JM FINANCIAL

JM Financial Asset Reconstruction Company Limited
Annual Report 2019-20

Prudence Matters

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From the economic slowdown, to the persistent stress in India's lending space, and the external volatilities arising due to the ongoing COVID-19 crisis, the financial services industry, today, is faced with a host of challenges. That said, it is also a defining moment for businesses across the spectrum. We, at JM Financial, perceive the year gone by as a litmus test of resilience, abundant with learnings.

We are relying on the Group's vast wealth of insights garnered over the preceding decades, the diversified business model, the high pedigree of leadership and the commitment to responsible value creation – to withstand the macroeconomic turbulence.

We are inspired by our legacy of trust and intrinsic excellence spanning four decades. We are steadfast in our endeavour of providing innovative solutions, that are steeped in our insights and expertise, while creating value for our stakeholders.

Moving forward with prudence and foresight, focus and fortitude, we continue to build a resilient JM Financial.

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 (With effect from November 8, 2019)

INDEPENDENT DIRECTORS

Mr. G M Ramamurthy (upto March 31, 2020)
Ms. Rupa Vora
Dr. Vijay Kelkar
Mr. Ameet Desai
Mr. Satish Chand Mathur (With effect from April 15, 2019)

CHIEF EXECUTIVE OFFICER

Mr. Anil Bhatia (Managing Director upto November 8, 2019)

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

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
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
6th Floor, Apeejay House,
3, Dinshaw Wachha Road,
Churchgate, Mumbai 400 020
Tel: + 91 22 4302 5555 Fax No : + 91 22 22040465
Website: www.sbicaptrustee.com

BANKERS

RBL Bank Limited
IDBI Bank Limited
Indian Overseas Bank
Karur Vysya Bank
Punjab National Bank
HDFC Bank Limited

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 THIRTEENTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED ("THE COMPANY") WILL BE HELD ON WEDNESDAY, JULY 22, 2020 AT 4.30 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, 2020, 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 Auditor's Report thereon.

   b) the audited consolidated financial statements of the Company consisting of the Balance Sheet as at March 31, 2020, 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 Auditor's Report thereon.

2. To appoint a Director in place of Mr. V P Shetty (DIN 00021773), who retires by rotation at this AGM and being eligible, seeks re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution** (Issue of Non-Convertible Debentures):

   "**RESOLVED THAT** pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) 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 Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and 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 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 (hereinafter referred to as "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, aggregating up to ₹ 7000 Crore (Rupees Seven Thousand Crore Only), on private placement basis and/ or through public offer, on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company."

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

By Order of the Board

Place : Mumbai
Date : June 24, 2020

Vineet Singh
Company Secretary

Registered Office:

7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025
CIN: U67190MH2007PLC174287
Tel: +91 22 6630 3030 Fax: +91 22 6630 3223
Website: www.jmfinancialarc.com
Email: vineet.singh@jmfl.com

Notice (Contd.)

NOTES:

1. The Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 8, 2020, Circular No. 17/ 2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 (together referred to as "MCA Circulars") has permitted to hold the Annual General Meeting ("AGM") for the calendar year 2020 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the presence of the Members at a common venue, due to outbreak of COVID-19 pandemic.

   In due compliance with the above MCA Circulars, the AGM of the Company is convened through VC/OAVM.

2. In compliance with the aforesaid MCA Circulars, electronic copy of the Annual Report for the financial year 2019-20 is being sent to all the Members via email. Members, who wish to change their email addresses are requested to promptly intimate the same to their respective Depository Participants or to the Company / its Registrar and Transfer Agents, as the case may be.

3. The relevant statement to be annexed to the Notice pursuant to Section 102 of the Act, which sets out details relating to the Special Business at item no. 3 of the Notice, is annexed hereto and forms part of the Notice.

4. Pursuant to the provisions of the Companies Act, 2013 (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, Attendance Slip and Route Map are not annexed to this Notice. However, Members can appoint their authorised representatives to attend and vote on their behalf through VC/OAVM.

5. Members may also note that the Annual Report for the financial year 2019-20 including the Notice convening the AGM will also be available on the Company's website viz., www.jmfinancialarc.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. The said resolution/authorization shall be emailed, through its registered email address to the Company Secretary at vineet.singh@jmfl.com.

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 Mr. V P Shetty seeking re-appointment as Director is 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.

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

i. Members will be able to attend the AGM through VC/ OAVM via Microsoft Teams application. Members are requested to install/download the said application on their desktop / laptop / smartphone / tablet available on https://www.microsoft.com/en-in/microsoft-365/microsoft-teams/download-app.

ii. The invitation link for joining the meeting will be sent only to Members at their registered email ID with the Company, or with the DPs.

iii. 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.

iv. 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.

v. 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.

vi. 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 Members attending the meeting through VC/OAVM whereby they may ask their questions.

vii. Members who need assistance before or during the AGM, can contact Mr. Vineet Singh, Company Secretary at + 91 77700 97351 or email him at vineet.singh@jmfl.com.

Annexure to Notice

STATEMENT TO BE ANNEXED TO NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

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 a 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 would 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. 3 of the Notice.

None of the other Directors/Key Managerial Personnel of the Company or their relatives, are in any way concerned or interested, financially or otherwise (except to the extent of the NCDs that may be offered to, and/or taken up by them), in the Special Resolution set out at item no. 3 of the Notice.

ADDITIONAL INFORMATION OF DIRECTOR SEEKING APPOINTMENT AT THE THIRTEENTH ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS (INFORMATION AS ON MARCH 31, 2020).

Name of the Director	Mr. V P Shetty		
Age	73		
Date of Original appointment on the Board	November 28, 2007		
Qualifications	Commerce Graduate and holds a CAIIB		
Experience	Mr. V P Shetty has had an illustrious Banking career spanning almost four decades. He has worked in various positions in 4 major nationalized banks. He has worked as Chairman and Managing Director in UCO Bank, Canara Bank and IDBI Bank. He was also Chairman of Indian Banks' Association. Mr. Shetty is an authority in Commercial Banking, Mergers & Acquisitions in Banking, Corporate Governance and Turnaround Management especially in Public Sector. Mr. Shetty was also the Recipient of "Banker of the Year – 2003" Award from the Business Standard Group in recognition of successful turnaround of UCO Bank. Mr. Shetty has also served on the Boards of Life Insurance Corporation of India, Export-Import Bank of India, Infrastructure Development Finance Company Ltd., National Insurance Company Ltd., and General Insurance Corporation of India. He was a Member of the Governing Council of Banking Codes & Standards Board of India (BCSBI) and was on Board of LIC Golden Jubilee Foundation.		
Terms and conditions of appointment	Re-appointment as a Non-executive Director of the Company liable to retire by rotation in accordance with the provisions of Section 152 of the Act.		
Shareholding in the Company	NIL		
Relationship with other Directors, Manager or KMPs	None		
No. of meetings of the Board attended during the year	Mr. V P Shetty has attended all the 5 (five) Board meetings held during the financial year 2019-20.		
Directorships in other companies	JM Financial Products Limited JM Financial Asset Management Limited JM Financial Credit Solutions Limited JM Financial Home Loans Limited		
Membership of Committees in other companies **(Only the memberships of the Audit and Stakeholders' Relationship Committee shown)**	**Name of the Company**	**Audit Committee**	**Stakeholders' Relationship Committee**
	JM Financial Products Limited	-	Member
	JM Financial Asset Management Limited	Member	-
	JM Financial Home Loans Limited	Member	-

Directors' Report

Dear Members,

The Directors of the Company are pleased to present their Thirteenth Annual Report on the business and operations of the Company, together with the annual financial statements for the financial year ended March 31, 2020.

Financial Highlights

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

₹ in Crore

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Gross Income	413.50	500.59	415.69	537.43
Expenses	332.73	299.14	335.64	297.12
Profit before tax	**80.77**	**201.45**	**80.06**	**240.31**
Tax Expenses:				
Current Tax	47.35	105.70	47.35	105.70
Deferred tax	(17.24)	(35.96)	(29.50)	(27.68)
Earlier year tax adjustments	2.98	0.11	2.98	0.11
Profit after tax	**47.68**	**131.60**	**59.23**	**162.17**
Other Comprehensive Income	(0.01)	(0.12)	(0.01)	(0.12)
Total Comprehensive Income	**47.67**	**131.48**	**59.22**	**162.05**
Net Profit Attributable to:				
Owners of the Company	42.26	165.93	-	-
Non-Controlling Interests	5.42	(34.33)	-	-
Other Comprehensive Income Attributable to Owners of the Company	(0.01)	(0.12)	-	-
Total Comprehensive Income Attributable to:				
Owners of the Company	**42.25**	**165.81**	-	-
Non-Controlling Interests	5.42	(34.33)	-	-

Overview of the Consolidated Financial Performance

The Consolidated Gross Income of the Company stood at ₹ 413.50 for the year ended March 31, 2020 vis-à-vis ₹ 500.59 Crore earned in the previous year.

The Consolidated Total Comprehensive Income attributable to Owners of the Company is ₹ 42.25 Crore for the year ended March 31, 2020 as compared to ₹ 165.81 Crore in the previous year.

Consolidated financial statements have been prepared in accordance with the provisions of Ind AS. The Consolidated financials reflects the cumulative performance of the Trusts where we have a controlling interest.

Overview of the Standalone Financial Performance

The Standalone Gross Income of the Company stood at ₹ 415.69 for the year ended March 31, 2019 vis-à-vis ₹ 537.43 Crore earned in the previous year.

The Standalone Total Comprehensive Income is ₹ 59.22 Crore for the year ended March 31, 2020 as compared to ₹ 162.05 Crore in the previous year.

COVID-19

COVID-19 has led to a significant decline in the global and Indian financial markets and slowdown in the economic activities. This has had adverse impact on the process of resolution and recovery of stressed assets and increased provisioning in our results. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of the financial statements. The fair value loss on Security Receipts and provision for expected credit loss on loans given to entities covered under the resolution plan recognized during the last quarter of the year ended March 31, 2020 aggregates ₹ 67.33 Crore which significantly includes potential impact on account the pandemic. The Company expects to recover the carrying amount of these financial assets and shall continue to closely monitor any material changes to future economic conditions.

The Company has activated business continuity plan and mandated that large part of its employees to continue to work from home or remotely with effect from March 16, 2020.

We have also issued multiple advisories to our employees for health-related assistance required during this period. We are also promoting 'learning from home' to ensure self-development for our employees.

Dividend

The Board is of the view that it is prudent to conserve the cash for the Company's future capital requirement and hence has not recommended any dividend for the financial year ended March 31, 2020.

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, 2020, 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.

Rights Issue of Compulsorily Convertible Debentures

The Company, vide its Letter of Offer dated August 22, 2019, offered up to 53,68,268 Compulsorily Convertible Debentures (CCDs) of face value of ₹ 373/- each, for an amount aggregating up to ₹ 200.24 Crore, on Rights basis, in the ratio of 5 CCDs for every 321 equity shares held by the equity shareholders. The issue had opened on August 27, 2019 and closed on September 10, 2019. Consequently, on September 11, 2019, the Company allotted 53,68,268 CCDs of ₹ 373/- each aggregating to ₹ 200.24 Crore. Each CCD is convertible into 10 equity shares of ₹ 10/- each at a premium of ₹ 27.30/- per share after 36 months from the date of allotment of the CCD i.e. September 11, 2019.

Employees' Stock Option Scheme

In accordance with the Section 62(1)(b) of the Companies Act, 2013 (the Act) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Nomination and Remuneration Committee of the Board of the Company has formulated and implemented the Employee Stock Options Scheme (ESOS) with a view to reward the employees of the Company.

Pursuant to implementation of the ESOS, the Nomination and Remuneration Committee of the Board, at its meeting held on April 16, 2020, has granted 15,81,444 stock options to the eligible employees of the Company. Since the above stock options are granted in the financial year 2020-21, the disclosures pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are not applicable for the year under the review.

Deposits

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

Credit Rating

ICRA Limited and CRISIL Limited have assigned the following credit ratings to the borrowing programmes of the Company:

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

Directors' Report (Contd.)

Overview of Industry

Amid the global slowdown, India's Growth continued to slow in Financial Year ("FY") 2020, akin to FY19. According to the IMF, this was primarily due to domestic problems-i) sharper-than-expected slowdown in local demand and ii) stress in the NBFC sector. The data published by the Reserve Bank of India (RBI) in its Financial Stability Report dated December 27, 2019 shows that GNPA ratio of Scheduled Commercial Banks (SCBs) remained stable at 9.3 per cent at end-September 2019. However, RBI expects that GNPA ratio of SCBs may increase from 9.3 per cent in September 2019 to 9.9 per cent by September 2020.

The liquidity stress of Non-Banking Financial Companies (NBFCs) continued to spill over financial year 2019-20 compounding repayment defaults, rating downgrades and increased borrowing cost. The deployment of credit by mutual funds and banks has been contracting since 2018 as they became very risk averse and credit was only available for AAA rated companies and very few AA rated companies. The yield differences between AAA rated AA rated papers widened during the year and as a result borrowing costs for AA rated companies shot up substantially. The Government and RBI announced various robust measures such as ₹ 25,000 Crore AIF for real estate sector, corporate tax rate cuts, interest rate cuts, one-time partial credit guarantee to public sector banks (PSBs) for purchase of pooled assets of NBFCs and relaxation of external commercial borrowing guidelines aiming at faster recovery of the economy.

With the above measures, the growth of the economy was expected to pick up in 2020, however the prospects has been dashed by outbreak of coronavirus pandemic.

We believe that prospects for economy in FY2020-21 may be an extremely challenging due to coronavirus pandemic which may have heightened uncertainty in the global economy. The economic activity has come to a near standstill as COVID-19 related lockdowns and social distancing are imposed across a widening swathe of affected countries. Several sectors such as real estate, airlines, hospitality, textile, trade, tourism and other sectors have been adversely impacted by the pandemic. To mitigate the economic difficulties arising out of the COVID-19 outbreak, the Government of India announced a comprehensive package of ₹ 1.70 lakh Crore, covering cash transfers and food security, for vulnerable sections of society, including farmers, migrant workers, urban and rural poor, differently abled persons and women.

To avoid large-scale insolvencies as a result of financial stress caused by COVID-19 disruption, the government raised the threshold for default from ₹ 1 Lakh to ₹ 1 Crore under the Insolvency and Bankruptcy Code, 2016 (IBC) and further excluded the period of lockdown from timeline of Corporate Insolvency Resolution Process (CIRP). The RBI also undertook several strong monetary policy measures to revive growth, improve liquidity, monetary transmission and credit flows to the economy and provide relief on debt servicing.

During the year 2019-20, RBI has from time to time issued several important guidelines aimed at the stressed assets in the economy. RBI introduced revised prudential framework for resolution of stressed assets. The modified framework aims at providing early recognition, reporting and time bound resolution of stressed assets, while providing strong disincentives in the form of additional provisioning for delays in initiation of resolution or insolvency proceedings. The framework also provides incentives for application of the IBC by allowing half the additional provisions to be reversed and the remaining additional provisions may be reversed upon admission of the borrower into the IBC process.

In June 2019, RBI permitted Asset Reconstruction Companies (ARCs) to acquire financial assets from other ARCs, which was hitherto allowed only for the purpose of debt aggregation. With a view to address the concerns relating to transparency and price discovery in bilateral transactions, RBI directed ARCs to acquire financial assets from their lenders, sponsors or group entities through auctions conducted in a transparent manner, on arm's length basis and at prices determined by market forces. In January 2020, FPI investments in Security Receipts (SRs) which were currently exempted from the short-term investment limit was also extended to debt instruments issued by ARCs. These guidelines will have positive impact on the industry in the long run.

Further, Central Government notified the provisions relating to personal guarantors under IBC which will ensure efficacious resolution in matters relating to defaults of loans secured by personal guarantors. The Central Government also notified the provision of chapter IVA of SARFAESI Act, 2002 with effect from January 24, 2020 consisting Section 26B to Section 26E. Section 26E provides for the priority of the secured creditor's dues over the state government dues.

Due to burdening of cases in National Company Law Tribunal (NCLT) for resolutions under IBC, the government is strengthening judicial infrastructure to expedite the resolution process.

During the year, various conceptual and contentious issues were settled through judgments such as treatment of secured and unsecured creditors over sale proceeds, supremacy of Committee of Creditors in the commercial matters, applicability of limitation period and withdrawal of IBC applications. These judgments will boost the confidence of investors in the distressed assets.

Directors' Report (Contd.)

Overview of Business Performance of the Company

During the year FY 2019-20, the Company had healthy recovery from resolutions aided by restructuring, settlement and sale of assets. The experience in restructuring with additional funding has been good and we would continue to build this book in future. During this year, the Company successfully completed resolution of one large account by one time settlement of debt through sale of assets and has aggregated dues for one large account. We concluded one transaction by way of resolution plan being implemented in NCLT.

During the challenging period, the focus of the Company was on recoveries and prudent liquidity & liability management. The Company has been able to reduce its short term borrowings in Commercial Papers (CPs) to zero and successfully raise resources through long term debt and equity funds which has reduced our net gearing from 1.86 times to 1.59 times. We expect to benefit in the long run as we strengthen our asset liability management in the competitive environment.

The Company is also experiencing resolution delays in key accounts under NCLT process. Moreover, the current shut down of economic activity has also resulted delays in expected recoveries and may impact the industry negatively causing further slowdown in recoveries until the situation improves. During the year, we concluded 5 transactions with outstanding dues of around ₹ 23,105 Crore. Till March 31, 2020, we have acquired total outstanding dues of ₹ 60,363 Crore at a gross consideration of ₹ 17,069 Crore. Security Receipts worth ₹ 2,983 Crore were redeemed during the year. The outstanding Security Receipts stood at the ₹ 11,489 Crore as on March 31, 2020. The contribution of the Company stood at ₹ 3,012 Crore as on March 31, 2020. The Company had also made aggregate cash investment till date of ₹ 4,727 Crore, and achieved total recovery till date of ₹ 8,547 Crore.

The Company believes that there are sizable opportunities in the acquisition of non-performing assets for increasing its corpus/assets under management. The investment strategy going ahead is on acquiring the loans at the right price to meet our Internal Rate of Return expectations and then help in the turnaround of the companies by restructuring of debt, streamlining of operations and monetization of non-core assets. As the industry has moved from SRs to cash deals, we will keep focusing on cash investments in a co-investment model with funds and work with strategic and financial advisors on selected deals. We have had 37 exits spread across sectors in over a decade which we believe has helped us in developing strong expertise in resolving distressed assets.

Acquisition activities

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

₹ in Crore

Details of Financial Assets acquired by the Company	FY 2019-20	FY 2018-19
Dues acquired	**23,105**	**4,909**
Investment by the Company	234	1,465
Issue of Security Receipts to other investors	194	415
Total acquisition cost	**428**	**1880**
Security Receipts buyout by the Company (face value)	102	-
Total outstanding dues acquired (Cumulative as on March 31)	**60,363**	**37,258**
Total gross acquisition cost (Cumulative as on March 31)	**17,069**	**16,641**

Resolution and Recovery activities

The Company resolved 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 2019-20	FY 2018-19
Redemption of face value of Security Receipts	2,983	801
Total Recovery	3,944	1,094

Assets under management

The synopsis of the category of the assets under the management as on March 31, 2020 compared to previous financial year is given below:

₹ in Crore

Category of assets under management	As on March 31, 2020	As on March 31, 2019
Corporate Accounts	8,566	10,963
Portfolio Accounts	2,875	3,029
Retail Accounts	48	52
Total	**11,489**	**14,044**

Security Receipts issued and outstanding

The summary of SRs issued and outstanding as on March 31, 2020 as compared to previous financial year is given hereunder:

₹ in Crore

SRs issued, redeemed and outstanding	As on March 31, 2020	As on March 31, 2019
Security Receipts issued during the year	428	1,880
Security Receipts redeemed during the year	2,983	801
Security Receipts outstanding as at the end of the year	**11,489**	**14,044**

Priority Loan book

The Company provides priority loans for certain assets to meet their business and working capital requirements.

The loans disbursed by the Company as on March 31, 2020 stood at ₹ 773 Crore.

Borrowings

The Borrowings of the Company for the financial year ended March 31, 2020 stood at ₹ 2,317 Crore as against ₹ 2,440 Crore in the previous financial year ended March 31, 2019.

Non Convertible Debentures

During the financial year 2019-20, the Company raised an amount of ₹ 700 Crore through issue of secured, rated, listed redeemable, Non-Convertible Debentures (NCDs) issued in various tranches from time to time.

The Company has been regular in making payments of principal and interest amount on the NCDs. In order to reduce the cost of funds, during the year, the Company has made buy back / early redemptions of NCDs amounting to ₹ 99.50 Crore.

