		2144.34		**1872.80**

# Denotes amount less than ₹ 50,000

*acquisition of controlling stake as on August 20, 2020 and become subsidiary of the Company.

₹ in crore

Name of Trust	As at March 31, 2021		As at March 31, 2020	
	No. of SRs	Amount	No. of SRs	Amount
B) Non Subsidiary Trusts (at fair value)				
JMFARC - BOI 2009 - Trust	48,600	-	48,600	-
JMFARC - Swarna 2011 - Trust	72,199	0.98	72,199	0.98
JMFARC - Swarna II 2012 - Trust Class A	66,200	1.58	66,200	2.37
JMFARC - Swarna II 2012 - Trust Class B	12,500	0.31	12,500	0.88
JMFARC - Fed Textile 2013 - Trust	8,820	-	8,820	0.33
JMFARC - BOI Textile 2013 - Trust	41,000	-	41,000	0.70
JMFARC - OBC March 2014 - Trust	34,500	2.35	34,500	1.73
JMFARC - Fed Gelatine March 2014 - Trust	17,500	0.40	17,500	0.44
JMFARC - OBC March 2014 II - Trust	4,760	0.29	4,760	0.29
JMFARC - UBOI March 2014 - Trust	66,750	3.30	66,750	3.30
JMFARC - SBI Ceramics June 2014 - Trust	156,000	5.53	156,000	5.53
JMFARC - Indian Bank June 2014 - Trust	32,200	1.57	32,200	1.57
JMFARC - Vijaya Bank June 2014 - Trust	25,360	1.37	25,360	1.37
JMFARC - Hotels June 2014 - Trust Class A	329,099	-	329,099	-
JMFARC - Hotels June 2014 - Trust Class B	2,071,631	-	2,071,631	-
JMFARC - Central Bank of India June 2014 - Trust	32,000	-	32,000	-
JMFARC - CSB Ceramics September 2014 - Trust	32,625	2.45	32,625	2.45
JMFARC - LVB Ceramics September 2014 - Trust	27,900	2.09	27,900	2.09
JMFARC - SBOP Ceramics December 2014 - Trust	11,850	0.89	11,850	0.89
JMFARC - SBH Ceramics December 2014 - Trust	60,000	4.50	60,000	4.50
JMFARC - SBT Ceramics March 2015 - Trust	23,250	1.74	23,250	1.74
JMFARC - SBI Steel March 2015 - Trust	93,150	4.19	93,150	3.82
JMFARC - SBM Ceramics March 2015 - Trust	12,750	0.96	12,750	0.96
JMFARC - Karnataka Bank Cement March 2015 - Trust	49,500	3.61	49,500	3.61
JMFARC - Vijaya Bank Ceramics March 2015 - Trust	27,000	2.03	27,000	1.97
JMFARC - SBH Cement June 2015 - Trust	66,000	4.95	66,000	4.95
JMFARC - United Bank Textile September 2015 - Trust	27,075	1.30	27,075	1.41
JMFARC - PNB Ceramics November 2015 - Trust	401,640	29.85	401,640	29.85
JMFARC - Corp Bank Ceramics September 2015 - Trust	46,065	4.61	46,065	4.61
JMFARC - SBOP Geometric - Trust	61,560	-	61,560	-
JMFARC - Dena Ceramics January 2016 - Trust	15,750	1.58	15,750	1.42
JMFARC - UBOI Steel March 2016 - Trust	63,000	3.97	63,000	3.34
JMFARC - OBC March 2016 - Trust	72,000	3.24	72,000	7.58
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	5.15	57,180	5.15
JMFARC - EXIM Ceramics March 2016 - Trust	17,101	1.66	17,101	1.66