As on March 31, 2020, the Company has issued outstanding NCDs aggregating ₹ 1,817 Crore. The issued NCDs are listed on the wholesale debt market segment of BSE Limited and National Stock Exchange of India Limited.

Debt Equity

The Debt Equity Ratio of the Company as at March 31, 2020 was 1.77 times as against 1.99 times as at March 31, 2019. Further, the Net Debt Equity Ratio as of March 31, 2020 was 1.59 times as compared to 1.86 times as at March 31, 2019.

Capital Adequacy Ratio

The Capital Adequacy Ratio of the Company as on March 31, 2020 stood at 37.16% as compared to 29.58 % in the previous financial year ended March 31, 2019.

Net Owned Funds

The Net Owned Funds of the Company as at the financial year ended March 31, 2020 stood at ₹ 1,448 Crore as against ₹ 1,246 Crore in the previous financial year ended March 31, 2019.

Board of Directors and Key Managerial Personnel

The composition of the Board of the Directors (the "Board") of Company is in accordance with the provisions of the Act. The Board comprises highly skilled professionals bringing a wide range of expertise and experience in functioning of the Board. The competitive Board as ours ensure that the decisions taken are in the best interest of the stakeholders and the Company. The Board helps the Company in adhering to high standards of corporate governance practices.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. V P Shetty, Non-Executive Director of the Company is liable to retire by rotation at the ensuing AGM. Being eligible, Mr. Shetty has offered himself for re-appointment as a Director. The brief details of the Director proposed to be re-appointed as required under Secretarial Standard 2 issued by the Institute of Company Secretaries of India is being provided in the Notice convening AGM of the Company.

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.

Change in Directors

Mr. Vishal Kampani joined the Board as a Nominee Director (Sponsor Director) of the Company with effect from November 8, 2019, upon receipt of no objection letter from the RBI to the appointment of Mr. Vishal Kampani as a Director of the Company.

Upon receipt of the no objection letter from the RBI as above and keeping in mind the composition of the Board to maintain an equal number of Independent Directors / Non – Sponsors and Sponsor Directors, Mr. Anil Bhatia stepped down and hence ceased to be a Director of the Company with effect from the close of business hours on November 8, 2019. Mr. Bhatia, however, continues to serve as the Chief Executive Officer of the Company.

Directors' Report (Contd.)

Cessation of Mr. G M Ramamurthy

Mr. G M Ramamurthy, Independent Director resigned from the Board with effect from March 31, 2020 due to his long tenure as an Independent Director and to pursue his other interests.

The Board placed on record its deep appreciation for the valuable contribution made by Mr. Ramamurthy during his tenure as a director of the Company.

The Key Managerial Personnel (KMP) in the Company as per Sections 2(51) and 203 of the Act are as follows:

Name of the KMP	Designation
Mr. Anil Bhatia	Chief Executive Officer
Mr. Sabyasachi Ray	Chief Financial Officer
Mr. Vineet Singh	Company Secretary

Declarations given by Independent Directors

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be Independent Directors pursuant to the Rule 5 and Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Board Meetings

During the financial year 2019-20, the Board met 5 (Five) times on the following dates:

Board meeting	Number of directors present
April 30, 2019	8
July 12, 2019	7
October 18, 2019	7
January 15, 2020	9
March 11, 2020	8

The required quorum was present at all the above meetings. The facility to participate in the meetings through video conference is also provided to the Board members, if any member of the Board is required to attend the meeting through video conference due to his/her inability to attend the meeting in person.

Agenda papers containing all necessary information/ documents are made available to the Board/ Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. The agenda is being circulated in electronic mode through a software which complies with high standards of security and integrity. The directors opting for physical copy of the agenda are provided hard copies.

The Board meetings are pre-scheduled and tentative dates of the board and committee meetings are informed well in advance to facilitate the directors to plan their schedule. The Board meetings are held at regular intervals to consider, discuss and approve inter alia, the unaudited/audited standalone and consolidated financial results/statements of the Company, to decide on business policy/strategy of the Company, risk management, industry scenario, etc.

Policy on Directors' appointment and their remuneration

Pursuant to sub-section (3) of Section 178 of the Act, the Company has formulated Policies on Directors' appointment and remuneration. This Policy includes criteria for selection of Directors, determining their qualifications, positive attributes, remuneration and independence of Directors, evaluation process for performance of Directors, key evaluation criteria and other matters. The said Policy is uploaded on the website of the Company viz., www.jmfinancialarc.com.

Performance Evaluation of the Board, its Committees and individual Directors

The Board carried out formal annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Nomination & Remuneration Committee (NRC), Corporate Social Responsibility (CSR) Committee and Issue & Allotment Committee. The NRC carried out the evaluation of the performance of all the individual directors of the Company. The Board also carried out the evaluation of all the individual directors including the Chairman. The performance evaluation was carried out by way of obtaining feedbacks from the Directors through a structured questionnaire prepared separately for individual directors, Chairman, for the Board as a whole and its various Committees.

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 feedbacks received from the Directors in the above forms were reviewed by the Chairman of the Board and the Chairman of the NRC and then discussed at the meetings of the Board and NRC.

Board Committees

The Board committees and other committees play an important role in the governance and focus on specific areas and make informed decisions within the terms of reference and authority delegated. The Board committees and other committees comprising senior officials of the Company as Members are guided by their respective terms of reference. The Board of Directors of the Company has formulated the following committees:

Audit Committee

The composition of the Audit Committee is in accordance with the provisions of the Act and the rules made thereunder. The Audit Committee comprises of well qualified directors and all the members of the committee have accounting and financial management expertise.

The Audit Committee comprises of 3 (Three) directors viz., Ms. Rupa Vora, Mr. V P Shetty and Mr. Ameet Desai and is chaired by Ms. Rupa Vora, an Independent Director.

Mr. G M Ramamurthy ceased to be a member of the Audit Committee pursuant to his cessation as a director of the Company. Further, Mr. Ameet Desai was appointed as member of the Audit Committee effective from April 10, 2020.

During the financial year 2019-20, 4 (Four) Audit Committee meetings were held on the following dates:

Audit Committee meeting	Number of directors present
April 25, 2019	3
July 12, 2019	3
October 18, 2019	3
January 15, 2020	3

Corporate Social Responsibility Committee

The Board of the Company has constituted Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The Committee comprises of 3 (Three) directors viz., Mr. V P Shetty, Dr. Vijay Kelkar and Mr. Vishal Kampani as its Members. Mr. V P Shetty is the Chairman of the CSR Committee.

During the year, Mr. Anil Bhatia ceased to be a member of the CSR Committee pursuant to his cessation as a director of the Company. Further, Mr. Vishal Kampani was appointed as member of the CSR Committee effective from November 8, 2020.

During the financial year 2019-20, 1 (One) meeting was held on October 1, 2020 and 2 members were present.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) comprises of 3 (Three) directors 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.

Mr. G M Ramamurthy ceased to be a member of the NRC pursuant to his cessation as a director of the Company. Further, Mr. Satish Chand Mathur was appointed as member of the NRC effective from April 10, 2020.

During the financial year 2019-20, 3 (Three) NRC meetings were held on the following date:

NRC meeting	Number of members present
April 18, 2019	3
July 12, 2019	3
March 11, 2020	3

Issue and Allotment Committee

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

Mr. Satish Chand Mathur and Mr. Vishal Kampani were appointed as the members of the Committee with effect from October 18, 2019 and November 8, 2019, respectively.

Mr. Narotam Sekhsaria ceased to be member of the Issue and Allotment Committee with effect from October 18, 2019. Mr. Anil Bhatia ceased to be a member of the Issue and Allotment Committee with effect from November 8, 2019.

During the financial year 2019-20, 12 (Twelve) Issue and Allotment Committee meetings were held on the following dates:

Issue and Allotment Committee meeting	Number of members present
May 6, 2019	2
May 7, 2019	2
July 10, 2019	3
July 11, 2019	3
July 30, 2019	2
August 2, 2019	2
August 22, 2019	3
September 11, 2019	2
November 15, 2019	2
January 31, 2020	3
February 4, 2020	3
February 6, 2020	2

Committee Constituted for Conversion of Debt into Shares

The Committee Constituted for Conversion of Debt into Shares (the Committee) comprises of 5 (Five) directors viz., Mr. V P Shetty, Ms. Rupa Vora, Mr. Adi Patel, Mr. Ameet Desai and Mr. Satish Chand Mathur.

Mr. G M Ramamurthy ceased to be a member of the Committee pursuant to his cessation as a director of the Company. Further, Mr. Satish Chand Mathur was appointed as member of the Committee effective from May 4, 2020.

During the financial year 2019-20, 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.

During the year, the Asset Acquisition Committee was reconstituted and present members comprises Mr. Vishal Kampani, the Chairman of the Committee, Mr. Adi Patel, the Non Executive Director, Mr. Anil Bhatia, the Chief Executive Officer, Mr. Vivek Grover, the 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.

During the year, the Asset Resolution Committee was reconstituted and present members comprises of Mr. Vishal Kampani, the Chairman of the Committee, Mr. Adi Patel, the Non Executive Director, Mr. Anil Bhatia, the Chief Executive Officer, Mr. Vivek Grover, the 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.

During the year, the Risk Management Committee was reconstituted and present members comprises of Mr. Vishal Kampani, the Chairman of the Committee, Mr. Adi Patel, the Director, Mr. Anil Bhatia, the Chief Executive Officer and Mr. Vivek Grover, the 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.

During the year, the ALM committee was reconstituted and present members comprises of Mr. Vishal Kampani, the Chairman of the Committee, Mr. Anil Bhatia, the Chief Executive Officer, Mr. Vivek Grover, the Chief Operating officer and Mr. Sabyasachi Ray, the 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 Mr. V P Shetty, Ms. Rupa Vora and Mr. Ameet Desai.

Mr. G M Ramamurthy ceased to be a member of the Wilful Defaulter – Review Committee pursuant to his cessation as a director of the Company. Further, Mr. Ameet Desai was appointed as member of the Wilful Defaulter – Review Committee effective from May 4, 2020.

During the financial year 2019-20, since there were no proposals for declaration of wilful defaulters, no meeting of the above committees was 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 and 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.

Directors' Report (Contd.)

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.

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

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.

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 the requirements under 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 for the financial year 2019-20, the applicable Accounting Standards have been followed and that no material departures have been made in following the same;

(b) appropriate accounting policies have been selected & applied consistently and the management has made judgements & estimates that are reasonable and prudent

Directors' Report (Contd.)

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 and their Report

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 (AGM) of the Company until the conclusion of the Fifteenth AGM. The requirement to place the matter relating to appointment of auditors for ratification by the members at every AGM has been done away by the Companies (Amendment) Act, 2017. Accordingly, no resolution has been proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The statutory auditors have issued their unmodified opinion, both on standalone and consolidated financial statements for the year ended March 31, 2020 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 2019-20. The notes to the Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanation and comments.

Secretarial Auditors and their Report

M/s. N. L. Bhatia & Associates, Company Secretaries in Practice, have conducted the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Act. The appointment of the Secretarial Auditor 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, 2020 is appended to this Report as **Annexure I**. There are no qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Audit Report.

Secretarial Standards

The Company is in compliance with Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meetings.

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 2019-20, the Registrar and Share Transfer Agents was KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited).

Corporate Social Responsibility

The Board has constituted the Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The CSR Committee has also approved the CSR policy of the Company, which inter alia, lists out the activities that can be undertaken or supported by the Company for CSR, composition and meetings of CSR Committee, details of existing Charitable trust(s) within the JM Financial Group, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/implementation of CSR activities and the monitoring mechanism of CSR activities/ projects. The details of CSR activities as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure II** appended to this Report.

Internal Financial Control Systems and its Adequacy

The Company maintains adequate internal control systems commensurate with the nature of business, size and complexity of its operations. The Company has well-established processes, guidelines and procedures to augment the internal controls. This, coupled with adequate internal information systems ensures proper information flow for the decision-making process. The internal control system is designed to ensure maintenance of proper accounting controls, monitoring of operations, protection and conservation of assets and compliances with applicable laws and regulations. These controls ensure that financial and other records are reliable for preparing financial statements and other information.

An extensive programme of internal audit is conducted by an independent internal audit firm and reviewed by the Audit Committee. Internal audit also evaluates and suggests improvement in effectiveness of risk management, control and governance processes. The Statutory Auditors of the Company also provides their opinion on the internal financial control framework of the Company.

The Audit Committee of the Board provides necessary oversight and directions to the internal audit function and they periodically review the findings as well as ensure that corrective measures are taken keeping in mind the Company's requirements, growth prospects and ever evolving business environment. This system facilitates timely detection and plugging of anomalies, if any, by various business functions.

Risk Management

Risk is an integral part of our business and almost every business decision requires the management to balance risk and reward. The ability to manage risks is of paramount importance for the hindrance free growth of every organisation.

The team monitors the risks on an on-going basis and evolve processes/systems to monitor and control the same to keep the risks to minimum levels. On-going monitoring by our officials helps in identifying the risks at an early stage. 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 Audit Committee and Board of Directors of the Company. Report includes, inter alia, the risk identification, risk classification, assessment of impact, risk mitigation/remedial action and risk status. 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 reviews the key risk of top accounts/portfolios.

Outlook and Strategy

Looking ahead, the focus is on acquiring good quality assets at the right price and limiting the downside risk by ensuring sufficient underlying security value. Our goal is to realise the investments and generate returns through the revival of companies, restructuring of debt and/or monetisation of non-core assets and infusion of additional funds. As the industry has moved from SRs to cash deals, we will keep focusing on cash investments in a co-investment model with funds and work with strategic and financial advisors on selected deals.

Opportunities and Threats

In the challenging environment, we have strengthen our asset liability management and leverage ratios which will benefit the Company in the long run. With the help of growth capital, 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 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 65 personnel, as on March 31, 2020. 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 1 year to maximum experience of 34 years. The average age of the employees of the Company is 35 years. Of the total number of employees, 29 employees, constituting approximately 45% 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 53 male employees.

Particulars of Remuneration of Directors/ KMPs

In terms of the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules are set out in **Annexure III** to this report.

As per the provisions of Section 136(1) of the Act, the annual report is being sent to the members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the said Rules. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on such request.

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 2019-20, no complaints were received from any of the employees.

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

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.

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.

Extract of Annual Return

Pursuant to the requirements under Section 92(3) and Section 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return as on March 31, 2020 in prescribed Form MGT-9 is given in this Report as **Annexure IV** to this report.

Vigil Mechanism/Whistle Blower Policy

The Company has established a vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management, their genuine concerns, if any, or report about the unethical behavior by using the mechanism provided in the Whistle Blower Policy.

During the financial year 2019-20, no cases under this mechanism were reported in the Company.

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 2019-20, the Company has not earned nor spent foreign exchange from any of the transactions.

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 Directors express their sincere gratitude to the Reserve Bank of India, Ministry of Finance, Government of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies, 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.

The Directors also place on record their sincere appreciation for the continued support extended by the lenders, financial institutions and the Company's bankers for 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 place on record, their appreciation for the dedication and commitment displayed by all the employees of the Company.

For and on behalf of the Board of Directors

Place : Mumbai	**Vishal Kampani**	**Rupa Vora**
Date : May 4, 2020	Director	Director
	DIN: 00009079	DIN: 01831916

Directors' Report (Contd.)

Annexure I

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020

[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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder, as amended;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder, as amended;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investments;

v. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

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

   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

   b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

   d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   e. The Securities and Exchange Board of India (Debenture trustee) Regulations, 1993; Not Applicable for this financial year

   f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable for this financial year

   g. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable for this financial year**

   h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable for this financial year**

   i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable for this financial year; and**

   j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable for this financial year**

Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:

a. Reserve Bank of India Act, 1934 and its circulars, Master circulars, notifications issued thereunder to the extent applicable to Asset Reconstruction Companies;

b. Prevention of Money Laundering Act, 2002 and its circulars, notifications;

c. Anti-Money Laundering Regulation issued by RBI and various circulars and Guidelines thereunder.

d. Tax Laws

- Income Tax Act, 1961
- Goods and Service Tax

e. Employee Laws

- Payment of Gratuity Act. 1972 and Payment of Gratuity (central) Rules, 1972
- Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
- Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & the scheme provided thereunder.

f. The States Shops and Establishment Act, 1948

g. Negotiable Instrument Act, 1881

h. Indian Stamp Act, 1899 and the State Stamp Acts

i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

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

We further report that; The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that; during the audit period the Members at the Annual General Meeting held on July 12, 2019 approved and authorised the Board of Directors to;

1. Issue of Non Convertible Debentures for an amount aggregating up to Rs. 7000 Crore (Rupees Seven thousand Crore) in one or more tranches on a private placement basis and /or through public offer on such terms and conditions as the Board may determine and consider proper and beneficial to the Company.

For **N L Bhatia & Associates**
Practicing Company Secretaries
UIN: P1996MH055800

N. L. Bhatia
(Managing Partner)
FCS: 1176
CP. No. 422
UDIN: F008663B000200272

Place : Mumbai
Date : May 4, 2020

Directors' Report (Contd.)

To,

The Members,
JM Financial Asset Reconstruction Company Limited

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 correct facts are reflected in the Secretarial records. We believe that the processes and practices, 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 have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

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

For **N L Bhatia & Associates**
Practicing Company Secretaries
UIN: P1996MH055800

N. L. Bhatia
(Managing Partner)
FCS: 1176
CP. No. 422
UDIN: F008663B000200272

Place : Mumbai
Date : May 4, 2020

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs is given below:

At JM Financial, Corporate Social Responsibility (CSR) has 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. The Company through implementing agency, viz., JM Financial Foundation, implement long-term projects and support various social causes. The Company's CSR initiatives and expenditures are executed and administered by JM Financial Foundation as outlined in the CSR Policy, adopted by JM Financial Asset Reconstruction Company Limited.

JM Financial Foundation is known for its various initiatives in healthcare, education, integrated rural development, etc., with a main aim to improve the quality of life for people in our ecosystem as well as the society at large. JM Financial has been contributing to deserving causes for over three decades now. The implementing agency along with other NGOs works on several outreach programmes that we have embarked upon. The projects/causes supported by JM Financial Asset Reconstruction Company Limited are falling within the areas covered under Schedule VII to the Companies Act, 2013 (the "Act").

In accordance with the Section 135 of the Act and Schedule VII thereto read with the Company's CSR Policy, the CSR Committee and the Board of the Company have approved to contribute an aggregate amount of ₹ 3.85 Crore for the FY 2019-20 by way of Corpus Donation to JM Financial Foundation.

Details of CSR Policy and programs undertaken by the Company through implementing agency are available on the website viz., www.jmfinancialarc.com

Other Information

1. The Composition of the Company's CSR Committee:
   i. Mr. V P Shetty (Chairman)
   ii. Dr. Vijay Kelkar
   iii. Mr. Vishal Kampani
2. Average net profit before tax of the Company for last three financial years as per the provisions of the Act: ₹ **192.45 Crore**
3. Prescribed CSR Expenditure (two percent of the amount as in item 2 above): ₹ **3.85 Crore**
4. Details of CSR spent during the financial year:
   (a) Total amount spent for the financial year: ₹ **3.85 Crore**
   (b) Amount unspent, if any: **Nil**
   (c) Manner in which the amount spent during the financial year is detailed below:

Directors' Report (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (i) Local area or other (ii) Specify the State and district where projects or programmes was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Contribution to JM Financial Foundation towards corpus donation for CSR activities in accordance with the CSR Policy of the Company	a) Promoting education b) Empowering women c) Livelihood enhancement d) Employment enhancing vocation skills especially among women e) Rural development f) Disaster management, including relief, rehabilitation and reconstruction activities	**Maharashtra** (Palghar district – Mokhada block), **Bihar** (Jamui district – Chakai, Jhajha and Sikandra blocks), **Jharkhand** (Giridih district – Dumri and Pirtand blocks)	₹ 3.85 Crore	₹ 3.85 Crore	₹ 3.85 Crore	JM Financial Foundation & other implementing agencies*

* The details of various CSR projects supported across JM Financial Group and the activities of JM Financial Foundation are annexed hereto.

5. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: **Not Applicable since the amount has been spent.**

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai Date : May 4, 2020	**Vishal Kampani** Director DIN: 00009079	**Rupa Vora** Director DIN: 01831916	**Anil Bhatia** Chief Executive Officer

CORPORATE SOCIAL RESPONSIBILITY

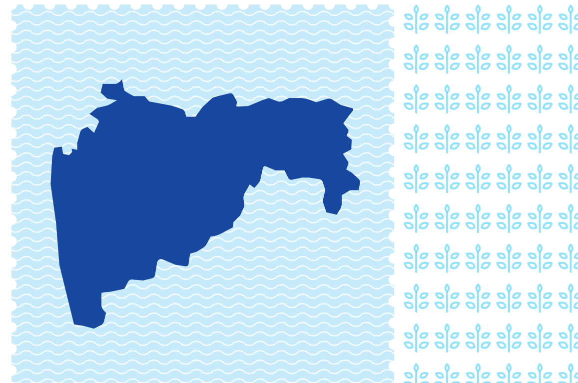
At JM Financial, Corporate Social Responsibility (CSR) has always been a reflection of our unwavering commitment to society. This commitment gets effectuated in reaching out to the most socio-economically backward communities and intervening at the grassroots, with a dream of translating hopes into capacities and realities. Our journey started in 2001 with JM Financial Foundation, our Group's CSR and Philanthropy unit, through which we continue to implement long-term projects and support social causes. Our CSR initiatives, their budgets and expenditures are executed and administered by JM Financial Foundation as outlined in the CSR Policy, adopted by JM Financial Asset Reconstruction Company Limited and all other JM Financial Group entities.

In conformity with our CSR Policy and taking into account the applicable provisions of the Companies Act, 2013, the CSR Committees of the JM Financial Group entities have approved and contributed a total amount of ₹ 24.13 Crore in the Financial Year 2019-20 (₹ 20.02 Crore in FY 2018-19) to JM Financial Foundation for expenditure towards all long-term CSR projects, as approved by the respective CSR Committees.

JM Financial CSR – Delivering on our promise

This year, JM Financial deepened its CSR commitment to its *Integrated Rural Transformation Programme*, with a stronger emphasis on delivering on our core objectives. Designed with a vision of three to five years, our CSR projects have thus far ensured interventions borne out of a dialogue with the community, maturing into social change being desired in Maharashtra, Bihar and Jharkhand. Our projects have extended our intent to over 241 villages across six blocks of three districts in the aforementioned states. Our interventions derive not just their source, but also their channel and flow from the local communities themselves. With this organic approach, we have been able to deliver through the following ongoing projects.

Long-term CSR Projects



MAHARASHTRA

Integrated Village Development Project

Under the aegis of Integrated Rural Transformation Programme, in the state of Maharashtra, we have been working in seven large and small villages of Mokhada block in Palghar district. Herein, our ultimate objective has entailed the achievement of comprehensive rural change for over 1,108 marginalized and remote households. The project has been undertaken in a Public Private Partnership (PPP) model between the Office of the Collector and District Magistrate, Palghar, JM Financial Foundation and Deepak Foundation; basis a detailed needs assessment conducted in the previous year, to gauge gaps, weaknesses, and requirements along with the available resources in the region. In all our initiatives under this project, convergence with government welfare schemes and access to public entitlements is a key source of strengthening target families.

Through our Agriculture and Allied Activities we have trained a total (cumulative) of 369 farmers in the areas of cluster farming, floriculture with jasmine cultivation, Systematic Rice Intensification (SRI), vermicomposting, soil health and testing and crop management for vegetables, cashews and mangoes. Combined with this, 171 of these farmers have participated in four learning and exposure visits, which helped them learn about Wadi (agri-hortiforestry model) farming, jasmine cultivation through observation of other jasmine cultivators and government schemes regarding farm equipment and inputs.

Directors' Report (Contd.)

Farmers training through exposure visit to jasmine cultivation plots

In order to help materialize their learnings, 133 farmers have been facilitated with 10,900 cashew saplings under MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act 2005) – Kalpavruksh Lagvad Yojana (a component under MGNREGA that encourages horticulture through labour payment to practising farmers). These saplings are now planted in 54.07 acres (23.55 lakh sq. ft.). In addition, 23 farmers have been supported with 886 cashew saplings and 19 farmers have been supported with 494 mango saplings (two fruits encouraged in this region owing to rocky terrain and good market connectivity), which have been planted around small water conservation pits facilitated through this project. A total of 513 farmers' soil samples have been tested at the Krishi Vigyaan Kendra located in Kosbad, Dahanu, and with the recommendations disseminated through the reports, almost 45 per cent have been applying them in their vegetable, paddy and SRI (Systematic Rice Intensification) paddy plots. Jasmine cultivation has been undertaken by 80 farmers with 16,000 saplings planted by each of them across 10 acres (4.36 lakh sq. ft.), under the Zilla Parishad Cess Fund Scheme (Agriculture dept. Zilla Parishad, Palghar), through our project's facilitation to public entitlements. Linking the Zilla Parishad 50%-50% Subsidy Scheme, the project has facilitated kitchen garden kits to be provided to 90 farmers, using which farmers have grown, consumed, as well as sold fenugreek, radish, and spinach – a practice that is largely not followed in this region owing to low access and low awareness. To encourage organic methods of farming, 20 farmers have been identified, trained and provided with portable vermicompost beds, each with a capacity of producing 700-800 kg of vermicompost every cycle (90 days per cycle). These beds have been installed by farmers on their respective farm plots, with continuous guidance in the form of training and monitoring. In connection with the Zilla Parishad 50%-50% Subsidy Scheme, 51 farmers have planted 1,400 kg of paddy seeds on 42.5 acres (18.51 lakhs sq. ft.), and have reaped a harvest of 25.19 metric tonnes this year, as compared to the 21.1 metric tonnes harvested in the previous Kharif (Monsoon crop) season. The increase in harvest is a product of our well-planned and result-oriented field visits to individual farmers' plots and handholding on farmer-specific challenges. In addition to this, using the SRI method of paddy cultivation taught to them, 20 farmers harvested 5.32 metric tonnes of rice across 18.79 acres (8.18 lakh sq. ft.), as compared to 3.48 metric tonnes harvested in the previous *Kharif* season.

Paddy sowing through Systematic Rice Intensification method at village Beriste (Umberpada)

Water conservation – Palghar district receives an average of 2,458 mm rainfall annually. However, simple techniques of rainwater conservation have not been practised by the community, making Palghar a rain deficit region in the last few years. Therefore, this year, as part of our project plan, 1,073 Continuous Contour Trenches (CCTs) were dug up on 12.08 acres (5.26 lakhs sq. ft.) of 10 farmers' sloping farmlands, along with support from other villagers. As a result, moisture levels have been maintained, with each CCT storing 600 to 800 litres of rainwater, and the cashew and mango saplings planted on the CCT peripheries have shown 89 per cent survival. The community has also gotten encouraged to conserve water through smaller and simpler methods, instead of looking forward to only modern concrete structures. The behavioural change in conserving monsoon water for increasing water table levels year on year is our ultimate objective and therefore CCTs are also planned in the coming few years prior to the monsoon.

Continuous Contour Trenches at Ase Gram Panchayat after the first showers

Self Help Groups (SHG) capacity building is one of our most significant tools for community development and women empowerment. This year, we have facilitated the development of 21 new SHGs in addition to the 18 developed in the previous year. We have trained 166 (cumulative) SHG members in the areas of SHG norms and governance, records keeping and SHG management.

Through convergence with the Krishi Vigyaan Kendra at Dahanu (one of the blocks in Palghar district), two of our SHGs have received two millet processing units which have helped them earn by processing and selling *varai* (barnyard millets) and *nagli* (finger millets). Alongside, three of our SHGs applied for and received a revolving fund of ₹ 15,000/- each under Ajeevika – Maharashtra State Rural Livelihoods Mission (MSRLM), as an impetus to their entrepreneurial plans, with the fund amount being returnable to the said department at 0 per cent interest after a year.

Millet processing unit in use by Kulaswamini Swayamsahayta Bachat Gat SHG at village Beriste (Teliumberpada)

Under the thrust area of Improving village infrastructure, the project has resulted in a positive outcome for pre-school learning and development through Anganwadi construction and renovation. In convergence with the Integrated Child Development Services (ICDS) Department, the project has facilitated the construction of two new Anganwadis, as a result of which, about 84 children will attend their pre-school in an appropriate infrastructure as opposed to a temporary room in the current conditions.

Increasing access to public entitlements – One of the initiatives under this project was to set up and run helpdesks at the village or Gram Panchayat level, with the sole objective of increasing awareness among the community about their rights and entitlements as citizens, as laid down by the Government. These helpdesks are meant to help the community learn, handhold them to apply for various schemes, help submit the official applications replete with supporting documents required and ensure that they get the benefits of the available schemes. This year, JM Financial Foundation's two helpdesks at Ase Gram Panchayat and Beriste Gram Panchayats have facilitated government welfare schemes' benefits to 1,849 farmers and individuals against the 3,713 enquiries received at the helpdesks, with a total convergence value of ₹ 80.59 Lakh. The support extended by the two helpdesks to farmers and their families has contributed to narrowing the gap between rights and entitlements and the ultimate beneficiaries who should be reaping the benefits of the same. This year, our work through the helpdesks has received recognition in the form of a third helpdesk which will now reach out to all the villages across Mokhada block. The set up and functioning of the new helpdesk has been facilitated at the block level, with the support of the Project Officer – Integrated Tribal Development Project, Tehsildar and Block Development Officer, Mokhada.

Our helpdesk at Beriste Gram Panchayat

Building infrastructure for quality education

Identifying the need for better quality education through improved infrastructure for the poorest of poor tribal children across Mokhada block, JM Financial has undertaken a second initiative this year in Mokhada block, at the Mahatma Jyotiba Phule Ashramshala, Aase. (An Ashramshala is a semi-aided residential school meant for the

Director's Report (Contd.)

NOTICE

DIRECTORS' REPORT

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education of children from Scheduled Tribe backgrounds). The said Ashramshala provides a learning and residential avenue for 362 students in grades 1 to 10, hailing from extremely low income households in a radius of 40 – 50 km around Ase Gram Panchayat in Mokhada. At the time of our first few field visits, this Ashramshala was in an absolutely dilapidated state which would've risked students, especially the girls dropping out after a certain stage, and going back to their far-flung homes with no better prospect of education. Therefore, it was important to arrest the deterioration of the school and hostel building, and provide a well-built infrastructure where children feel safe, live in healthy conditions and learn better. With this as our objective, JM Financial has undertaken infrastructure construction and upgradation for the Ashramshala whereby the following will be accomplished:

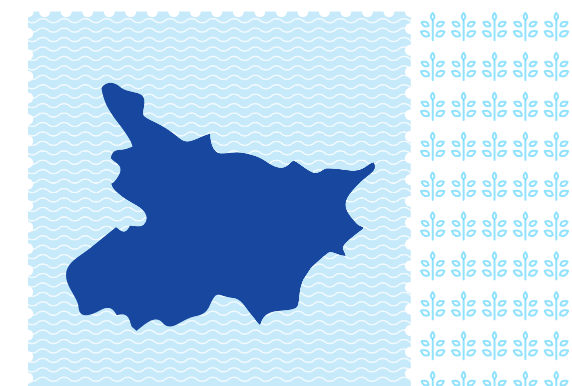
- Renovation of the existing school building, for six classrooms for grades 5 to 10, one staff room and one Science laboratory.
- Construction of new school building for grades 1 to 4 (Primary section), since up until now, grades 1,2 and 4 were being taught in the boys' hostel and grade 3 was being taught in the girls' hostel.
- Creation of new toilet blocks for boys and male staff, comprising two toilets, two bathrooms and three urinals.
- Creation of new toilet blocks for girls and female staff, comprising two toilets, two bathrooms and three urinals.
- Construction of four rainwater storage tanks with a capacity of 30,000 litres each.

Ashramshala school building under refurbishment

The complete development and refurbishment is expected to help ensure that students, especially girls get a respectable and decent learning environment, enabling them to develop into wholesome individuals.

Eye-care initiative

The communities across our seven villages of Mokhada block approached JM Financial with complaints of unhealthy eye conditions, with some of the residents showing signs of an immediate need to undergo cataract surgeries. We received requests to conduct an eye camp since no public body or other institution had taken such an initiative in the past in the region. The risk of poor vision conditions worsening was higher, especially in case of senior citizens, deprived of any medical attention. Therefore, an eye camp was conducted on January 14, 2020 during which 421 people were screened. Of these screenings, 215 were detected with vision problems and 119 showed signs of cataract issues. About 38 of the cataract patients underwent eye surgeries between January 15 and 19, 2020 and the remaining 81 couldn't be operated on owing to other health issues such as high blood pressure and excessive sugar. Additionally, eight patients were operated on for issues of Dacryocystectomy, Pterygia, discharge and swelling.



BIHAR

Over the last three years in the state of Bihar, JM Financial has concentrated its CSR efforts in one of the 115 Aspirational Districts identified by the NITI Aayog (National Institution for Transforming India Aayog – an institution created in 2015 to work on a shared vision of national development priorities, with special focus on the lesser served sections of the society), i.e. Jamui. Herein, we have been working with an approach of intensive development across 15 villages and extensive development across over 240 villages in three blocks – Chakai, Jhajha and Sikandra. Our focus has largely been on strengthening interwoven aspects of rural life, including but not limited to agriculture and allied activities, livestock development, enhancement of education outcomes and women empowerment. All our projects are designed to be implemented over 3 to 5 years ultimately aiming to achieve increased incomes, behaviour change and an enriched quality of living.

Project Bachpan

Initiated in August 2017, Project Bachpan was borne out of a need visible most starkly in the villages of this region – that is, little children deprived of nutrition and the learning that starts early for all. The primary objective with which the project took shape was to ensure that these tiny tots receive the care and holistic development in a conducive environment. With five pre-school learning centers running six days a week across five villages – Dhanimatari, Dhawatanr, Korasi, Lachhuar and Sabal Bigha, Project Bachpan has completed over 2.5 years since its inception, wherein it has impacted children positively, and more so in the case of Dhanimatari and Dhawatanr.

Our Bachpan Learning Center at Village Dhanimatari

Over the last year, 120 children in the age group of 3 to 6 years have acquired pre-numeracy, pre-literacy and fine-tuned motor skills through interactive child-centric teaching and learning methods and material. Through three years, a total of 140 children attending the Bachpan Learning Centers have been provided with one-time nutritious meals cooked voluntarily by their mothers, often using vegetables grown at the centers, in nutrition gardens developed for the purpose. With the end of the academic session in March 2020, 45 of the children of age 6 years will be enrolled into grade 1 of a public school. Simultaneously, new children for enrolment will be identified by the teachers through a door-to-door assessment, ensuring that only the most deserving children from the weakest of families get the platform provided through the project.

Guided play to enhance focus and pattern recognition skills at our Bachpan Learning Center

Shri Vardhman Mahila Griha Udyog

Shri Vardhman Mahila Griha Udyog was initiated in December 2017 with the primary objective of providing women from across the 15 villages of Sikandra block with a dignified means of earning their livelihoods. Working hitherto as unprotected firewood gatherers and daily agricultural labourers, 16 of these women were taken to Palitana, Gujarat in November 2017, to get trained in *Khakhra* (a whole-wheat snack) making, basis the simple skill that they possessed, that is – roti making. The market for this product was evaluated to be available and booming in the said geography, owing to the large number of pilgrims and tourists visiting the area every year. Through 20 days of training, our women members (*didis*) had learned to roll and vend perfect, hand-made Khakhras.

Our didis at their training in Bhavnagar, Gujarat for khakhra rolling and vending in 2017

Today, the Udyog (i.e. the production unit) has been operational for over two years and has been independently taking care of its own operations and management with an empowered set of *didis* (workers), aspiring to create a niche for themselves. This year, taking care of all their own operational expenses, the women members have produced and sold 4,037.60 kg of Khakhra and earned a total output-based earnings (basis attendance and khakhras rolled) of

Directors' Report (Contd.)

₹ 4,49,066/- (average ₹ 1,900/- to ₹ 3,300/- earned per member per month) up until February 2020. The Foundation continues to handhold the Udyog and stand strong to support them, financially and though capacity building. The larger dream for this project, is to diversify in material and form and leave it working with full autonomy and financial strength over the next few years.

Our *didis* beaming with their gifts on completing two years at the Udyog

Adarsh Gram Development Project

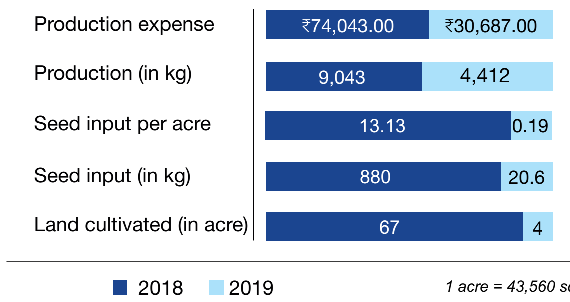
The Adarsh Gram (Model Village Development) Project has been undertaken to facilitate comprehensive rural development using available natural resources, village capacities and public schemes to convert 15 identified remote villages into self-reliant, model villages. Initiated in 2018, the project has completed two years with rigorous focus and seamless efforts at working with the community of marginal and small farmers, enabling them to realize their potential and linking them to higher income-generation practices. Through this project, JM Financial works towards comprehensive rural growth through the thematic areas of livelihoods and alternate agriculture, water and sanitation and enhancing education.

Livelihoods and alternate agriculture – Our approach to enhancing agricultural practices continues to hinge on farmers' education, awareness, encouragement and adoption. Given the geographic spread, differing resource availability and demography, it becomes necessary for the project to continue with this approach until a large part of the community can be considered trained and as having adopted the scientific practices towards multi-cropping and crop diversity. Over the past year, our farmer extension education sessions have reached out to a cumulative total of 3,073 farmers in the subjects of paddy varieties and their cultivation, Systematic Rice Intensification (SRI), nutrition gardens and their benefits, vermi-composting and orchard development. Our farmer trainees also get to observe the practices taught, through practical observation at a 2.5 acres (1.09 lakhs sq. ft.) plot, known as *Kisaan Pathshala*, curated and cultivated to demonstrate the model possibilities on the same soil, going beyond the staple rice, pigeon pea, wheat and potatoes. These possibilities include 19 vegetable varieties, 10 flower varieties, 14 medicinal plants, pulses, oilseeds, and 17 fruit varieties alongside bio-fertilizers made with household kitchen items and a poly-house nursery to demonstrate the benefits of cultivating plants in controlled conditions.

Farmers training session at the Kisaan Pathshala

Basis the exposure provided to the farmers through extension education and the *Kisaan Pathshala*, our farmers have adopted some of the practices, and their plots are regularly visited and monitored for guidance and support. A total of 26 farmers piloted the SRI method of paddy cultivation on 2.34 acres (1.02 lakhs sq. ft.) of their individual farmlands, which has helped them reap more significant benefits than the traditional method of paddy cultivation followed by them last year.

Paddy cultivation outputs
Traditional sowing (2018) vs. SRI method (2019)

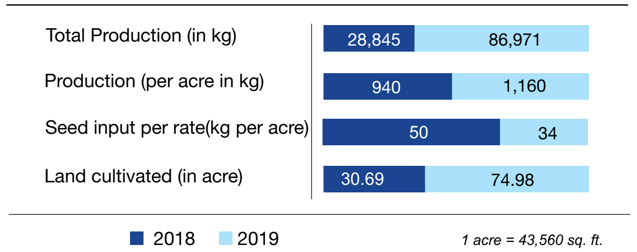


1 acre = 43,560 sq. ft.

	2018	2019
Land cultivated (in acre)	67	4
Seed input (in kg)	880	20.6
Seed input per acre	13.13	0.19
Production (in kg)	9,043	4,412
Production expense	₹ 74,043.00	₹ 30,687.00

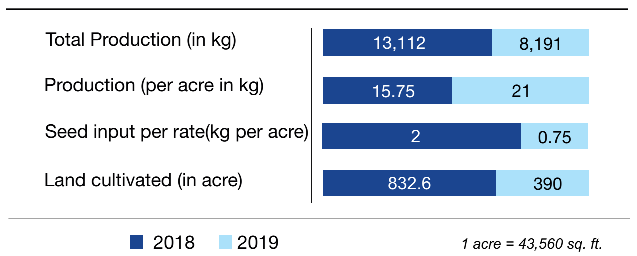
Apart from SRI cultivation, the paddy seeds provided to the farmers under our project helped realise a good yield. About 374 farmers were given 3,000 kg of good quality, high-yielding paddy seeds, of which 166 farmers have reported a total production of 1,38,710 kg rice. Last *Rabi* (winter crop) season, we had also provided our farmers with Foundation Wheat and Foundation Mustard seeds which resulted into a bumper production as illustrated below:

Wheat cultivation
Input and output (2018 vs. 2019)



	2018	2019
Land cultivated (in acre)	30.69	74.98
Seed input rate (kg per acre)	50	34
Production (per acre per kg)	940	1,160
Total Production (in kg)	28,845	86,971

Mustard cultivation
Input and output (2018 vs. 2019)



	2018	2019
Land cultivated (in acre)	832.6	390
Seed input rate (kg per acre)	2	0.75
Production (per acre per kg)	15.75	21
Total Production (in kg)	13,112	8,191

Our technical trainings and practical demonstrations have also led 126 farmers to take up vermicomposting through vermi-beds provided under our project and 101 farmers to develop nutrition gardens outside their houses, ensuring that they are able to afford their own vegetables without a high additional cost. Lastly, in what would be considered first in the region, 34 farmers have developed their own basic orchards with the help of 440 lemon plants, 336 guava plants along with some mango, jackfruit and custard apple plants provided to them by the project. Similarly, a community orchard has also been developed in partnership with 11 farmers on their land with 281 lemon plants, 324 guava plants and 22 mango plants. This community orchard has been developed in our smallest village (with 44 households) that is known even in the region to be the most backward, deprived village with tribal families residing there.