₹ in crore

Name of Trust	As at March 31, 2021		As at March 31, 2020	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - UCO Geometric March 2016 - Trust	88,965	-	88,965	-
JMFARC - KVB Iris II March 2016 - Trust	37,500	5.63	37,500	5.63
JMFARC - Indian Bank March 2016 - Trust	97,515	1.11	97,515	0.65
JMFARC - ICICI Bank September 2016 - Trust	855,495	41.95	855,495	57.57
JMFARC - IOB March 2016 - Trust	50,250	2.55	50,250	3.22
JMFARC - Iris March 2016 - Trust	10,00,165	111.03	10,00,165	113.98
JMFARC - Exim Iris March 2016 - Trust	60,000	8.28	60,000	8.28
JMFARC - Axis Iris March 2016 - Trust	150,000	22.50	150,000	22.50
JMFARC - KB Metals September 2016 - Trust	22,500	0.55	22,500	1.28
JMFARC - Andhra Resin September 2016 - Trust	37,605	#	37,605	#
JMFARC - Dena SEZ September 2016 - Trust	7,335	0.73	7,335	0.73
JMFARC - IDBI Geometric Dec 2016 - Trust	41,250	0.19	41,250	0.21
JMFARC - IRIS December 2016 - Trust	31,110	4.67	31,110	4.67
JMFARC -IRIS UBOI December 2016 - Trust	16,005	2.40	16,005	2.40
JMFARC -IRIS PNB January 2017 - Trust	41,550	6.18	41,550	6.18
JMFARC - IOB CHN March 2017 - Trust	37,500	3.75	37,500	3.75
JMFARC - IOB Ceramics March 2017 - Trust	33,000	2.48	33,000	2.48
JMFARC - IRIS United March 2017 - Trust	66,900	3.51	66,900	3.64
JMFARC - SBP March 2017 - Trust	31,665	2.28	31,665	2.06
JMFARC - IRIS UCO March 2017 - Trust	38,310	5.29	38,310	5.29
JMFARC - SBP Retreat March 2017 - Trust	77,600	7.76	77,600	7.76
JMFARC - SBI Retreat March 2017 - Trust	166,800	16.68	166,800	16.68
JMFARC - SBI Tollways March 2017 - Trust	153,000	10.81	153,000	10.81
JMFARC - Karnataka Bank September 2017 - Trust	20,310	2.03	20,310	2.03
JMFARC - Syndicate Ceramics September 2017 - Trust	125,250	8.77	125,250	8.77
JMFARC - Allahabad Bank December 2017 - Trust	76,275	7.02	76,275	7.02
JMFARC - Motors December 2017 - Trust	94,500	5.39	94,500	5.39
JMFARC - IOB Metallics February 2018 - Trust	360,000	-	360,000	21.96
JMFARC - Township February 2018 - Trust	480,000	48.00	480,000	48.00
JMFARC - Metallics February 2018 – Trust*	-	-	198,375	21.02
JMFARC - IRIS Canara March 2018 - Trust	18,225	2.48	18,225	2.48
JMFARC - IDBI March 2018 - Trust	60,000	5.93	60,000	5.93
JMFARC - Alphahealth 2018 - Trust	2,214,000	265.68	22,14,000	270.11
JMFARC - Fabrics August 2018 II - Trust	380,000	41.80	380,000	42.00
JMFARC - Fabrics September 2018 III - Trust	40,200	4.42	40,200	4.44
JMFARC - Metallics November 2018 - Trust*	-	-	103,725	12.45
JMFARC - Metallics December 2018 - Trust*	-	-	108,000	12.64
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	4.77	33,000	4.77
JMFARC - KTK Metallics December 2018 – Trust*	-	-	55,500	6.60
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	15.03	462,500	19.07
JMFARC - SBI March 2014 I - Trust	173,750	5.41	173,750	5.67
JMFARC - SBI March 2014 II - Trust	45,250	1.52	45,250	1.64
JMFARC - Cosmos March 2014 - Trust	154,500	3.56	154,500	6.15
JMFARC - Indian Bank March 2014 - Trust	44,500	1.51	44,500	1.78
JMFARC - BOI March 2014 II - Trust	215,750	7.59	215,750	8.03

₹ in crore

Name of Trust	As at March 31, 2021		As at March 31, 2020	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - OBC June 2014 - Trust	8,915	0.44	8,915	0.67
JMFARC - UBOI June 2014 - Trust	59,915	0.81	59,915	1.48
JMFARC - Karnataka Bank December 2014 - Trust	172,500	6.28	172,500	7.25
JMFARC - CSB September 2015 - Trust	63,000	3.45	63,000	4.85
JMFARC - PNB December 2015 - Trust	-	-	24,765	1.24
JMFARC - SBH December 2015 - Trust	73,380	0.01	73,380	9.54
JMFARC - KVB March 2016 - Trust	355,095	17.12	355,095	20.02
JMFARC - Federal Bank March 2016 - Trust	73,350	3.77	73,350	3.77
JMFARC - PAN INDIA 2016 – Trust	1,546,908	154.69	1,546,908	154.69
JMFARC - PNB March 2017 – Trust	222,075	13.48	222,075	13.48
JMFARC - SBT March 2017 – Trust	55,875	3.63	55,875	4.02
JMFARC - LTF June 2017 – Trust	600,000	20.43	600,000	21.32
JMFARC - Central Bank Retail 2011 - Trust	88,872	-	88,872	-
JMFARC - Fabrics June 2019 I - Trust Class A	50,400	5.54	50,400	5.57
JMFARC - Fabrics June 2019 I - Trust Class B	151,200	3.78	151,200	3.78
JMFARC - Textile Gama I – Trust	5,610	0.56	-	-
Total		**1,026.18**		**1,155.39**

# Denotes amount less than ₹ 50,000

*acquisition of controlling stake as on August 20, 2020 and become subsidiary of the Company.

48 Additional Disclosure:

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

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

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
Sponsor			
Indian Overseas Bank	763, Anna Salai, Chennai	827.91	4.75%
Sponsor Total		**827.91**	**4.75%**
Non- Sponsors			
State Bank of India	State Bank Bhavan, Corporate Centre, Madame Came Marg, Mumbai, Maharashtra – 400 021	2,774.85	15.92%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	1,311.40	7.53%
UCO Bank	Biplabi Trailokya Maharaj Sarani, Kolkata - 700001	1,066.49	6.12%
Syndicate Bank $	Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai - 400005	1,007.98	5.78%
ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051	884.65	5.08%
HDFC Limited	Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020	863.89	4.96%
Union Bank of India $	Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai -400021	937.44	5.38%
Axis Bank	Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400005	612.76	3.52%
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	586.65	3.37%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005	464.21	2.66%
Federal bank	Federal Towers, Aluva, Ernakulum, Kerala - 683101	402.00	2.31%
Central Bank of India	Chandermukhi, Nariman Point, Mumbai 400021	418.96	2.40%