A fully prepared vermi-bed on an individual farmer's plot

Under water and sanitation, six *dobhas* (a traditional method of water conservation involving digging of huge pits, modelled with non-casting material) have been developed on six farmers' farm plots, as a pilot.

One of our dobhas at village Hariharpur, Sikandra block

In the area of enhancing education, our six Vardhman Gyaan Kendras (learning centers) continue to operate six days a week, providing learning support to 175 students in grades 1 to 4 and 125 students in grades 8 to 10. Through regular parents- teacher meetings, teacher-student sessions and routine tests, our students continue to be guided by locally appointed teachers, helping them to achieve improved outcomes at their school and to strengthen their academic bases.

Directors' Report (Contd.)

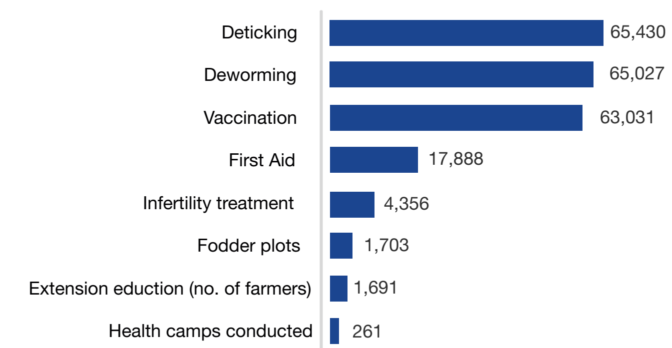
Prize distribution to the children of Vardhman Gyan Kendra junior and senior after their Annual Sports Day at village Lachchuar, Sikandra block

This year, our project has also heightened its efforts towards increasing public access to government schemes and entitlements. As a result of our initiative in figuring the gaps in access, spreading awareness about government schemes and in helping famers and their families to apply for the same, 527 individuals from the community have been linked to government schemes, amounting to a total convergence of ₹ 93.80 Lakh (up until March 2020). The schemes most linked to our farmers include Pradhan Mantri Awas Yojana, Swachh Bharat Mission, Mahatma Gandhi National Rural Employment Guarantee Act (2005), input subsidy for drought hit Panchayats and PM Kisaan Nidhi Samman Scheme.

Integrated Livelihoods Development Centers

JM Financial's extensive development approach manifested into the Integrated Livelihoods Development Centers (ILDCs) project that was initiated in January 2018 in Chakai, Jhajha and Sikandra blocks of Jamui district, Bihar, with the sole objective of enhancing livelihoods through development and improved management of livestock. The 21 cattle veterinarian clinics, i.e. the ILDCs are located across the said three blocks, whereby livestock healthcare services are provided by the 21 rural youths trained for and under the project as para-veterinarians, addressed as – *Gopals.* Under their model of functioning and being available for the cattle rearers round the clock, the Gopals have, through the project, since inception, provided the following livestock management services:

LIVESTOCK MANAGEMENT SERVICES PROVIDED BY 21 ILDCs - JAN 2018 TO MAR 2020



In terms of livestock development services, our project intervention has led to the birth of 2,333 calves (1,148 female and 1,185 male) borne of 14,050 Artificial Insemination (AI) services starting January 2018 to March 2020. These calves are of Sahiwal (1,240 calves), Holstein Friesian (386 calves), Jersey (341 calves), Murrah Buffalo (203 calves), Gir (147 calves) and Red Sindhi (16 calves) breeds. Additionally, 1,050 calves are expected to be delivered between March and December in 2021 from the aforementioned AIs. If an individual intends to buy a mature female calf, she/he would have to pay close to ₹ 30,000/- to the seller, in order to own the calf in our Indian scenario. Therefore, our project has through its livestock development services led to the creation of ₹ 3.44 Crore worth livestock assets for our farmers. This year, the project has also converged with the Government Animal Husbandry department and provided vaccinations to cattle worth ₹ 88,855/- and medicines worth ₹ 12,276/-. Four of our Gopals have also participated in a rigorous 5-days' training on animal nutrition and dairy farm management, facilitated by the Dairy Development Department, Jamui.

Farmers training sessions on livestock management near Ghutwe ILDC - by Gopal Fazal Imam, block Chakai

Shri Vardhman Dugdhalaya

As an offshoot of the ILDC Project, and with an objective to scale up and intensify the outcomes of the project, this year, JM Financial has undertaken a dairy development initiative, viz. – Shri Vardhman Dugdhalaya. The project has been commissioned with the principle objective of enhancing unreached local cattle-owning farmers' livelihoods through a dairying initiative. Here too, the progress and welfare of marginal and small farmers lies at the core of our objective. The birth of the project can be accredited to the increased milk yield from the ILDC project, scope to link this untapped increase to the market and to farmers' demands for getting a fair chance and price for their yield. A detailed qualitative and quantitative assessment was conducted by technical consultants with expertise in the field of dairy development, in the months of August and September 2019, whereby we identified and mapped three crucial, inter-related aspects:

The aforementioned assessment was conducted with a sample size of 25 villages and 30 dairying households selected through random sampling, 30 Milk Collection Centers' in-charges, three large dairies and various government officials. Tools used for this assessment included 75 Focus Group Discussions (FGDs), 50 semi-structured interviews and meetings.

Focus Group Discussions to evaluate milk production potential in Patamber village, Sikandra block

Basis our findings from the study, a small-scale dairying initiative was planned to be undertaken through milk aggregation, innovation and forward linkages. As an outcome of this, 10 Milk Collection Centers (MCCs) were identified to be commissioned to and run by 10 MCC *Sahayaks* (MCC in-charges) in 10 villages. These 10 MCCs were formally linked to a 1,000 litres' capacity Bulk Milk Cooling (BMC) unit at the block level. Inaugurated on January 25, 2020, by and in the presence of Shri Arun Kumar Thakur – Deputy Development Commissioner, Jamui, along with other government officials from Sikandra block and Jamui district, the Project has completed 49 days of regular milk collection, aggregation and linkage operations up till March 20, 2020. A team of six members (comprising Project Manager, Accountant-cum-MIS Executive, BMC operator, BMC caretaker, Milk van driver and Milk van helper) has been implementing the project at the ground level. The milk is collected daily in two shifts – morning and evening, aggregated at the BMC and delivered to a private dairy's chilling plant in the neighbouring district. The entire process is completed in four hours in each shift, since timing is critical to ensure the quality of milk supplied. In the initial two months, our Sahayaks have collectively supplied 20,906.26 litres of milk, with an average supply of 426.66 litres daily across the 10 MCCs. Against the total supply, the 10 Sahayaks have earned a total commission of ₹ 20,906.26/- while our farmers have earned a total sum of ₹ 7,08,900/-. In the coming months, we hope to optimize the milk collection and bring it to a point where the project can venture into milk chilling and value-added products such as paneer (cottage cheese), ghee (clarified butter) and butter.

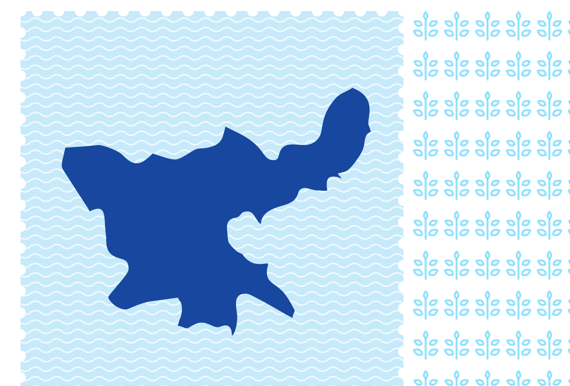
Our Bulk Milk Cooling (BMC) unit at Sikandra block on the day of the project inauguration

Eye-care initiative

An eye-camp was held at Khaira block of Jamui district, Bihar on February 4, 2020. The camp saw 132 registrations come in from five extremely remote, tribal villages that are otherwise deprived of any medical healthcare services – preventive as well as curative. Of the total registrations, 54 were prescribed spectacles and 27 were detected with cataract, of which 15 underwent cataract surgeries.

Directors' Report (Contd.)

Vision check in progress at the eye camp



JHARKHAND

JM Financial has been working in Jharkhand since 2017, in a district also identified by the NITI Aayog as one of the 115 Aspirational Districts, namely – Giridih. The emphasis in this district has been purely on strengthening public healthcare systems and community outreach with preventive and curative care. What started as a State-led initiative to invite an organization that could support a public healthcare system in a sensitive area has paved the way for two healthcare projects that have garnered community faith and discernibly improved health-seeking tendencies and practices in the region.

Project First Referral Unit (FRU)

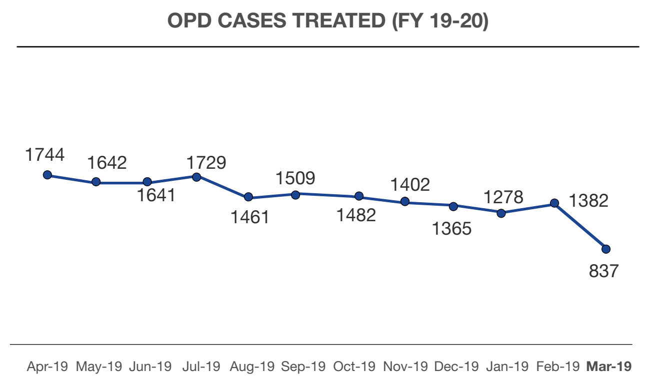
The FRU Project had been undertaken in a PPP (Public Private Partnership) model with the Jharkhand Rural Health Mission Society, Deepak Foundation and JM Financial Foundation. The primary objective of the project was to strengthen comprehensive maternal and child healthcare services at the Community Health Centre (CHC) in Dumri block of Giridih district, enabling it to service three blocks. Since inception, the project has proved to be a successful PPP model in the district, for providing round the clock continuous maternal and child healthcare services. With the deployment of experienced healthcare staff and through continuous training, the project has established linkages for referral support with primary, secondary and tertiary care facilities. Networking & coordination with frontline healthcare workers (Accredited Social Health Activists (ASHAs), Anganwadi workers & Auxiliary Nurse Midwives (ANMs) has paved the way for the project to reach out to communities to encourage institutional delivery and influence their behaviour positively for healthy pregnancies and safe delivery of babies. Additionally, an ambulance supported by us has helped the FRU in timely response to patient emergencies and travel from remote villages to the FRU along with referrals from the Unit to other, bigger government facilities.

This year, the FRU has treated 23,142 OPD cases, comprising 15,832 paediatric cases and 7,302 gynaecological cases. A total of 1,666 babies have taken birth in safe conditions at the FRU, of which 342 were categorized to be high-risk and 348 were low birth-weight. Our New Born Stabilization Unit (NBSU), the only one in the rural blocks, has saved 254 babies from post-birth fatalities and complications. This NBSU has been a boon to the region, where mothers are anaemic and often give birth to babies that are at a high risk of contracting birth-linked complications.

Our trained nurses closely monitoring critical babies at the FRU

The project works in continuous convergence with government schemes and programmes, such as Janani Suraksha Yojana, Janani Shishu Suraksha Karyakram, universal immunization drives, Pradhan Mantri Surakshit Matritva Abhiyaan and a full range of family planning services. The project also reaches out to the community whereby, through the year, the FRU's Counsellor has conducted 44 field visits in 33 villages, spreading awareness among women, adolescents and their families on the full range of maternal and childcare services made available at the FRU.

Community awareness visits by the FRU team



Mobile Health Unit

The CSR project with the Mobile Health Unit (MHU) has been initiated and implemented to serve 24 villages of Dumri and Pirtand blocks of Giridih district, to enable the community to overcome four major challenges of healthcare – accessibility, affordability, low awareness and incorrect attitude. To this effect, the MHU has been providing doorstep services through six days (of consultations within the community. Through this, the households located in remote, scattered villages on hilly terrains have gained an access to primary healthcare, over 50 types of essential medicines, five types of pathological investigations and one-on-one as well as group counselling services by a trained community counsellor.

Community counselling sessions conducted round the year by the MHU team

The MHU, equipped with seven staff members and supported by incentivized community mobilizers has, since 2017 been providing services through a pre-determined monthly clinic at pre-designated community halt points including quality consultation, branded medicines, a well communicating counsellor, engaging activities, real time app-based patient record software and government recruited frontline workers.

Of the aforementioned OPD cases, 538 cases have been treated through referrals. Given below are some of the significant cases attended to by our MHU:

Patient Name and Age: Chhotu Sav; 75 years

Sex: Male

Village: Rasunatunda

Month of MHU visit: June 2019

Ailment/Complaint: **Severe Abscess formation** – Shri Chhotu Sav came to the MHU with an abscess on his left lateral muscle formed about 45 days prior to his visit. He admitted that he had an infection on one of his toes about three years ago, which had been amputated.

MHU treatment: The doctor in the MHU prescribed antibiotics with anti-inflammatory medication and referred the patient to the FRU for drainage of the wound. Alongside,

Patient Name and Age: Shrimati Khushboo Devi; 22 years

Sex: Female

Village: Balutunda

Month of MHU visit: September 2019

Ailment/Complaint: **Chronic Wound** – Shrimati Khushboo Devi came to the MHU complaining of a wound on the right foot with a history of snakebite.

MHU treatment: The doctor in the MHU retrieved her treatment history from her and prescribed antibiotics, anti-inflammatory enzymes and topical ointments. The patient was referred to the FRU and called for a follow up visit.

Directors' Report (Contd.)

Besides treatment, the MHU has worked upon preventive healthcare by providing counselling services and extended healthcare education to 8,645 (cumulative) community beneficiaries.

Eye-care initiative

JM Financial organized an eye-camp at Giridih district of Jharkhand, reaching out to the community residing in 18 scattered villages. A total of 495 community residents registered for a screening at the camp, of which, 144 were prescribed spectacles, 140 were detected as suffering from cataract and 360 individuals were prescribed medication for eye and vision ailments. With our follow-up and facilitation, 48 of the detected cataract patients underwent surgeries.

Fight against COVID-19

The outbreak of the Novel Corona Virus (COVID-19) has emerged as a global challenge, which has been declared as a pandemic by the World Health Organization (WHO). The virus poses a significant threat to all, and especially to India, where the population as well as population density are the second largest, world-over. Globally, there were over 8 lakh people who'd been affected by the virus, and over 39,000 fatalities resulting into deaths, as on March 31, 2020. India, at this time, had 1,400 plus positive cases; and in the weeks to come, the situation had the potential of getting worse. The Government of India along with public service institutions were at a continuous war to combat the increasing spread of the infection. Given the national calamity, it was most imperative for these combating efforts to be continued, lest we risk severe community spread. To contribute to these efforts, JM Financial extended its support by way of –

- One life-saving ventilator for the Thane Municipal Hospital and two ventilators installed at the Palghar Civil Hospital, for use in the COVID-19 isolation wards
- JM Financial Foundation and the Group employee volunteers' led support towards the purchase and contribution of 28,000 protective face masks for the Mumbai Police personnel, on duty during the lockdown, across eight police stations in the western suburbs of the city
- Contribution to the Chief Minister Relief Fund – COVID-19, Karnataka and Chief Minister's Relief Fund, Gujarat
- Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES)
- COVID-19 relief and rehabilitation initiative undertaken by the CII Foundation
- Supporting Bhaskar Foundation in feeding 1,400 families of migrant workers
- Distribution of ration kits to 1,600 poorest of the poor families in backward and tribal communities of Sikandra, Chakai and Jhajha blocks of Jamui district, Bihar
- Providing for ration kits to be given to 1470 families in some of the most unreached slums in Mumbai and 2,000 families in the Sundarbans region of 24 Parganas, West Bengal, in collaboration with International Association of Human Values, Magician Foundation (India), Phool Versha Foundation and World Wide Fund (WWF) for Nature
- Contribution towards 2,000 Police Thank You Kits to the Gujarat Police, comprising soaps, sanitizers, masks and a "thank you" note for their relentless efforts at controlling the situation.
- Commitment to setting up and running a 200-bed isolation unit at a suburban hospital in Mumbai in partnership with other corporates and the Municipal Corporation of Greater Mumbai

This year and in the years to come, we see ourselves intensifying our efforts in the given thrust areas, keeping marginalized and underserved communities in Aspirational Districts at the center of our intent and actions. While statistics may encourage our deliverables, urging us to work still more intensively, real change that is desirable and eternal would be visible in quality over quantity, in the most essential aspects of rural life – agriculture, health, education and public access to government entitlements, which may ultimately lead us to real and sustainable impact.

Our partner organizations for our CSR projects undertaken are Deepak Foundation, Jan Pragati Sansthan, Better World Foundation and JK Trust Bombay. We thank all our partner non-profit organizations, respective state, district and block level government authorities for being an integral part of our CSR thought, action and impact. They have been instrumental in JM Financial initiating work in the given regions and in sustaining efforts so far.

Annexure IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2020

[Pursuant to section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U67190MH2007PLC174287
ii)	Registration Date	September 19, 2007
iii)	Name of the Company	JM Financial Asset Reconstruction Company Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares and an Indian Non-Government Company
v)	Address of the registered office and contact details	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 Tel.: 022-6630 3030 Fax: 022-6630 3223 Email Id: vineet.singh@jmfl.com Website: www.jmfinancialarc.com
vi)	Whether listed company	The Equity Shares of the Company are not listed on any of the stock exchanges. However, the Non-Convertible Debentures issued by the Company are listed on the Wholesale Debt Market Segment of BSE Limited and National Stock Exchange of India Limited.
vii)	Name, Address and Contact details of Registrar and Transfer Agent (RTA), if any	KFin Technologies Private Limited (Formerly known as Karvy Fintech 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 Website: www.kfintech.com Contact Person: Mr. S P Venugopal Email id : venu.sp@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Purchase of Non-performing Assets and Securitisation and Reconstruction of Financial Assets	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares Held	Applicable Section
1	JM Financial Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	L67120MH1986PLC038784	Holding Company	59.25 %	Section 2 (46)

Director's Report (Contd.)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Sponsor									
(1) Indian									
a) Individual/ HUF	5,68,66,072	–	5,68,66,072	16.50	5,68,66,072	–	5,68,66,072	16.50	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	21,62,59,779	–	21,62,59,779	62.75	21,62,59,779	–	21,62,59,779	62.75	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other.	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**27,31,25,851**	**–**	**27,31,25,851**	**79.25**	**27,31,25,851**	**–**	**27,31,25,851**	**79.25**	**–**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Sponsor (A)= (A)(1)+(A)(2)	**27,31,25,851**	**–**	**27,31,25,851**	**79.25**	**27,31,25,851**	**–**	**27,31,25,851**	**79.25**	**–**
B. Non- Sponsor									
1.Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	4,24,88,095	–	4,24,88,095	12.33	4,24,88,095	–	4,24,88,095	12.33	–
c) Central Govt	–	–	–	–	–	–	–		–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	2,90,28,911	–	2,90,28,911	8.42	2,90,28,911	–	2,90,28,911	8.42	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**7,15,17,006**	**–**	**7,15,17,006**	**20.75**	**7,15,17,006**	**–**	**7,15,17,006**	**20.75**	**–**
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)									
Sub-total (B)(2):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Non-Sponsor Shareholding (B)=(B)(1)+ (B)(2)	**7,15,17,006**	**–**	**7,15,17,006**	**20.75**	**7,15,17,006**	**–**	**7,15,17,006**	**20.75**	**–**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**32,46,42,857**	**–**	**34,46,42,857**	**100.00**	**32,46,42,857**	**–**	**34,46,42,857**	**100.00**	**–**

Directors' Report (Contd.)