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
Indian Overseas Bank	763, Anna Salai, Chennai	353.99	2.03%
Cosmos Co-operative Bank Ltd	Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030	309.00	1.77%
L&T Infrastructure Finance Company Limited	3rd Floor, Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400 098	308.43	1.77%
Karur Vysya Bank	Erode Road, Karur - 639002	296.41	1.70%
Vijaya bank@	41/2 M. G. Road, Bangalore - 560001	257.98	1.48%
Diwan Housing Finance	3rd Floor, DHFL House, 19 Sahar Raod, Vile Parle (East), Mumbai - 400 099	240.00	1.38%
State Bank of Mysore#	P.B. No. 9727, Kempe Gowda Road, Bangalore - 560009	239.60	1.37%
Bank of Baroda@	Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400023	232.76	1.34%
Indian Bank	254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014	235.35	1.35%
Karnataka Bank	Mahavira Circle, Kankanadi, Mangalore - 575002	220.39	1.26%
State Bank of Travancore#	"34, Poojapura, Trivandrum, Kerala	199.00	1.14%
State Bank of Hyderabad#	Head Office- Gunfoundry, Hyderabad - 500001	192.97	1.11%
Oriental Bank of Commerce $	Harsh Bhavan, E- Block, Connaught Place, New Delhi - 110001	185.88	1.07%
State Bank of Patiala#	The Mall, Patiala - 147105	169.60	0.97%
IDBI Bank	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	232.32	1.33%
Dena Bank	C -10, G Block, Bandra Kurla Complex, Mumbai - 400051	120.93	0.69%
Allahabad Bank	2, Netaji Subhash Road, Kolkata - 700001	113.56	0.65%
Canara Bank	112 J. C. Road, Bangalore	110.08	0.63%
L&T Finance Limited	City 2, Plot No. 177, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai 400 098	91.57	0.53%
Standard Chartered Bank	23, Narain Manzil, Barakhamba Road, New Delhi- 110001	89.84	0.52%
Corporation Bank	Mangladevi Temple Road, Mangalore - 575 001	87.61	0.50%
United Bank of India	11, Hemanta Basu Sarani, Kolkata	87.14	0.50%
Sicom Ltd	Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400093	84.65	0.49%
State Bank of Bikaner & Jaipur#	Tilaknagar, Jaipur - 302005	83.35	0.48%
South Indian Bank	SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680001	79.33	0.46%
JM Financial Products Limited	5th Floor Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	70.85	0.41%
Catholic Syrian Bank	CSB Bhavan, St. Mary's College Road, Thrissur,	63.75	0.37%
Yes Bank	9th floor Nehru Centre, Worli, Mumbai - 400018	54.45	0.31%
Lakshmi Vilas Bank	"LVB House,4/1,Sardar Patel Road, guindy,Chennai - 600032. Tamil Nadu"	51.32	0.29%
HSBC	52/60, M. G. Road, Fort, Mumbai – 400001	49.03	0.28%
Bank of Maharashtra	"Lokmangal" 1501, Shivajinagar, Pune 411005	59.33	0.34%
Stressed Assets Stabilisation Fund	IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai 400005	31.20	0.18%
Andhra Bank	Dr. Pattabhi Bhawan, 5-9-11, Saifabad, Hyderabad 500 004	30.80	0.18%
Ratnakar Bank	One India Bulls Center, Tower 2 , 6th Floor,841, Senapati Bapat Marg,Lower Parel (W),Mumbai 400013	25.00	0.14%
Tata Capital Financial Services Limited	One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400001	24.50	0.14%
Assets Care & Reconstruction Enterprise Ltd (ACRE)	13, 2nd Floor, Mohandev Building, Tolstoy Marg, New Delhi, Delhi 110001	22.70	0.13%
HUDCO	"HUDCO Bhawan, Core-7-A,India Habitat Centre,Lodhi Road, New Delhi - 110 003	21.34	0.12%