(ii) Shareholding of Sponsors

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	JM Financial Limited	20,41,97,279	59.25	–	20,41,97,279	59.25	–	–
2	Mr. Narotam S Sekhsaria	5,68,66,072	16.50	–	5,68,66,072	16.50	–	–
3	Radhakrishna Bimalkumar Private Limited	1,20,62,500	3.50	–	1,20,62,500	3.50	–	–
	Total	**27,31,25,851**	**79.25**	**–**	**27,31,25,851**	**79.25**	**–**	**–**

(iii) (a) Change in Sponsor' Shareholding (please specify, if there is no change) – JM Financial Limited

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	20,41,97,279	59.25	20,41,97,279	59.25
Increase / Decrease in Share Holding during the year	No Change			
At the end of the year	**20,41,97,279**	**59.25**	**20,41,97,279**	**59.25**

(iii) (b) Change in Sponsor' Shareholding (please specify, if there is no change) - Radhakrishna Bimalkumar Private Limited

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1,20,62,500	3.50	1,20,62,500	3.50
Increase / Decrease in Share Holding during the year	No Change			
At the end of the year	**1,20,62,500**	**3.50**	**1,20,62,500**	**3.50**

(iii) (c) Change in Sponsors' Shareholding (please specify, if there is no change) – Mr. Narotam Sekhsaria

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	5,68,66,072	16.50	5,68,66,072	16.50
Increase / Decrease in Share Holding during the year	No Change			
At the end of the year	**5,68,66,072**	**16.50**	**5,68,66,072**	**16.50**

(iv) (a) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Indian Overseas Bank

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2,10,00,000	6.09	2,10,00,000	6.09
Increase / Decrease in Share Holding during the year	No Change			
At the end of the year	**2,10,00,000**	**6.09**	**2,10,00,000**	**6.09**

(iv) (b) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): UCO Bank

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1,14,88,095	3.33	1,14,88,095	3.33
Increase / Decrease in Share Holding during the year	No Change			
At the End of the year	**1,14,88,095**	**3.33**	**1,14,88,095**	**3.33**

(iv) (c) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Union Bank of India

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1,00,00,000	2.90	1,00,00,000	2.90
Increase / Decrease in Share Holding during the year	No Change			
At the End of the year	**1,00,00,000**	**2.90**	**1,00,00,000**	**2.90**

(iv) (e) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Valiant Mauritius Partners FDI Limited

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2,90,28,911	8.42	2,90,28,911	8.42
Increase / Decrease in Share Holding during the year	No Change			
At the end of the year	**2,90,28,911**	**8.42**	**2,90,28,911**	**8.42**

(v) Shareholding of Directors and Key Managerial Personnel: Mr. Narotam Sekhsaria (Sponsor Director)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	5,68,66,072	16.50	5,68,66,072	16.50
Increase / Decrease in Share Holding during the year		No Change		
At the end of the year	**5,68,66,072**	**16.50**	**5,68,66,072**	**16.50**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Crore

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,802.18	614.98	–	2,417.16
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	101.94	–	–	101.94
Total (i + ii +iii)	**1,904.12**	**614.98**	**–**	**2,519.10**
Change in Indebtedness during the financial year				
• Addition	3,643.21	450.00	–	4,093.21
• Reduction	3,214.89	939.98	–	4,154.87
Net Change	**428.32**	**(489.98)**	**–**	**(61.66)**
Indebtedness at the end of the financial year				
i) Principal Amount	2,230.50	125.00	–	2,355.50
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	210.36	0.61	–	210.97
Total (i+ii+iii)	**2,440.86**	**125.61**	**–**	**2,566.47**

VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 4, 2020

Vishal Kampani
Director
DIN: 00009079

Rupa Vora
Director
DIN: 01831916

Independent Auditors' 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, 2020, 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, 2020 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 Auditors' 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 39 to the consolidated financial statements, which describes that the potential impact of the COVID-19 Pandemic on the Company's results 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.

A. 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 Rs.1,155.39 crore as at March 31, 2020.
- Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating Rs.1,965.16 crore as at March 31, 2020.

The valuation of these financial instruments are 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 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 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, etc.
- Analyzed 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 obtain 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 Auditors' 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements.

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

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

Auditors' 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 auditors' 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.

Independent Auditors' Report (Contd.)

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has 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 auditors' 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 auditors' 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 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 auditors' 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 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.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and 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, 2020 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 our 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 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 Auditors' 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 Group does not have any pending litigations which would impact its consolidated financial position;

      ii. the Group did not have any long-term contracts including derivative contracts, as at the year-end 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 Parent Company.

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN 20109839AAAAFE6525

Place : Mumbai
Date : May 4, 2020

Independent Auditors' Report (Contd.)

Report on Internal Financial Controls Over Financial Reporting ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the 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, 2020, we have audited the internal financial controls over financial reporting of JM Financial Asset Reconstruction Company Limited (hereinafter referred to as "Parent Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent company 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 Parent company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Parent company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 auditors' 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 Parent Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the 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 Company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the 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 Registration No.117366W/W-100018)

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

Place : Mumbai
Date : May 4, 2020

Consolidated Balance Sheet

as at 31st March, 2020

₹ in Crore

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
(I) Financial assets			
A Cash and cash equivalents	4	266.67	161.42
B Bank balance other than (A) above	5	0.76	1.49
C Trade receivables	6	153.74	141.81
D Loans	7	525.93	485.71
E Investments	8	1,164.22	1,428.33
F Other financial assets	9	2,016.16	2,270.88
Total Financial Assets (I)		**4,127.48**	**4,489.64**
(II) Non-financial assets			
A Current tax assets (Net)	10	26.79	5.26
B Deferred tax assets (net)	19	10.17	–
C Property, Plant and Equipment	11	23.20	1.55
D Other intangible assets	11	0.07	0.14
E Other non-financial assets	12	1.82	3.48
Total Non Financial Assets (II)		**62.05**	**10.43**
Total Assets (I+II)		**4,189.53**	**4,500.07**
LIABILITIES AND EQUITY			
LIABILITIES			
(I) Financial liabilities			
A Trade Payables	13		
(i) total outstanding dues of micro and small enterprises		0.08	–
(ii) total outstanding dues of creditors other than micro and small enterprises		2.72	2.08
B Debt securities	14	2,058.25	2,099.14
C Borrowings (Other than Debt Securities)	15	508.22	419.96
D Other financial liabilities	16	64.65	191.09
Total financial liabilities (I)		**2,633.92**	**2,712.27**
(II) Non-financial liabilities			
A Current tax liabilities (Net)	17	6.25	22.56
B Provisions	18	2.00	1.98
C Deferred tax liabilities (Net)	19	–	7.30
D Other non-financial liabilities	20	8.58	6.68
Total non-financial liabilities (II)		**16.83**	**38.52**
(III) EQUITY			
A Equity share capital	21	344.64	344.64
B Other equity	22	1,105.37	920.59
Equity attributable to owners of the Company		**1,450.01**	**1,265.23**
C Non-Controlling interest		88.77	484.05
Total equity (III)		**1,538.78**	**1,749.28**
Total liabilities and equity (I+II+III)		**4,189.53**	**4,500.07**
The accompanying notes from an integral part of the consolidated financial statements	1 to 51		

In terms of our report attached

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

G.K.Subramaniam
Partner
Membership No: 109839

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 : May 4, 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2020

₹ in Crore

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I. Income:			
Revenue from operations			
Interest income	23	180.67	128.67
Fees and incentives	24	208.75	225.71
Net gain on de-recognition of financial assets carried at FVTPL	25	15.18	145.61
Net gain on de-recognition of financial instruments carried at amortised cost	26	2.04	–
Total Revenue from operations		**406.64**	**499.99**
II. Other income	27	6.86	0.60
III. Total income (I+II)		**413.50**	**500.59**
IV. Expenses:			
Finance costs	28	269.39	215.75
Impairment of financial instruments	29	16.75	22.24
Employee Benefits Expenses	30	19.71	35.91
Depreciation and amortization	11	3.24	0.92
Operating and other expenses	31	23.64	24.32
Total expenses		**332.73**	**299.14**
V. Profit before Tax (III-IV)		80.77	201.45
VI. Less: Tax expense	32		
Current tax		47.35	105.70
Deferred tax		(17.24)	(35.96)
Tax adjustment of earlier years (net)		2.98	0.11
Total tax expenses		**33.09**	**69.85**
VII. Profit for the year (V-VI)		47.68	131.60
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Actuarial losses on post-retirement benefit plans		(0.01)	(0.19)
- Income tax on the above		#	0.07
Total other comprehensive income		**(0.01)**	**(0.12)**
IX. Total comprehensive income (VII+VIII)		**47.67**	**131.48**
X. Net profit for the year attributable to:			
Owners of parent company		42.26	165.93
Non-controlling interests		5.42	(34.33)
XI. Other comprehensive Income attributable to:			
Owners of parent company		(0.01)	(0.12)
Non-controlling interests		-	-
XII. Total comprehensive Income attributable to:			
Owners of parent company		**42.25**	**165.81**
Non-controlling interests		**5.42**	**(34.33)**
XIII. Earnings per equity share (Face value of ₹ 10/- each)	33		
Basic Earning per share (in ₹)		1.23	4.81
Diluted Earning per share (in ₹)		1.23	4.81
The accompanying notes from an integral part of the consolidated financial statements	1 to 51		

In terms of our report attached

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

G.K.Subramaniam
Partner
Membership No: 109839

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 : May 4, 2020

Consolidated Statement Of Changes In Equity

for the year ended 31st March, 2020

A. Equity share capital

₹ in Crore

Particulars	Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
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 Debenture	Initial Corpus	Attributed to owners of the Company	Non-Controlling Interest	Total
Balance at April 1, 2018	**194.34**	**524.80**	**42.24**	**–**	**#**	**761.38**	**523.04**	**1,284.42**
Profit for the year	–	165.93	–	–	–	165.93	(34.33)	131.60
Redemption of security receipts	–	–	–	–	–	–	(4.66)	(4.66)
Initial Corpus	–	–	–	–	#	#	–	#
Transfer on disposal of subsidiary	–	14.09	(14.09)	–	–	–	–	–
Disposal of partial investments in subsidiary	–	(6.60)	–	–	–	(6.60)	–	(6.60)
Re-measurement of defined benefit plans	–	(0.12)	–	–	–	(0.12)	–	(0.12)
Balance at March 31, 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 14.5)	–	–	–	142.52	–	142.52	–	142.52
Loss of control of subsidiary (Refer note 46.1)	–	–	–	–	–	–	(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

The accompanying notes from an integral part of the consolidated financial statements 1 to 51

In terms of our report attached

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

G.K.Subramaniam
Partner
Membership No: 109839

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 : May 4, 2020

Consolidated Statement of Cash Flows

for the year ended 31st March, 2020

₹ in Crore

Sr. No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow from operating activities**		
	Profit before income tax	80.77	201.45
	Adjustment for		
	Depreciation and amortisation of expenses	3.24	0.92
	Interest income on fixed deposits	(6.69)	(0.59)
	Interest on compulsory convertible debenture	3.85	–
	Gain on sale of Property, Plant and Equipment	(0.02)	#
	Net loss on fair value changes	49.69	59.47
	Interest on lease liability	2.18	–
	Loss on de-recognition of subsidiary and change in controlling interest	0.10	–
	Impairment of financial instruments	16.75	22.24
	Operating profit before working capital changes	**149.87**	**283.49**
	Change in operating assets and liabilities		
	Decrease/ (Increase) in security receipts and financial assets of trusts	81.22	(1,041.32)
	(Increase) in trade receivables	(19.25)	(34.36)
	(Increase) in long term loans and advances	(46.68)	(230.05)
	(Increase) in other financial assets	(24.96)	(21.03)
	Decrease/ (Increase) in non-financial assets	0.03	(2.60)
	Increase in trade payables	9.65	1.27
	(Decrease)/ Increase in financial liabilities	(148.64)	164.43
	Increase/ (Decrease) in non-financial liabilities	0.59	(19.58)
	Increase in provisions	0.02	0.32
	Decrease/ (Increase) in other bank balances	0.73	(0.73)
	Cash inflow/(outflow) from operations	**2.58**	**(900.16)**
	Income tax paid (net)	(88.17)	(90.50)
	Net cash outflow from operating activities	**(85.59)**	**(990.66)**
B	**Cash flow from investing activities**		
	Payments for purchase of Property, Plant and Equipment's and Intangibles	(0.03)	(0.91)
	Sale of Property, Plant and Equipment	0.04	#
	Interest Income	6.69	0.59
	Net cash inflow/(outflow) from investment activities	**6.70**	**(0.32)**
C	**Cash flow from financing activities**		
	Proceed from issue of Compulsory Convertible Debentures	200.24	–
	Proceeds from debt securities	938.19	1,046.81
	Repayment of debt securities	(1,039.34)	–
	Repayment of lease liabilities (including interest)	(3.15)	–
	Proceeds from borrowing	375.00	118.16
	Repayment of borrowing	(286.74)	(56.50)
	Net cash inflow from financing activities	**184.20**	**1,108.47**
	Net increase in cash and cash equivalents	**105.31**	**117.49**
	Effect of loss of control in subsidiary	(0.06)	–
	Cash and cash equivalents at the beginning of the financial year	161.42	43.93
	Cash and cash equivalents at the end of the year	**266.67**	**161.42**

Denote amount below ₹50,000

The accompanying notes from an integral part of the consolidated financial statements 1 to 51

In terms of our report attached

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

G.K.Subramaniam
Partner
Membership No: 109839

Place : Mumbai
Date : May 4, 2020

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

Significant Accounting Policies

and notes to the Consolidated Financial Statements

1 Corporate Information

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

The Parent Company 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 SARFAESI Act for acquisition of NPAs and are considered as subsidiaries, where it exercise 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.

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.

Significant Accounting Policies

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(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.

Significant Accounting Policies

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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 16 "Other Financial Liabilities" and ROU asset has been presented in Note 11 "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.

Significant Accounting Policies

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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.

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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

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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 - Non-performing assets with overdue more than 90 DPD

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.

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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 it'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.

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.

Significant Accounting Policies

and notes to the Consolidated Financial Statements

Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Group reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

Notes

to the Consolidated Financial Statements

4 Cash and cash equivalents

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
– In current accounts	14.16	58.18
– In deposit accounts (refer note 4.1)	252.51	103.24
Total	**266.67**	**161.42**

4.1 Balance in deposit accounts carrying fixed rate interest with period ranging 1 days to 276 days.

5 Other bank balances

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balance with banks:		-
– In current account (refer note 5.1)	0.76	0.76
– In deposit account (refer note 5.2)	–	0.73
Total	**0.76**	**1.49**

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 upto 181 days and have lien against bank guarantees obtained by the Group.

6 Trade receivables

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
At amortized cost:		
Unsecured, considered good:		
Trade receivables	166.32	147.07
Less: Impairment loss allowance (Refer note 44)	(12.58)	(5.26)
Total	**153.74**	**141.81**

7 Loans

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured Loans	504.54	453.30
Interest accrued	45.39	49.95
	549.93	503.25
Less: Impairment loss allowance (Refer note 44)	(24.00)	(17.54)
Total	**525.93**	**485.71**

(Within India and to entities other than public sector)

Notes

to the Consolidated Financial Statements

8 Investments (FVTPL)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Quoted :		
Equity instruments:		
70,07,709 of equity shares of Nitco Limited of ₹ 10/- each fully paid up	8.83	27.19
Unquoted:		
a) Equity instruments:		
Nil (Previous year 61,31,745) Convertible warrants of Nitco Limited of issue price ₹114.16 each (₹ 28.54 paid up)	–	0.50
b) Security receipts of trusts held in distressed credit business (Refer notes 8.2, and 8.3(b))	1,155.39	1,400.64
Total	**1,164.22**	**1,428.33**

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

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

8.3 Commitments:

a) Uncalled liability on 61,31,745 convertible warrants of Nitco Limited ₹ Nil being not exercised (Previous year ₹ 52.50 crore);

b) 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, 2020 is ₹ 66.29 crore (Previous year ₹ 66.29 crore).

9 Other Financial Assets

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets under Distressed Credit Business (carried at FVTPL)	1,965.16	2,241.87
Recoverable from trusts	59.65	36.97
Interest receivable	0.65	–
Security deposits:		
-To Related parties	1.22	1.12
-To Others	4.20	2.68
	2,030.88	2,282.64
Less : Impairment loss allowance on recoverable from trusts (Refer note 44)	(14.72)	(11.76)
Total	**2,016.16**	**2,270.88**

10 Current tax assets (net)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax (net of provision for taxes)	26.79	5.26
Total	**26.79**	**5.26**

Notes

to the Consolidated Financial Statements

11 Property, Plant and equipment:

As at March 31, 2020:

Tangible Assets:

₹ in Crore

Particulars	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
Owned Assets:									
Freehold Land (Refer Note 11.1)	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 use asset- Refer note 35)	–	24.81	–	24.81	–	2.59	–	2.59	22.22
Vehicles (Refer note 11.2)	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

Particulars	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
Software	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:

11.1 Mortgaged as security against secured non-convertible debentures.

11.2 Vendor have a lien over assets taken on lease.

As at March 31, 2019:

Tangible Assets:

₹ in Crore

Particulars	Gross block				Accumulated depreciation				Net block
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions	As at March 31, 2019	As at March 31, 2019
Owned Assets									
Freehold Land (refer Note 11.1)	0.03	–	–	0.03	–	–	–	–	0.03
Furniture and fixtures	0.01	0.01	–	0.02	0.01	#	–	0.01	0.01
Office equipment	0.18	#	–	0.18	0.05	0.05	–	0.10	0.08
Computers	0.46	0.12	0.03	0.55	0.18	0.16	0.03	0.31	0.24
Leasehold improvements	1.43	0.46	–	1.89	0.50	0.51	–	1.01	0.88
Leased Assets									
Vehicles (refer note 11.2)	0.19	0.28	–	0.47	0.04	0.12	–	0.16	0.31
Total	**2.30**	**0.87**	**0.03**	**3.14**	**0.78**	**0.84**	**0.03**	**1.59**	**1.55**

Notes

to the Consolidated Financial Statements

Intangible Assets:

₹ in Crore

Particulars	Gross block				Accumulated depreciation				Net block
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions	As at March 31, 2019	As at March 31, 2019
Software	0.33	0.04	–	0.37	0.15	0.08	–	0.23	0.14
Total	**0.33**	**0.04**	**–**	**0.37**	**0.15**	**0.08**	**–**	**0.23**	**0.14**

Denote amount below ₹50,000

Notes

11.1 Mortgaged as security against secured non-convertible debentures.

11.2 Vendor have a lien over assets taken on lease.

12 Other Non-financial Assets

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	1.19	1.82
Balances with Government Authorities	0.54	1.58
Other non-financial Assets	0.09	0.08
Total	**1.82**	**3.48**

13 Trade Payable

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payable		
Payables to micro and small enterprises (Refer note 13.1)	0.08	–
Payables other than micro and small enterprises	2.72	2.08
Total	**2.80**	**2.08**

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

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	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	**0.08**	**–**

Notes

to the Consolidated Financial Statements

14 Debt Securities (Within India)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured		
Non-Convertible Debentures (Refer note 14.1 and 14.2)	1,799.31	1,383.37
Add: Premium/ interest accrued	198.68	100.79
Total	**1,997.99**	**1,484.16**
Unsecured		
Compulsory Convertible Debentures (Refer note 14.5)	56.41	–
Add: Interest accrued	3.85	–
Total	**60.26**	**–**
Commercial papers (Refer note 14.3 and 14.4)	–	630.00
Less: Unamortised interest	–	(15.02)
Total	–	**614.98**
Total	**2,058.25**	**2,099.14**

14.1 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.

14.2 Maturity profile and rate of interest of NCDs:

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
9.50% Tranche V NCD redeemable in the year 2020-21*	139.00	150.00
9.31% Tranche VII Option A NCD redeemable in year 2020-21	–	50.00
9.25 %Tranche VII Option B NCD redeemable in year 2019-20	–	50.00
8.75 %Tranche VIII NCD redeemable in year 2019-20@	–	15.00
9.30% Tranche IX NCD redeemable in year 2020-21*	28.50	28.50
8.60% Tranche X NCD redeemable in year 2019-20@	–	35.00
9.15 % Tranche XII NCD redeemable in year 2020-21*	14.70	14.70
9.10% Tranche XIII NCD redeemable in year 2019-20	–	75.00
9.25% Tranche XIV - Option A redeemable in the year 2020-21*	26.70	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	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	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	50.00

Notes

to the Consolidated Financial Statements

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
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	25.00
11.5% Tranche XXVI - Option A redeemable in the year 2021-22	150.00	150.00
11.5% Tranche XXVI - Option B redeemable in the year 2022-23	150.00	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	–
Total	**1,816.90**	**1,391.40**

Note :

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

* Redeemable at premium

Maturity profile above is disclosed at face value which excludes premium amounting to ₹ Nil (2018-19 : ₹ 0.59 crore),discount of ₹ 5.87 crore (2018-19 : ₹ 8.62 crore) and impact of effective interest rate adjustment amounting to ₹ 3.69 crore (As at March 31, 2019 : ₹ Nil).

14.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 630 crore (Previous year: ₹ 969 crore).