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
Bank of Bahrain & Kuwait B.S.C	Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400021	19.19	0.11%
Deutsche bank	DB House, Hazarimal Somani Marg, Fort, Mumbai 400001	18.35	0.11%
Small Industries Development Bank of India	Samruddhi Venture Park, Upper Ground Floor, MIDC Road, Marol, Andheri East. Mumbai – 400 093	15.13	0.09%
Kotak Mahindra Bank Limited	27 BKC, Plat No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	8.37	0.05%
Life Insurance Corporation of India	Yogakshema, Jeevan Bima Marg, Mumbai - 400021	7.39	0.04%
Specified Undertaing of UTI	UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	7.30	0.04%
Barclays PLC	801, Ceejay House, Annie Besant Road, Worli, Mumbai 400 018	7.22	0.04%
KKR India Financial Services Pvt. Ltd.	Regus CitiCentre, Level 6, 10/11, Dr. Radhakrishna Salai, Tamil Nadu, Chennai 600 004	6.75	0.04%
Phoenix ARC Private Limited	158, 5th Floor, Dani Corporate Park, CST Road, MMRDA Area, Kalina, Santacruz East, Mumbai, Maharashtra 400098	6.13	0.04%
Rupee Co-operative Bank	2062, Sadashiv Peth, Astang Ayurved Building, Pune- 411030	6.00	0.03%
IFCI Ltd	IFCI Tower 61 Nehru Place New Delhi-110 019	5.12	0.03%
SBI Global Factors Limited	6th Floor, Metropoliton Building, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	4.50	0.03%
BNP Paribas	Unit No 203, Sakar II, Ellisbridge, Ahmedabad 380006	3.39	0.02%
SBM Bank (Mauritius) Limited	101, Raheja Centre, Nariman Point, Mumbai 400 021	3.27	0.02%
IFCI Factors Limited	10Th Floor, IFCI Tower, 61 Nehru Place, New Delhi 110 019	3.13	0.02%
Pegasus Assets Reconstruction Private Limited	507, Dalamal House, Nariman Point, Mumbai 400 021	3.10	0.02%
India Infoline Finance Limited (IIFL)	12A-10, 13th Floor, Parinee Crescenzo, C-38 & C-39, G Block, Behind MCA, Bankdra Kurla Complex, Bandra (East), Mumbai 400 051	2.75	0.02%
IL & FS Financial Services Limited	IL & FS Financial Centre, Plat C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051	2.27	0.01%
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%
Dhanlakshmi 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%
L & T Fincorp Limited	Brindavan, Plot no. 177, Vidyanagari Marg, CST Raod, Kalina, Santacruz, Mumbai 400 098	0.81	0.00%
UTI Mutual Fund	UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051	0.60	0.00%
Barclays Bank PLC	801/808 Ceejay House, Shivsagar Estate, Dr Annie Besant Road, Worli Mumbai 400 018.	0.42	0.00%
Industrial & Commercial Bank of China	Unit 801, 8th Floor,A-Wing,ONE BKC, C-66, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051	0.41	0.00%
Omkara Asset Reconstruction Pvt Ltd.	C/515, Kanakia Zillion, Junction of L.B.S Road & CST Road B.K.C Annexe Near Equinox, Kurla West, Mumbai, Maharashtra 400070	0.17	0.00%
Dombivali Nagari Sahkari Bank Limited	Madhukunj" P-52, M.I.D.C. Kalyan Shil Road, Sonarpada, Dombivli (East) - 421 204	0.16	0.00%
Non Sponsors Total		**16,598.62**	**95.25%**
Grand Total		**17,426.53**	**100.00%**

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

\# With effects from April 1, 2017, State Bank of Mysore, State bank of Hyderabad, State Bank of Travancore, State Bank of Patiala, State Bank of Bikaner & Jaipur and State Bank of Hyderabad are merged with State Bank of India.

@ With effects from April 1, 2019, Vijaya Bank and Dena Bank are merged with Bank of Baroda.

$ With effects from April 1, 2020, United Bank of India and Oriental Bank of Commerce are merged with Punjab National Bank and Syndicate Bank merged with Canara Bank.

b) Dispersion of various assets industry wise.

Industry	Acquisition Price ₹ in crore	% to total
Hospitality	4,569.25	26.22%
Textiles	2,774.31	15.92%
Real Estate	1,997.05	11.46%
Pharmaceuticals	1,425.19	8.18%
Iron & Steel	1,414.81	8.12%
Ceramics	886.56	5.09%
Healthcare	626.43	3.59%
Infrastructure	338.17	1.94%
Chemicals	297.43	1.71%
Plywood/ laminates	276.51	1.59%
Airlines	238.75	1.37%
Retail	237.20	1.36%
Power	217.40	1.25%
Shipping	195.00	1.12%
Cement	171.52	0.98%
Media	139.71	0.80%
Trading	130.83	0.75%
Information Technology	126.66	0.73%
Metals	125.54	0.72%
Leather	107.15	0.61%
Coal	101.80	0.58%
Plastics	92.79	0.53%
Packaging	92.79	0.53%
Food Products	87.82	0.50%
Others	755.86	4.34%
Total	**17,426.53**	**100.00%**

c) The above table (b) has been prepared by management based on the information and relevant documents available with the Company which has been relied upon by the auditors.