14.4 Interest rate of commercial paper range from 9.20 % to 9.88 % p.a (Previous year 7.93% to 10.35% p.a).

14.5 During the year, the group has issued Compulsory Convertible Debentures aggregating ₹ 200.24 Crore out of which ₹ 56.41 crore (net of TDS) has recognized as liability and balance ₹ 142.52 crore as equity in accordance with Ind AS 32.

15 Borrowings (other than debt securities)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
At amortized cost		
Secured		
Term loans from (Refer note 15.1 and 15.2)		
(a) Banks	137.38	277.50
(b) Others	125.00	50.00
Add: Interest accrued	7.47	0.47
Total	269.85	327.97
Other loans from banks as (Refer note 15.3)		
Cash credit facilities	112.20	91.01
Add : Interest accrued	0.36	0.68
Total	112.56	91.69
Finance lease obligation (Refer note 15.4)	0.20	0.30
Unsecured		
Inter corporate deposits		
(a) From others	125.00	–
Add : Interest accrued	0.61	–
	125.61	–
Total	**508.22**	**419.96**

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

15.2 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, 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**
As at March 31, 2019:				
Up to one year (April- 19 to March- 20)	20.00	107.50	–	–
Up to 1-3 years (April- 20 to March- 22)	20.00	130.00	50.00	–
3 years and above (April- 22 onwards)	–	–	–	–
Total	**40.00**	**237.50**	**50.00**	**–**

Note:

i) 'Maturity profile shown excluding effective interest rate impact amounting to ₹ 7.47 crore (FY 2018-19 : ₹ 0.47 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.

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

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

15.5 All borrowings are made within India.

Notes

to the Consolidated Financial Statements

16 Other Financial Liabilities

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Employee Benefits payable	12.06	23.56
Amount collected on behalf of trust	17.49	13.76
Lease liability (Refer note 35)	22.21	–
Others	12.89	153.77
Total	**64.65**	**191.09**

17 Current Tax Liabilities

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for taxes (net of advance tax)	6.25	22.56
Total	**6.25**	**22.56**

18 Provisions

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
- Gratuity (Refer note 40)	1.34	1.21
- Compensated absence	0.66	0.77
Total	**2.00**	**1.98**

19 Deferred tax liability/(asset)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Measurement of Financial instruments at fair value	5.66	23.00
Impairment of financial instruments	(12.49)	(10.14)
Difference between books and tax Written down value of Property, plant and equipment	(0.39)	(0.46)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(2.95)	(5.10)
Total	**(10.17)**	**7.30**

19.1 Following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expenses:

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 financial 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 (43B, 35D, etc. allowances)	(5.10)	2.15	–	#	(2.95)
Total	**7.30**	**(17.24)**	**(0.23)**	**#**	**(10.17)**

Notes

to the Consolidated Financial Statements

For the year ended March 31, 2019

₹ in Crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in Other Equity*	Recognised in OCI	Closing balance
a) Measurement of financial instruments at fair value	61.43	(30.73)	(7.70)	–	23.00
b) Impairment on financial instruments	(6.71)	(3.43)	–	–	(10.14)
c) Difference between books and tax WDV of PPE	(0.33)	(0.13)	–	–	(0.46)
d) Others (43B, 35D, etc. allowances)	(3.36)	(1.67)	–	(0.07)	(5.10)
Total	**51.03**	**(35.96)**	**(7.70)**	**(0.07)**	**7.30**

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.

20 Other Non Financial Liabilities

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues	6.11	3.07
Other	2.47	3.61
Total	**8.58**	**6.68**

21 Share Capital

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		-
1,85,00,00,000 Equity Shares of ₹ 10/- each (As at March 31, 2019: 185,00,00,000)	1,850.00	1,850.00
15,00,00,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
Total	**2,000.00**	**2,000.00**
Issued, Subscribed and Paid-up		
34,46,42,857 Equity shares of ₹ 10/- each fully paid-up (As at March 31, 2019: 34,46,42,857)	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 the rights of such preference shares.

Notes
to the Consolidated Financial Statements

21.2 Reconciliation of number of shares

Particulars	Equity Shares	
	As at March 31, 2020	As at March 31, 2019
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, 2020		As at March 31, 2019	
	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, 2020	As at March 31, 2019
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	740.35	698.10
Equity of Compulsory convertible debenture (Refer note 14.5)	142.52	–
Initial Corpus	0.01	#
Total	**1,105.37**	**920.59**

Denote amount below ₹50,000

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 Companies 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, 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.

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23 Interest Income

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income:		
On loans (at amortized cost)	112.40	81.52
On financial instruments (at FVTPL)	66.89	43.08
On others (at FVTPL)	1.38	4.07
Total	**180.67**	**128.67**

24 Fees and Incentives

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Management and restructuring fees	203.60	214.41
Recovery incentives fees	5.15	11.30
Total	**208.75**	**225.71**

25 Net Gain on de-recognition of Financial Assets carried at FVTPL

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial instruments designated at FVTPL:		
Equity instruments	(18.86)	(51.31)
Security Receipts and Financial assets	34.04	196.92
Total	**15.18**	**145.61**

25.1 Net Gain on de-recognition of Financial Assets carried at FVTPL

₹ in Crore

Particulars	For the period ended March 31, 2020	For the year ended March 31, 2019
Realised	65.43	254.76
Unrealised	(50.25)	(109.15)
Total	**15.18**	**145.61**

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

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on de-recognition of financial instruments carried at amortised cost	2.04	–
Total	**2.04**	**–**

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27 Other Income

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on fixed deposit (at amortised cost)	6.69	0.59
Other interest income	0.11	–
Miscellaneous income	0.06	0.01
Total	**6.86**	**0.60**

28 Finance Costs

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
At amortized cost:		
Debt securities	215.17	157.53
Borrowings (other than debt securities)	44.98	45.36
Others	9.24	12.86
Total	**269.39**	**215.75**

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

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

29 Impairment of Financial Instruments

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
At amortized cost:		
Loans	6.46	5.84
Trade Receivables	7.32	2.74
Advances	2.97	13.66
Total	**16.75**	**22.24**

30 Employee benefits

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, bonus and other allowances	18.47	34.49
Contribution to provident and other funds (Refer note 40)	0.84	0.95
Gratuity (Refer note 40)	0.30	0.25
Staff welfare expenses	0.10	0.22
Total	**19.71**	**35.91**

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31 Other Expenses

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rate & Taxes	2.72	5.28
Legal & professional fees	4.41	4.60
Lease rentals (Refer note 35)	0.40	3.51
Donation	4.10	3.12
Support service charges	2.16	2.16
Manpower expenses	0.66	1.04
Director's commission & sitting fees	0.72	0.91
Travelling expenses	0.39	0.82
Repairs & Maintenance	0.06	0.04
Auditors remuneration (Refer note 31.1)	0.17	0.19
Insurance expenses	4.30	0.28
Electricity expenses	0.23	0.22
Demat charges	0.04	0.05
Conveyance expense	0.11	0.20
Car hire charges	0.02	0.03
Miscellaneous expenses	3.15	1.87
Total	**23.64**	**24.32**

31.1 Payment to Auditors (Excluding Goods & Service tax)

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Audit fees	0.13	0.13
- Services (certification limited reviews, etc.)	0.04	0.06
Total	**0.17**	**0.19**

32 Income Tax

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	47.35	105.70
Tax adjustment in respect of earlier years	2.98	0.11
Deferred tax	(17.24)	(35.96)
Total income tax expenses recognised in the current year	**33.09**	**69.85**
Income tax expense recognised in other comprehensive income	#	0.07
Total income tax expenses	**33.09**	**69.92**

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32.1 Reconciliation of total tax charge

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year	80.77	201.45
Income tax rate	25.17%	29.12%
Income tax expense	20.33	58.66
Tax Effect of:		
Effect of non-deductible expenses	1.03	0.45
Effect of unrecognised deferred tax assets (net)	6.11	11.99
Deferred tax on Remeasurment of employee defined benefit obligation	#	0.07
Earlier year tax adjustment	2.98	0.11
Effect of different tax rate in subsidiary	–	4.57
Effect of rate change (refer note below)	2.64	(5.93)
Income tax expense recognised in profit and loss	**33.09**	**69.92**

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	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Profit for the year attributable to equity shareholders- Basic EPS (₹ in Cr.)	42.26	165.93
(b) Add : Interest on compulsory convertible debenture (₹ in Cr.)	3.85	–
(c) Profit for the year attributable to equity shareholders- Diluted EPS (₹ in Cr.)	46.11	165.93
(d) Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	34,46,42,857	34,46,42,857
(e) Add : Effect of conversion of compulsory convertible debenture (Nos.)	2,95,62,243	–
(f) Weighted average number of equity shares outstanding during the year for calculating dilutive earnings per share (Nos.)	37,42,05,100	34,46,42,857
(g) Basic earnings per share (₹) (a/d)	1.23	4.81
(h) Dilutive earning per share (₹) (c/f) *	1.23	4.81
(i) Nominal value per share (₹)	10	10

* Antidilutive and therefore restricted to basic earning per share

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34 Corporate Social Responsibility

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

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Gross amount required to be spent by the Group during the year	4.10	3.12
b) Amount spent during the year:		
- In cash	4.10	3.12
- Yet to be paid in cash	–	–
Total	**4.10**	**3.12**
c) (i) Construction / acquisition of any asset	–	–
(ii) On purposes other than (i) above	4.10	3.12
Total	**4.10**	**3.12**

35 Lease Transactions:

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year ended March 31, 2019.

On the date of initial application, the adoption of the new standard resulted in recognition of "Right to Use' asset of ₹ 24.14 crore and a lease liability of ₹ 22.51 crore. The weighted average of discount rate applied to lease liabilities as at April 1, 2019 is 9.40%. The Group has recognised depreciation expenses from ROU of ₹ 2.59 crore and interest expenses on lease liabilities of ₹ 2.18 crore. Lease payments during the year have been disclosed under financial activities in the cash flow statements.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognize right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.

d) Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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

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The aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

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

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
On Premises		
Not later than one year	3.28	3.17
Later than one year and not later than five years	14.47	13.32
Later than five years	15.73	20.11

Reconciliation of Lease liability as on April 1, 2019:

₹ in Crore

	Amount
Total operating lease commitments disclosed at March 31,2019 (non-cancellable)	32.02
Operating lease commitments of cancellable lease	4.58
Total Operating lease commitment (on an undiscounted basis)	36.60
Less: future finance cost	(14.09)
Total Operating lease commitment recognised under Ind AS 116 at April 1, 2019	**22.51**

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
On Vehicle		
Not later than one year	0.11	0.13
Later than one year and not later than five years	0.15	0.26
Later than five years	–	–
Total Finance lease commitment (on an undiscounted basis)	0.26	0.39
Less: future finance cost	(0.06)	(0.09)
Total Finance lease commitment	**0.20**	**0.30**

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

36 Employee Stock Option Scheme

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

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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, 2020	As at March 31, 2019
Outstanding at the beginning of the year	1,29,035	81,598
Granted during the year	–	88,236
Transfer in during the year	–	–
Transfer out during the year	–	–
Lapsed/forfeited during the year	–	–
Exercised during the year	(70,211)	(40,799)
Outstanding at the end of the year	58,824	1,29,035
Exercisable at the end of the year	–	–

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.33 crore (Previous year: ₹ 0.74 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.

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.

38 Unhedged Foreign Currency Exposure:

₹ in Crore

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 year
Foreign Currency Receivables							
Loans to JV/WOS	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–
Foreign Currency Payables							
Imports	–	–	–	–	–	–	–
Trade Credits	–	–	–	–	–	–	–
ECBs	–	–	–	–	–	–	–
Other FCY loans	–	–	–	–	–	–	–
INR to USD swaps	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Note

The Group does not have foreign currency exposure and therefore has not taken any derivative instruments to hedge the exposure.

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39 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. The Group has, based on current available information estimated impact on the cash flows in respect of security receipts and also applied management overlays as per the policy approved by the Board of Directors for the purpose of determination of fair value of security receipts and determination of impairment of loans carried at amortized cost.

Given the uncertainty over the potential macro-economic impact, the Group's management has considered internal and external information including economic forecasts up to the date of approval of these consolidated financial statements. Accordingly, the fair value loss on security receipts and provision for expected credit loss on loans given to entities covered under the resolution plan recognized during the last quarter of the year ended March 31, 2020 aggregates ₹ 67.33 crore which significantly includes 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.

The extent to which the COVID-19 pandemic will 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 global health pandemic may be different from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

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 ₹ 0.74 crore (Previous year ₹ 0.89 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.

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

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.80%	7.55%
Expected rate of salary increase	7.00%	7.00%
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, 2020	For the year ended March 31, 2019
Current service cost	0.21	0.17
Past service cost	–	–
Net interest cost	0.09	0.08
Components of defined benefits recognised in profit or loss	**0.30**	**0.25**
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	0.10	0.04
- Actuarial (gain)/loss from change in experience adjustments	(0.09)	0.15
Total amount recognised in OCI	**0.01**	**0.19**
Total	**0.31**	**0.44**

Denote amount below ₹ 50,000

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, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	1.34	1.21
Fair value of plan assets	–	–
Net asset arising from defined benefit obligation	**1.34**	**1.21**

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

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening defined benefit obligation	1.21	1.03
Current service cost	0.21	0.17
Interest cost	0.09	0.08
Past service cost	–	–
Re-measurements (gains)/losses:	–	–
- Actuarial (gain)/loss from change in demographic assumptions	–	#
- Actuarial (gain)/loss from change in financial assumptions	0.10	0.04
- Actuarial (gain)/loss from change in experience adjustments	(0.09)	0.15
Benefits paid	(0.18)	(0.26)
Closing defined benefit obligation	**1.34**	**1.21**

Denote amount below ₹ 50,000

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

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	–	–
Employer contribution	0.18	0.19
Interest on plan assets	–	–
Administrative Expenses	–	–
Re-measurement due to :		
Actual return on plan assets less interest on plan assets	–	–
Benefit paid	(0.18)	(0.19)
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

	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation (base)	**1.34**	**1.21**

₹ in Crore

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.27	1.41	1.15	1.25
Impact of increase in 50 bps on DBO	(4.86%)	5.25%	(4.99%)	3.37%
Defined benefit obligation on decrease in 50 bps	1.41	1.27	1.28	1.17
Impact of decrease in 50 bps on DBO	**5.29%**	**4.88%**	**5.42%**	**(3.44%)**

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

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

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

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Projected benefits payable:

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Expected benefits for year 1	0.06	0.06
Expected benefits for year 2	0.06	0.06
Expected benefits for year 3	0.06	0.06
Expected benefits for year 4	0.24	0.06
Expected benefits for year 5	0.23	0.23
Expected benefits for year 6	0.05	0.22
Expected benefits for year 7	0.09	0.05
Expected benefits for year 8	0.17	0.07
Expected benefits for year 9	0.05	0.14
Expected benefits for year 10 and above	2.20	2.35

a) **Compensated absences**

As per Group's policy, provision of ₹ 0.66 crore (Previous year ₹ 0.77 crore) has been made towards compensated absences, calculated on the basis of unutilized leave as on the last day of the financial year.

41. Disclosure of related party

a) **Name and relationship with related parties:**

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

Parent 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

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)

Notes

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Independent Directors
Ms. Rupa Vora
Mr. G M Ramamurthy (ceased to be director with effect from March 31, 2020)
Dr. Vijay Kelkar (from September 21, 2018)
Mr. Ameet Desai (from January 9, 2019)
Mr. Satish Chand Mathur (appointed as Director with effect from April 15, 2019)
Mr. Shailesh Haribhakti (ceased to be director with effect from April 20, 2018)
Mr. H N Sinor (ceased to be director with effect from October 25, 2018)
Dr. Anil Khandelwal (ceased to be director with effect from October 27, 2018)

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, 2020	As at March 31, 2019
JM Financial Limited (JMFL)	(A)		
Inter Corporate Deposit taken		40.00	–
Inter Corporate Deposit paid		40.00	–
Interest on Inter Corporate Deposits		0.08	–
Rating Support Fees		2.98	2.99
Support Service Charges		1.98	1.98
Reimbursement of Expenses		0.15	0.12
ESOP Charges		0.33	0.74
Compulsory Convertible Debenture		183.37	–
Interest on Compulsory Convertible Debenture		12.24	–
JM Financial Properties and Holdings Limited (JMFPHL)	(B)		
Space and other related cost		2.55	2.42
Security Deposit paid		–	2.75
CAMs and Property Tax		–	0.25
Interest Expenses		0.07	–
Inter Corporate deposit given		35.00	–
Inter Corporate deposit repaid		35.00	–
Reimbursement of Expenses		0.53	0.19
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		–	25.00
Inter Corporate Deposit paid		–	25.00
Management Fees received		1.26	1.26
Interest on Inter Corporate Deposits paid		–	0.03

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₹ in Crore

Name of the Related Party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
Repayment of NCD		35.00	–
Interest paid on NCD		6.29	–
JM Financial Services Limited (JMFSL)	(B)		
Market linked Non Convertible Debentures issued		123.30	–
Rent and fees paid		#	0.01
Arranger Fees		3.39	–
JM Financial Capital Limited (JMFCL)	(B)		
Inter Corporate Deposit taken		–	25.00
Inter Corporate Deposit paid		–	25.00
Interest on Inter Corporate Deposits paid		–	0.02
Market linked Non-Convertible Debentures issued		65.00	74.27
JM Financial Credit Solutions Ltd (JMFCSL)	(B)		
Inter Corporate Deposit taken		–	100.00
Inter Corporate Deposit paid		–	100.00
Interest on Inter Corporate Deposits paid		–	0.11
JM Financial & Investment Consultancy Services Private Limited	(D)		
Repayment of NCD		15.00	–
Interest paid on NCD		3.10	–
JM Financial Asset Management Limited (JMFAMC)	(B)		
Gratuity Liability in respect of Employee Transferred		–	0.08
Sale of Fixed Assets		–	#
Key Managerial Personnel [Refer note (d) below]	(C)		
Remuneration (refer note (d) below)		3.15	4.03
Contribution to provident fund		0.08	0.07

# Denotes amount less than ₹50,000/-

c) Closing balances:

₹ in Crore

Name of the Related Party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
Interest on Compulsory Convertible Debenture			
JM Financial Limited (JMFL)	(A)	11.01	–
Security Deposit Recoverable			
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	2.75	2.75

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₹ in Crore

Name of the Related Party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
Market linked Non-Convertible Debentures			
JM Financial Services Ltd	(B)	12.13	–
JM Financial Capital Ltd	(B)	0.30	0.30
Trade Payable			
JM Financial Limited (JMFL)	(A)	0.68	–
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	#	–
JM Financial Home Loans Limited (JMFHL)	(B)	0.06	–
Key Managerial Personnel	(C)	2.59	5.23

# 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, 2020	As at March 31, 2019
Borrowings (Debt securities and borrowing other than debt securities)	2,566.47	2,519.10
Less: Cash and cash equivalents	(266.67)	(161.42)
Net debt	**2,299.80**	**2,357.68**
Total equity (excluding non-controlling interest)	1,450.01	1,265.23
Net Debt to Equity Ratio	1.59	1.86

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.

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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, 2020	Carrying amount				Fair value			
Particulars	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 than debt securities)	–	–	508.22	508.22	–	–	–	–
Other financial liabilities	–	–	64.65	64.65	–	–	–	–
Total	**–**	**–**	**2,633.92**	**2,633.92**	**–**	**–**	**–**	**–**

₹ in Crore

As at March 31, 2019	Carrying amount				Fair value			
Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	–	–	161.42	161.42	–	–	–	–
Other bank balances	–	–	1.49	1.49	–	–	–	–
Trade receivables (net)	–	–	141.81	141.81	–	–	–	–
Loans (net)	–	–	485.71	485.71	–	–	–	–
Investments	1,428.33	–	–	1,428.33	27.19	0.50	1,400.64	1,428.33
Other financial assets (net)	2,241.87	–	29.01	2,270.88	–	–	2,241.87	2,241.87
Total	**3,670.20**	**–**	**819.44**	**4,489.64**	**27.19**	**0.50**	**3,642.51**	**3,670.20**
Financial liabilities								
Trade payables	–	–	2.08	2.08	–	–	–	–
Debt securities	–	–	2,099.14	2,099.14	–	–	–	–
Borrowing (other debt securities)	–	–	419.96	419.96	–	–	–	–
Other financial liabilities	–	–	191.09	191.09	–	–	–	–
Total	**–**	**–**	**2,712.27**	**2,712.27**	**–**	**–**	**–**	**–**

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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, 2020	1,704.71	1,681.42
As at March 31, 2019	1,349.00	1,335.65

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 29 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. Also refer note 49.

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, 2020 and March 31, 2019

₹ in Crore

Particulars	Investments in SRs	Financial assets	Total
As at April 1, 2018	**1,173.67**	**1,454.81**	**2,628.48**
Acquisitions made	282.97	1,157.04	1,440.01
(Realisations) made	(217.57)	(174.16)	(391.73)
Impact of change in control	41.52	(272.69)	(231.17)
Net Gain on fair value changes	120.05	76.87	196.92
As at March 31, 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**

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e) Sensitivity for instruments:

₹ in Crore

Nature of the instrument	Fair value as at March 31, 2020	Fair value as at March 31, 2019	Significant unobservable inputs	Increase/ Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2020		Sensitivity Impact for the year ended March 31, 2019	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Investment in Security receipts	1,155.39	1,400.64	Estimated cash flow based on realisation of collaterals value, etc.	5%	69.25	(69.25)	65.97	(65.97)
Investment in financial assets of structured entities	1,965.16	2,241.87	Estimated cash flow based on realisation of collaterals value, etc.	5%	86.79	(86.79)	112.10	(112.10)

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

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and grading framework comprises the following categories:

For stage-1 performing assets- 12 months Expected Credit Loss (ECL); and

For stage-2- non-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:**
As at March 31, 2020

₹ 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**

As at March 31, 2019

₹ in Crore

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount- opening balance	**263.25**	**–**	**9.95**	**273.20**
New assets originated or purchased	225.86	–	4.19	230.05
Assets derecognised or repaid (excluding write offs)	–	–	–	–
Gross carrying amount- closing balance	**489.11**	**–**	**14.14**	**503.25**

(ii) **Movement of provision for impairment (ECL):**
As at March 31, 2020

₹ 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**

As at March 31, 2019

₹ in Crore

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**1.75**	**–**	**9.95**	**11.70**
New assets originated or purchased	1.65	–	4.19	5.84
ECL allowance - closing balance	**3.40**	**–**	**14.14**	**17.54**

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

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

Movement of provision for impairment:
As at March 31, 2020

₹ 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	2.97	13.03
Utilization/ written back	(2.75)	–	(2.75)
Closing balance	**12.58**	**14.72**	**27.30**

As at March 31, 2019

₹ in Crore

Particulars	As at March 31, 2019		
	Trade receivables	Recoverable from Trusts	Total
Opening balance	**2.52**	**7.67**	**10.19**
Addition	2.74	13.66	16.40
Utilization/ written back	–	(9.57)	(9.57)
Closing balance	**5.26**	**11.76**	**17.02**

The ageing of trade receivables:

₹ in Crore

	As at March 31, 2020	As at March 31, 2019
Past due 1–180 days	36.90	55.15
More than 180 days	129.42	91.92
Total	**166.32**	**147.07**

b) **Liquidity risk**
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

However the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

Ultimate responsibility for liquidity risk rest with the management, which has established by an appropriate liquidity risk framework for the management of the Group's short term, medium-term and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and

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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 ₹ 238.24 crore and ₹ 308.99 crore as of March 31, 2020 and March 31, 2019 respectively, from its bankers for working capital requirements.

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, 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**

₹ in Crore

As at March 31, 2019		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	2,519.10	2,519.10	1,029.49	1,290.77	198.84	–
Trade payables	2.08	2.08	2.08	–	–	–
Other financial liabilities	191.09	191.09	167.92	23.17	–	–
Total	**2,712.27**	**2,712.27**	**1,199.49**	**1,313.94**	**198.84**	**–**
Financial Assets						
Cash and cash equivalents	161.42	161.42	161.42	–	–	–
Other Bank balances	1.49	1.49	0.73	0.76	–	–
Trade receivables (net)	141.81	141.81	141.81	–	–	–
Loans (net)	485.71	485.71	255.96	229.75	–	–
Investment	1,428.33	1,428.33	857.06	190.23	239.13	141.91
Other Financial Assets (net)	2,270.88	2,270.88	686.82	745.03	517.35	321.68
Total	**4,489.64**	**4,489.64**	**2,103.80**	**1,165.77**	**756.48**	**463.59**

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.

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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

Borrowings:	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	1,710.34	2,014.39
Floating rate borrowings	645.16	402.77
Total	**2,355.50**	**2,417.16**

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, 2020 would decrease/ increase by ₹ 6.45 crore (Previous year: decrease/ increase by ₹ 5.83 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 31 March 2020	As at 31 March 2019
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%
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%

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Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at 31 March 2020	As at 31 March 2019
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 Corp Biotech 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 Petro BOB March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC Petro UCO March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC Petro CBOI 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	15%	15%
JMFARC Axis Bank February 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC Indian Bank I March 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC OBC Cement March 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC Axis Iris II March 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC SBI Geometric October 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC IRIS Cash 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC Tata Capital December 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC IDBI March 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC Retreat II 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 Trust	Asset reconstruction	India	100%	100%
JMFARC Fabrics Sept 2018 I Trust	Asset reconstruction	India	100%	100%

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Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at 31 March 2020	As at 31 March 2019
JMFARC Fabrics Sept 2018 II Trust	Asset reconstruction	India	100%	100%
JMFARC Fabrics Sept 2018 IV Trust	Asset reconstruction	India	100%	100%
JMFARC PNB IRIS II September 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC Fabrics June 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC Fabrics June 2019 II Trust	Asset reconstruction	India	100%	–
JMFARC Fabrics June 2019 III Trust	Asset reconstruction	India	100%	–
JMFARC Fabrics December 2019 I Trust	Asset reconstruction	India	100%	–
JMFARC March 2018 Trust	Asset reconstruction	India	60%	–

* Subsidiary till February 29, 2020

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 Companies Act, 2013, of enterprises consolidated as Subsidiaries

As at and for the year ended March 31, 2020

₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ 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 Company								
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%

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₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
JMFARC- Gelatine March 2014 Trust	48.34	3.14%	(0.08)	–0.17%	–	–	(0.08)	–0.17%
JMFARC- Petro BOB 2014 Trust	–	0.00%	(0.11)	–0.23%	–	–	(0.11)	–0.23%
JMFARC- Petro UCO 2014 Trust	–	0.00%	(0.32)	–0.67%	–	–	(0.32)	–0.67%
JMFARC- Petro CBOI 2014 Trust	–	0.00%	(0.10)	–0.21%	–	–	(0.10)	–0.21%
JMFARC- ICICI Bank July 2014 Trust	0.03	0.00%	–	0.00%	–	–	–	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%
JMFARC-United Bank Cement September 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%	–	0.00%	–	–	–	0.00%
JMFARC – Retreat II March 2017 – Trust	–	0.00%	(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%	–	0.00%	–	–	–	0.00%
JMFARC-IOB II March 2011-Trust	2.72	0.18%	(1.49)	–3.13%	–	–	(1.49)	–3.13%
JMFARC-Federal Bank 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 - Allahabad Bank June 2017 Trust	0.42	0.03%	(0.77)	–1.61%	–	–	(0.77)	–1.61%
JMFARC - Allahabad 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	97.61%
JMFARC Fabrics Sept 2018 I Trust	81.29	5.28%	4.46	9.35%	–	–	4.46	9.35%
JMFARC Fabrics Sept 2018 II Trust	57.73	3.75%	3.17	6.65%	–	–	3.17	6.65%
JMFARC Fabrics Sept 2018 IV Trust	–	0.00%	(0.59)	–1.24%	–	–	(0.59)	–1.24%
JMFARC PNB IRIS II September 2018 Trust	1.15	0.07%	–	0.00%	–	–	–	0.00%
JMFARC Fabrics June 2018 Trust	79.86	5.19%	4.38	9.19%	–	–	4.38	9.19%

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₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
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 Trust	120.01	7.80%	–	0.00%	–	–	–	0.00%
	1,450.01	**94.23%**	**42.26**	**88.63%**	**(0.01)**	**100.00%**	**42.25**	**88.63%**
Minority Interests in all subsidiaries	**88.77**	**5.77%**	**5.42**	**11.37%**	**–**	**–**	**5.42**	**11.37%**
JMFARC BOI 2009 I Trust	–	0.00%	1.83	3.84%	–	–	1.83	3.84%
JMFARC ICICI Geometric Trust	8.77	0.57%	(1.95)	–4.09%	–	–	(1.95)	–4.09%
JMFARC IOB II March 2011 Trust	–	0.00%	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 Trust	80.00	5.20%	–	–	–	–	–	–
Total	**1,538.78**	**100%**	**47.68**	**100%**	**(0.01)**	**100%**	**47.67**	**100%**

Note: Subsidiaries share in OCI is Nil for the year ended March 31, 2020.

As at and for the year ended March 31, 2019

₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ 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 Company								
JM Financial Asset Reconstruction Company Limited	(481.47)	–27.52%	161.16	122.46%	(0.12)	100.00%	161.04	122.48%
Subsidiary Trusts in India								
JMFARC - BOI 2009 I - Trust	–	0.00%	–	0.00%	–	–	–	0.00%
JMFARC -DB-ICICI- Trust	(0.38)	–0.02%	(0.12)	–0.09%	–	–	(0.12)	–0.09%
JMFARC -DB-SBI- Trust	(0.22)	–0.01%	(0.08)	–0.06%	–	–	(0.08)	–0.06%
JMFARC -DB-DCB- Trust	(0.06)	0.00%	(0.02)	–0.02%	–	–	(0.02)	–0.02%
JMFARC -JORD-SUUTI Trust	(0.04)	0.00%	(0.01)	–0.01%	–	–	(0.01)	–0.01%
JMFARC -Pasupati- SASF- Trust	(0.11)	–0.01%	–	0.00%	–	–	–	0.00%
JMFARC -Central bank - Tube – Trust	(0.19)	–0.01%	(0.07)	–0.05%	–	–	(0.07)	–0.05%
JMFARC -UTI - Tube - Trust	(0.05)	0.00%	(0.02)	–0.02%	–	–	(0.02)	–0.02%
JMFARC – Yarn 2010 – Trust	(0.01)	0.00%	(0.09)	–0.07%	–	–	(0.09)	–0.07%
JMFARC – SASF Tube – Trust	(0.21)	–0.01%	(0.07)	–0.05%	–	–	(0.07)	–0.05%
JMFARC-UCO Bank March 2011-Trust	0.41	0.02%	(0.83)	–0.63%	–	–	(0.83)	–0.63%

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₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
JMFARC- Textile 2013- Trust	(0.01)	0.00%	(0.07)	–0.05%	–	–	(0.07)	–0.05%
JMFARC- Corp Textile 2013- Trust	13.50	0.77%	(5.25)	–3.99%	–	–	(5.25)	–3.99%
JMFARC-Corp Apparel 2013-Trust	(0.01)	0.00%	(0.10)	–0.08%	–	–	(0.10)	–0.08%
JMFARC-Corp Biotech 2013-Trust	–	0.00%	(2.85)	–2.17%	–	–	(2.85)	–2.17%
JMFARC- Central India 2013- Trust	29.94	1.71%	(0.02)	–0.02%	–	–	(0.02)	–0.02%
JMFARC- Dena Bank March 2014 Trust	6.70	0.38%	–	0.00%	–	–	–	0.00%
JMFARC- Gelatine March 2014 Trust	48.42	2.77%	–	0.00%	–	–	–	0.00%
JMFARC- Petro BOB 2014 Trust	0.19	0.01%	(0.30)	–0.23%	–	–	(0.30)	–0.23%
JMFARC- Petro UCO 2014 Trust	0.40	0.02%	(0.31)	–0.24%	–	–	(0.31)	–0.24%
JMFARC- Petro CBOI 2014 Trust	0.13	0.01%	(0.11)	–0.08%	–	–	(0.11)	–0.08%
JMFARC- ICICI Bank July 2014 Trust	0.03	0.00%	–	0.00%	–	–	–	0.00%
JMFARC- Axis Bank Cement March 2015-Trust	23.00	1.31%	–	0.00%	–	–	–	0.00%
JMFARC- ICICI Bank Cement June 2015-Trust	17.05	0.97%	–	0.00%	–	–	–	0.00%
JMFARC-United Bank Cement September 2015-Trust	27.00	1.54%	–	0.00%	–	–	–	0.00%
JMFARC -ICICI Geometric-Trust	(10.72)	–0.61%	(27.32)	–20.76%	–	–	(27.32)	–20.78%
JMFARC -Axis Bank February 2016-Trust	(0.10)	–0.01%	(0.11)	–0.08%	–	–	(0.11)	–0.08%
JMFARC -OBC Cement March 2016-Trust	6.21	0.36%	–	0.00%	–	–	–	0.00%
JMFARC - Indian Bank I March 2016- Trust	0.03	0.00%	(0.04)	–0.03%	–	–	(0.04)	–0.03%
JMFARC – Axis Iris II March 2016 Trust	9.00	0.51%	–	0.00%	–	–	–	0.00%
JMFARC SBI Geometric October 2016 Trust	27.10	1.55%	(40.11)	–30.48%	–	–	(40.11)	–30.51%
JMFARC - IRIS Cash 2016 - Trust	57.48	3.29%	(1.72)	–1.31%	–	–	(1.72)	–1.31%
JMFARC - Tata Capital December 2016 – Trust	9.87	0.56%	–	0.00%	–	–	–	0.00%
JMFARC – IDBI March 2017- Trust	2.81	0.16%	–	0.00%	–	–	–	0.00%
JMFARC – Retreat II March 2017 – Trust	54.82	3.13%	(0.72)	–0.55%	–	–	(0.72)	–0.55%
JMFARC - IRIS IIFL May 2017 – Trust	3.77	0.22%	(0.12)	–0.09%	–	–	(0.12)	–0.09%
JMFARC - IRIS Cash July 2017 – Trust	35.17	2.01%	11.71	8.90%	–	–	11.71	8.91%
JMFARC - Woods October 2017 Trust	17.40	0.99%	5.80	4.41%	–	–	5.80	4.41%
JMFARC IRIS Cash March 2018 Trust	11.55	0.66%	3.85	2.93%	–	–	3.85	2.93%
JMFARC – BOB 2008 – Trust	0.01	0.00%	(0.02)	–0.02%	–	–	(0.02)	–0.02%
JMFARC-SME Retail 2011-Trust	0.01	0.00%	–	0.00%	–	–	–	0.00%
JMFARC-IOB II March 2011-Trust	0.58	0.03%	–	0.00%	–	–	–	0.00%
JMFARC-Federal Bank 2013 Trust	35.50	2.03%	2.59	1.97%	–	–	2.59	1.97%
JMFARC- Corp I 2013- Trust	6.07	0.35%	–	0.00%	–	–	–	0.00%
JMFARC- Corp II 2013- Trust	0.35	0.02%	(0.67)	–0.51%	–	–	(0.67)	–0.51%
JMFARC - ICICI Bank September 2016 - Trust	84.73	4.84%	–	0.00%	–	–	–	0.00%
JMFARC - Allahabad Bank June 2017 Trust	4.07	0.23%	–	0.00%	–	–	–	0.00%
JMFARC - Allahabad Bank Textile June 2017 Trust	9.04	0.52%	(0.28)	–0.21%	–	–	(0.28)	–0.21%

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₹ in Crore

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated profit or loss
JMFARC-Federal Bank June 2017 trust	94.59	5.41%	27.74	21.08%	–	–	27.74	21.10%
JMFARC-Metallics July 2018 Trust	20.80	1.19%	4.16	3.16%	–	–	4.16	3.16%
JMFARC Fabrics August 2018 I- Trust	826.18	47.23%	24.18	18.37%	–	–	24.18	18.39%
JMFARC-Fabrics Sept 2018 I Trust	77.61	4.44%	2.26	1.72%	–	–	2.26	1.72%
JMFARC-Fabrics Sept 2018 II Trust	55.12	3.15%	1.61	1.22%	–	–	1.61	1.22%
JMFARC-Fabrics Sept 2018 IV Trust	30.90	1.77%	0.90	0.68%	–	–	0.90	0.68%
JMFARC-PNB IRIS II September 2018 Trust	1.15	0.07%	–	0.00%	–	–	–	0.00%
JMFARC-Fabrics June 2018 Trust	76.25	4.36%	2.22	1.69%	–	–	2.22	1.69%
JMFARC-Fabrics March 2019 I	33.78	1.93%	–	0.00%		–	–	0.00%
JMFARC-Retail June 2011-Trust	–	0.00%	(0.82)	–0.62%		–	(0.82)	–0.62%
JMFARC-Retail Aug 2011-Trust	0.09	0.01%	–	0.00%		–	–	0.00%
	1,265.23	**72.33%**	**165.93**	**126.09%**	**(0.12)**	**100.00%**	**165.81**	**126.11%**
Minority Interests in all subsidiaries	**484.05**	**27.67%**	**(34.33)**	**–26.09%**	**–**	**–**	**(34.33)**	**–26.11%**
JMFARC BOI 2009 I Trust	(1.83)	–0.10%	(0.14)	–0.11%	–	–	(0.14)	–0.11%
JMFARC ICICI Geometric Trust	10.72	0.61%	(34.18)	–25.97%	–	–	(34.18)	–26.00%
JMFARC IOB II March 2011 Trust	(4.96)	–0.28%	(0.01)	–0.01%	–	–	(0.01)	–0.01%
JMFARC ICICI Bank September 2016 Trust	480.12	27.45%	–	0.00%	–	–	–	0.00%
Total	**1,749.28**	**100%**	**131.60**	**100%**	**(0.12)**	**100%**	**131.48**	**100%**

Note : Subsidiaries share in OCI is Nil for the year ended March 31, 2019.

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, 2020	As at March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	As at March 31, 2020	As at March 31, 2019
JMFARC BOI 2009 I Trust	India	62.62%	62.62%	1.83	(0.14)	–	(1.83)
JMFARC ICICI Geometric Trust	India	85.00%	85.00%	(1.95)	(34.18)	8.77	10.72
JMFARC IOB II March 2011 Trust	India	50.44%	50.44%	4.97	(0.01)	–	(4.96)
JMFARC ICICI Bank September 2016 Trust @	India	85.00%	85.00%	0.57	–	–	480.12
JMFARC – March 2018	India	40.00%	–	–	–	80.00	–
Total				**5.42**	**(34.33)**	**88.77**	**484.05**

@subsidiary till February 29, 2020.

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46.1 During the year, the Group has discontinued consolidation of JMFARC ICICI Bank September 2016 Trust, a subsidiary consolidated upto previous year on the basis of exposure to variable returns in accordance with the policy approved by the Board of Directors defining the benchmark for consolidation of variable interest entity. Consequently, the Group has recognized a loss of ₹ 0.10 crore in the Statement of Profit and Loss.