d) The acquisition price in the tables (a) and (b) above includes financial assets acquired till March 31, 2021 including financial assets resolved till date.

e) Restructuring Loan disbursed to one borrower amounting to ₹ 17 crore, has been classified as non- performing asset in earlier financial year. Provision of ₹ 12.59 crore has been made on the same as per Expected Credit Loss method.

f) The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.

g) Additional disclosure as per RBI Notification No. DBNS. PD (SC/RC). 8/ CGM (ASR) dated April 21, 2010.

Particulars	Acquisition Price ₹ in crore
Value of financial assets acquired during the financial year either in its own books or in the books of the trust	357.25
Value of financial assets realized during the financial year*	960.61
Value of financial assets outstanding for realization as at the end of the financial year	9,535.06
Value of Security Receipts redeemed partly during the financial year	659.56
Value of Security Receipts redeemed fully during the financial year (including write offs)	126.90
Value of Security Receipts pending for redemption as at the end of the financial year	11,059.86
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)	511.46
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 ₹ 16.23 crore of financial asset written-off due to trust closure.

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

₹ in crore

Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL	Asset Classification as per RBI Norms	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 (Refer note below)	Stage 1	533.85	10.35	523.50	20.37	(10.02)
	Stage 2	-	-	-	-	-
Subtotal		**533.85**	**10.35**	**523.50**	**20.37**	**(10.02)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful						
Up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	17.00	12.59	4.41	17.00	(4.41)
Subtotal for doubtful		**17.00**	**12.59**	**4.41**	**17.00**	**(4.41)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	533.85	10.35	523.50	20.37	(10.02)
	Stage 2	-	-	-	-	-
	Stage 3	17.00	12.59	4.41	17.00	(4.41)
	Total	**550.85**	**22.94**	**527.91**	**37.37**	**(14.43)**

Note:

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 the Company, until further directions are being issued in this regard. As per recent judicial precedence, classification of an account as a Non - performing Account can also be considered as a “Coercive Action”.

As at March 31, 2021, two loan accounts belonging to the same borrower group have outstanding interest aggregating to ₹ 73.12 crore which has not been serviced for more than 180 days. The total amount outstanding in respect of such loans aggregates to ₹ 203.73 crore.

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 ₹ 20.37 crore is carried for these borrower accounts. Of the provisions made ₹ 14.43 crore is made by transfer to the impairment reserve.

The above disclosure is not applicable for management fees accrual as the same is considered to be governed by income recognition for the purpose of RBI guidelines and disclosures.

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

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) Below given assets (i.e. total purchase consideration paid at the trust level) have been disposed of 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	Recovery	Recovery as a % of acquisition price
JMFARC- IOB Metallics February 2018- Trust	240.00	148.46	62%
JMFARC-PNB December 2015-Trust (closed)	16.51	9.42	57%

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

₹ in crore

Name of Trust	Acquisition price	SRs outstanding	NAV % as on March 31, 2021
JMFARC - ICICI Bank September 2016 - Trust	570.33	559.27	50%
JMFARC - KVB March 2016- Trust	236.73	193.46	59%
JMFARC -OBC March 2016-Trust	48.00	45.96	47%

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 June 5, 2020, the Company is 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. The standalone financial statements are approved for issue by the Board of Directors at its meeting held on April 28, 2021.

For and on behalf of the Board of Directors

Vishal Kampani
Director
(DIN - 00009079)

Rupa Vora
Chairperson- Audit Committee
(DIN - 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place: Mumbai
Date: April 28, 2021

JM FINANCIAL

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