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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets	–	#	–	5.51	200.44	–
Non-financial assets	0.10	–	10.80	–	–	–
Financial liabilities	0.40	1.83	1.94	5.50	(0.43)	–
Non-financial liabilities	–	#	(0.04)	#	(0.01)	–
Equity attributable to owners of the Company	(0.30)	#	0.13	–	120.88	–
Non-controlling interests	–	(1.83)	8.77	10.72	80.00	–
	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Revenue	–	–	(3.05)	–	0.44	–
Expenses	(1.43)	0.14	(1.15)	61.50	0.44	–
Tax Expenses	0.05	–	1.98	–	–	–
Profit for the year	**1.38**	**(0.14)**	**(3.88)**	**(61.50)**	**–**	**–**
Profit attributable to owners of the Company	(0.45)	–	(1.93)	(9.22)	–	–
Profit attributable non-controlling interests	1.83	(0.14)	(1.95)	(52.28)	–	–
Profit for the year	**1.38**	**(0.14)**	**(3.88)**	**(61.50)**	**–**	**–**
Other comp. income attributable to owners of the Co.	–	–	–	–	–	–
Other comprehensive income attributable to non-controlling interests	–	–	–	–	–	–
Other comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**
Total comp. income attributable to owners of the Co.	(0.45)	–	(1.93)	(9.22)	–	–
Total comprehensive income attributable to non-controlling interests	1.83	(0.14)	(1.95)	(52.28)	–	–
Total comprehensive income for the year	**1.38**	**(0.14)**	**(3.88)**	**(61.50)**	**–**	**–**
Dividend paid to non-controlling interests	–	–	–	–	–	–
Net cash inflow/ outflow from operating activities	#	–	#	(0.57)	(200.88)	–
Net cash inflow/ outflow from investing activities	–	–	–	0.57	–	–
Net cash inflow/ outflow from financing activities	–	–	–	–	200.88	–
Net cash inflow/ (outflow)	**#**	**–**	**(#)**	**–**	**–**	**–**

# Denotes amount less than ₹50,000

₹ in Crore

Particulars	JMFARC IOB II March 2011 Trust		JMFARC ICICI Bank September 2016 Trust	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets	0.03	0.02	–	564.90
Non-financial assets	2.72	–	–	–

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₹ in Crore

Particulars	JMFARC IOB II March 2011 Trust		JMFARC ICICI Bank September 2016 Trust	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial liabilities	0.03	0.62	–	0.01
Non-financial liabilities	–	#	–	0.04
Equity attributable to owners of the Company	2.72	4.35	–	84.73
Non-controlling interests	–	(4.96)	–	480.12
	Current year	Previous Year	Current year	Previous Year
Revenue	3.78	–	15.42	17.72
Expenses	(0.61)	0.01	14.52	17.72
Tax Expenses	0.90	–	0.23	–
Profit for the year	**3.49**	**(0.01)**	**0.67**	**–**
Profit attributable to owners of the Company	(1.48)	–	0.10	–
Profit attributable non-controlling interests	4.97	(0.01)	0.57	–
Profit for the year	**3.49**	**(0.01)**	**0.67**	**–**
Other comprehensive income attributable to owners of the Company	–	–	–	–
Other comprehensive income attributable to non-controlling interests	–	–	–	–
Other comprehensive income for the year	**–**	**–**	**–**	**–**
Total comprehensive income attributable to owners of the Company	(1.48)	–	0.10	–
Total comprehensive income attributable to non-controlling interests	4.97	(0.01)	0.57	–
Total comprehensive income for the year	**3.49**	**(0.01)**	**0.67**	**–**
Dividend paid to non-controlling interests	–	–	–	–
Net cash inflow/ outflow from operating activities	0.01	(0.03)	0.02	(17.62)
Net cash inflow/ outflow from investing activities	–	0.03	–	8.11
Net cash inflow/ outflow from financing activities	–	–	–	(5.47)
Net cash inflow/ (outflow)	**0.01**	**(#)**	**0.02**	**(14.98)**

# Denotes amount less than ₹50,000

47. Maturity Analysis of Assets and Liabilities

₹ in Crore

	Particulars	As at March 31, 2020			As at March 31, 2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS						
(1)	**Financial Assets**						-
(a)	Cash and cash equivalents	266.67	–	266.67	161.42	–	161.42
(b)	Other bank balances	–	0.76	0.76	0.73	0.76	1.49
(c)	Trade Receivables	62.90	90.84	153.74	141.81	–	141.81
(d)	Loans	235.94	289.99	525.93	255.96	229.75	485.71
(e)	Investments	446.45	717.77	1,164.22	857.06	571.27	1,428.33
(f)	Other Financial assets of ARC trusts	483.74	1,532.42	2,016.16	686.82	1,584.06	2,270.88
(2)	**Non-financial Assets**						
(a)	Current tax Assets (Net)	–	26.79	26.79	–	5.26	5.26
(b)	Deferred tax assets (net)	–	10.17	10.17	–	–	–
(c)	Property, Plant and Equipment	–	23.20	23.20	–	1.55	1.55
(d)	Other Intangible assets	–	0.07	0.07	–	0.14	0.14

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to the Consolidated Financial Statements

₹ in Crore

	Particulars	As at March 31, 2020 Within 12 months	After 12 months	Total	As at March 31, 2019 Within 12 months	After 12 months	Total
(e)	Other non-financial assets	1.82	–	1.82	1.85	1.63	3.48
	Total Assets	**1,497.52**	**2,692.01**	**4,189.53**	**2,105.65**	**2,394.42**	**4,500.07**
	LIABILITIES AND EQUITY						
	LIABILITIES						
(1)	**Financial Liabilities**						
(a)	Trade Payables	2.80	–	2.80	2.08	–	2.08
(b)	Debt Securities	511.02	1,547.23	2,058.25	809.74	1,289.40	2,099.14
(c)	Borrowings (Other than Debt Securities)	280.48	227.74	508.22	219.75	200.21	419.96
(d)	Other financial liabilities	28.32	36.33	64.65	181.68	9.41	191.09
(2)	**Non-Financial Liabilities**						
(a)	Current tax liabilities (net)	–	6.25	6.25	–	22.56	22.56
(b)	Provisions	0.72	1.28	2.00	0.82	1.16	1.98
(c)	Deferred tax liabilities (Net)	–	–	-	–	7.30	7.30
(d)	Other non-financial liabilities	8.58	–	8.58	5.60	1.08	6.68
	Total Liabilities	**831.26**	**1,819.49**	**2,650.75**	**1,219.67**	**1,531.12**	**2,750.79**

48. Schedule of security receipts

₹ in Crore

Name of Trust	As at March 31, 2020 No. of SRs	Amount	As at March 31, 2019 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	3.61
JMFARC- Swarna II 2012- Trust	66,200	2.37	66,200	6.24
JMFARC- Swarna II 2012- Trust	12,500	0.88	12,500	0.94
JMFARC- Fed Textile 2013 Trust	8,820	0.33	8,820	0.44
JMFARC-BOI Textile 2013-Trust	41,000	0.70	41,000	1.03
JMFARC- OBC March 2014 Trust	34,500	1.73	34,500	2.07
JMFARC- Fed Gelatine March 2014 Trust	17,500	0.44	17,500	0.44
JMFARC- OBC March 2014 II Trust	4,760	0.29	4,760	0.32
JMFARC - UBOI March 2014 Trust	66,750	3.30	66,750	4.34
JMFARC - SBI Ceramics June 2014 Trust	1,56,000	5.53	1,56,000	6.14
JMFARC - Indian Bank June 2014 Trust	32,200	1.57	32,200	2.25
JMFARC - Vijaya Bank June 2014 Trust	25,360	1.37	25,360	1.78
JMFARC - Hotels June 2014 Trust	3,29,099	–	3,29,099	0.29
JMFARC - Hotels June 2014 Trust	20,71,631	–	20,71,631	145.01
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	3.82	93,150	4.19
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	4.95

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₹ in Crore

Name of Trust	As at March 31, 2020 No. of SRs	Amount	As at March 31, 2019 No. of SRs	Amount
JMFARC - Vijaya Bank Ceramics March 2015-Trust	27,000	1.97	27,000	2.16
JMFARC - SBH Cement June 2015-Trust	66,000	4.95	66,000	4.95
JMFARC - United Bank Textile September 2015-Trust	27,075	1.41	27,075	2.71
JMFARC - PNB Ceramics November 2015-Trust	4,01,640	29.85	4,01,640	30.12
JMFARC - Corp Bank Ceramics September 2015-Trust	46,065	4.61	46,065	4.61
JMFARC - SBOP Geometric-Trust	61,560	–	61,560	0.21
JMFARC - Dena Ceramics January 2016-Trust	15,750	1.42	15,750	1.58
JMFARC - UBOI Steel March 2016 – Trust	63,000	3.34	63,000	3.97
JMFARC -OBC March 2016-Trust	72,000	7.58	72,000	7.58
JMFARC - IDBI Ceramics March 2016 – Trust	57,180	5.15	57,180	5.43
JMFARC - EXIM Ceramics March 2016 – Trust	17,101	1.66	17,101	1.71
JMFARC - UCO Geometric March 2016 – Trust	88,965	–	88,965	0.12
JMFARC - KVB Iris II March 2016 – Trust	37,500	5.63	37,500	5.63
JMFARC - Indian Bank March 2016- Trust	97,515	0.65	97,515	1.57
JMFARC - IOB March 2016- Trust	50,250	3.22	50,250	5.03
JMFARC - Iris March 2016-Trust	10,00,165	113.98	10,00,165	147.38
JMFARC - Exim Iris March 2016-Trust	60,000	8.28	60,000	9.00
JMFARC – Axis Iris March 2016 Trust	1,50,000	22.50	1,50,000	22.50
JMFARC – KB Metals September 2016 - Trust	22,500	1.28	22,500	2.25
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	0.21	41,250	0.33
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	3.64	66,900	9.75
JMFARC - SBP March 2017 – Trust	31,665	2.06	31,665	2.60
JMFARC - IRIS UCO March 2017 – Trust	38,310	5.29	38,310	5.71
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
JMFARC-Karnataka Bank September 2017-Trust	20,310	2.03	20,310	2.25
JMFARC- Syndicate Ceramics September 2017 Trust	1,25,250	8.77	1,25,250	9.39
JMFARC - Allahabad Bank December 2017 Trust	76,275	7.02	76,275	7.63
JMFARC - Motors December 2017 Trust	94,500	5.39	94,500	6.33
JMFARC- IOB Metallics February 2018- Trust	3,60,000	21.96	3,60,000	39.60
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	1,98,375	24.56
JMFARC IRIS Canara March 2018 Trust	18,225	2.48	18,225	2.73
JMFARC IDBI March 2018 Trust	60,000	5.93	60,000	5.93
JMFARC - Alphahealth 2018 – Trust	22,14,000	270.11	11,91,000	297.88
JMFARC – Fabrics August 2018 II – Trust	3,80,000	42.00	3,80,000	39.14
JMFARC - Fabrics September 2018 III - Trust	40,200	4.44	40,200	4.14

Notes

to the Consolidated Financial Statements

₹ in Crore

Name of Trust	As at March 31, 2020		As at March 31, 2019	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC- Metallics November 2018- Trust	1,03,725	12.45	1,03,725	12.97
JMFARC - Metallics December 2018 – Trust	1,08,000	12.64	1,08,000	13.50
JMFARC - IRIS SIDBI December 2018 – Trust	33,000	4.77	33,000	4.77
JMFARC – KTK Metallics December 2018 – Trust	55,500	6.60	55,500	6.94
JMFARC – Infra March 2019 – Trust	60,000	4.50	60,000	6.00
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	19.06	4,62,500	21.25
JMFARC- SBI March 2014 I Trust	1,73,750	5.67	1,73,750	8.81
JMFARC- SBI March 2014 II Trust	45,250	1.64	45,250	1.79
JMFARC- Cosmos March 2014 Trust	1,54,500	6.15	1,54,500	7.05
JMFARC- Indian Bank March 2014 Trust	44,500	1.78	44,500	1.78
JMFARC- BOI March 2014 II Trust	2,15,750	8.03	2,15,750	13.43
JMFARC- OBC June 2014 Trust	8,915	0.67	8,915	0.67
JMFARC- UBOI June 2014 Trust	59,915	1.48	59,915	1.50
JMFARC-Karnataka Bank December 2014-Trust	1,72,500	7.25	1,72,500	10.83
JMFARC-CSB September 2015-Trust	63,000	4.85	63,000	6.22
JMFARC-PNB December 2015- Trust	24,765	1.24	24,765	1.44
JMFARC-SBH December 2015-Trust	73,380	9.54	73,380	7.34
JMFARC - KVB March 2016-Trust	3,55,095	20.02	3,55,095	32.01
JMFARC - Federal Bank March 2016 – Trust	73,350	3.77	73,350	6.43
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	14.99
JMFARC - SBT March 2017 – Trust	55,875	4.02	55,875	4.19
JMFARC - LTF June 2017 – Trust	6,00,000	21.32	6,00,000	44.79
JMFARC-Central Bank Retail 2011-Trust	88,872	–	88,872	0.64
JMFARC - ICICI Bank September 2016 Trust	8,55,495	57.57	–	–
JMFARC-Fabrics June 2019 I Trust	2,01,600	9.36	–	–
Total		**1,155.39**		**1,400.64**

49. Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules, 2014, (Rules) as amended, requires companies to create Debenture Redemption Reserve ('DRR') for redemption of debentures. The said Rules, inter alia, provides that no DRR is required to be created by NBFCs registered with Reserve Bank of India (RBI) under Section 45-IA of the RBI Act, 1934.

The Parent Company, though an NBFC, is an Asset Reconstruction Company ('ARC') registered with RBI under Section 3 of the SARFAESI Act 2002. The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended, inter alia, specifies that provisions of Section 45-IA of RBI Act, 1934 relating to registration shall not apply to an NBFC, which is an ARC registered with the RBI under Section 3 of SARFAESI Act, 2002. Further, Master Directions – Exemptions from the provisions of the RBI Act, 1934 dated August 25, 2016, has stipulated that certain categories of NBFCs are exempt from registration requirements under the RBI Act and specifically provides an exemption to ARCs registered under Section 3 of SARFAESI Act, 2002 from provisions of Sections 45-IA, 45-IB and 45-IC of the RBI Act, 1934.

Notes

to the Consolidated Financial Statements

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. However, as per the said Rules, the Group is required to invest or deposit, before April 30 of the financial year, a sum which shall not be less than 15% of the amount of the Debentures issued and maturing during the financial year. MCA vide general circular no. 11 /2020 dated April 24, 2020, has extended the said due date of April 30, 2020 to June 30, 2020.

50. Figures of previous year have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

51. The consolidated financial statements are approved for issue by the Board of Directors at its meeting held on May 4, 2020.

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 : May 4, 2020

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, 2020, 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, 2020 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 Auditors' 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 37 to the standalone financial statements, which describes that the potential impact of the COVID-19 Pandemic on the Company's results 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.

A. Investments in Security Receipts in respect of ARC 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 Rs.3,028.19 crore as at March 31, 2020 carried at fair value.

The valuation of these investments are 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 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 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, etc.
- Analyzed reasonableness of the determination of the appropriate recovery rate and estimated cash flows;
- Compared the management's assumption of discount rate with the supporting evidence;

Independent Auditors' Report (Contd.)

- Compared the historical estimates of the cash flows with the actual recoveries and obtain 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 Company.

Information Other than the Financial Statements and Auditors' 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 financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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.

Auditors' 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 auditors' 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 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.

- 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 auditors' 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 auditors' 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 auditors' 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 relating to preparation of the standalone financial statements 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 of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) 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

Independent Auditors' Report (Contd.)

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 Auditors' 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;

      ii. the Company did not have any long-term contracts including derivative contracts, as at the year-end 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 Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN 20109839AAAAFF7206

Place : Mumbai
Date : May 4, 2020

Report on Internal Financial Controls Over Financial Reporting ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the 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 at March 31, 2020 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' 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 auditors' 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 the 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.

Independent Auditors' Report (Contd.)

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, 2020, 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 Registration No.117366W/W-100018)

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

Place : Mumbai
Date : May 4, 2020

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 fixed assets:

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 as at the balance sheet date.

(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, 2020 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, 2020 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 persons 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 Registration No.117366W/W-100018)

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

Place : Mumbai
Date : May 4, 2020

Standalone Balance Sheet

as at 31st March, 2020

₹ in Crore

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019 Restated	As at April 1, 2018 Restated
ASSETS				
(I) Financial Assets				
(a) Cash and cash equivalents	4	253.20	154.59	13.51
(b) Bank balance other than (a) above	5	0.76	1.49	0.76
(c) Trade receivables	6	154.12	135.38	114.17
(d) Loans	7	525.93	485.71	261.50
(e) Investments	8	3,037.02	3,184.06	2,185.48
(f) Other financial assets	9	60.13	39.25	18.67
Total Financial Assets (I)		**4,031.16**	**4,000.48**	**2,594.09**
(II) Non-financial Assets				
(a) Current tax assets (net)	10	26.79	5.26	4.66
(b) Deferred tax assets (net)	11	2.06	-	-
(c) Property, Plant and Equipment	12	23.20	1.55	1.52
(d) Other intangible assets	12	0.07	0.14	0.18
(e) Other non-financial assets	13	1.82	3.48	0.88
Total Non-financial Assets (II)		**53.94**	**10.43**	**7.24**
Total Assets (I+II)		**4,085.10**	**4,010.91**	**2,601.33**
LIABILITIES AND EQUITY				
LIABILITIES				
(I) Financial Liabilities				
(a) Payables				
(I) Trade payables	14			
(i) total outstanding dues of micro and small enterprises		0.08	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		2.62	1.93	0.70
(b) Debt securities	15	2,058.25	2,099.14	1,052.33
(c) Borrowings (other than debt securities)	16	508.22	419.96	358.30
(d) Other financial liabilities	17	52.27	185.43	33.60
Total Financial Liabilities (I)		**2,621.44**	**2,706.46**	**1,444.93**
(II) Non-Financial Liabilities				
(a) Current tax liabilities (net)	18	6.25	22.56	6.65
(a) Provisions	19	2.00	1.98	1.65
(b) Deferred tax liabilities (net)	11	-	27.44	55.09
(c) Other non-financial liabilities	20	7.37	6.18	8.80
Total Non-Financial Liabilities (II)		**15.62**	**58.16**	**72.19**
(III) EQUITY				
(a) Equity Share capital	21	344.64	344.64	344.64
(b) Other Equity	22	1,103.40	901.65	739.57
Total Equity (III)		**1,448.04**	**1,246.29**	**1,084.21**
TOTAL LIABILITIES AND EQUITY (I+II+III)		**4,085.10**	**4,010.91**	**2,601.33**
The accompanying notes from an integral part of the standalone financial statements	1 to 52			

In terms of our report attached

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

G.K.Subramaniam
Partner
Membership No: 109839

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 : May 4, 2020

Standalone Statement of Profit and Loss

for the year ended 31st March, 2020

₹ in Crore

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019 Restated
Income:			
I. Revenue from operations			
(a) Interest income	23	187.42	128.77
(b) Fees and incentives	24	220.56	243.98
(c) Net gain on fair value changes	25	-	164.08
(d) Net gain on derecognisition of financial assets carried at amortised cost	26	2.04	-
		410.02	**536.83**
II. Other income	27	5.67	0.60
III. Total Income (I+II)		**415.69**	**537.43**
IV. Expenses:			
(a) Finance costs	28	269.39	215.75
(b) Net loss on fair value changes	25	11.36	-
(c) Impairment on financial instruments	29	20.32	28.44
(d) Employee benefits expense	30	19.71	35.91
(e) Depreciation and amortization expense	12	3.24	0.92
(f) Other expenses	31	11.62	16.10
Total expenses (IV)		**335.64**	**297.12**
V. Profit before Tax (III-IV)		80.06	240.31
VI. Less: Tax expense			
Current tax	32	47.35	105.70
Deferred tax		(29.50)	(27.68)
Earlier year tax adjustments		2.98	0.11
Total tax expenses (VI)		**20.83**	**78.13**
Profit for the year (V-VI)		**59.23**	**162.17**
VII. Other Comprehensive Income			
(i) Items that will not be reclassified to profit & loss		(0.01)	(0.19)
(ii) Income tax relating to items that will be reclassified to profit or loss		#	0.07
Total other comprehensive income		**(0.01)**	**(0.12)**
VIII. Total Comprehensive Income (VI+VII)		**59.22**	**162.05**
IX. Earnings per equity share (Face value of ₹. 10/- each)	34		
Basic (in Rupees)		1.72	4.71
Diluted (in Rupees)		1.69	4.71
The accompanying notes from an integral part of the standalone financial statements	1 to 52		

# Denotes amount less than ₹50,000/-

In terms of our report attached

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

G.K.Subramaniam
Partner
Membership No: 109839

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 : May 4, 2020

Statement Of Changes In Equity

for the year ended 31st March, 2020

A. Equity share capital

₹ in Crore

Particulars	Balance as at April 1, 2018	Changes in equity share capital during the year	Balance at March 31, 2019	Changes in equity share capital during the year	Balance at March 31, 2020
Equity Share Capital	**344.64**	**-**	**344.64**	**-**	344.64

B. Other Equity

₹ in Crore

Particulars	Securities Premium	Retained earnings	Compulsorily Convertible Debenture	Total Other Equity
Balance at April 1, 2018	**194.34**	**545.23**	**-**	**739.57**
Profit for the year	-	162.17	-	162.17
Other comprehensive income	-	(0.12)	-	(0.12)
Balance at March 31, 2019	**194.34**	**707.28**	**-**	**901.61**
Profit for the year	-	59.23	-	59.23
Issued during the year (refer note no 15.5)	-	-	142.52	142.52
Other comprehensive income	-	(0.01)	-	(0.01)
Balance at March 31, 2020	**194.34**	**766.50**	**142.52**	**1,103.35**

The accompanying notes from an integral part of the standalone financial statements 1 to 52
In terms of our report attached

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

G.K.Subramaniam
Partner
Membership No: 109839

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(DIN – 01831916)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Place : Mumbai
Date : May 4, 2020

Statement of Cash Flows

for the year ended 31st March, 2020

₹ in Crore

Sr. No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019 Restated
A	**Cash flow from operating activities**		
	Profit before tax	80.06	240.31
	Adjustment for:		
	Depreciation	3.24	0.92
	Net loss/(gain) on fair value changes	76.79	54.51
	Impairment on financial instruments	20.32	28.44
	Gain on sale of Property, Plant and Equipment	(0.02)	#
	Interest on lease liability	2.18	-
	Interest on compulsory convertible debenture	3.85	-
	Interest income on fixed deposits	(5.51)	(0.60)
	Operating profit before working capital changes	**180.91**	**323.58**
	Adjustment for:		
	Decrease/ (Increase) in Investments in security receipts- Others	70.27	(1,059.30)
	(Increase) in trade receivables	(9.16)	(34.86)
	(Increase) in loans	(46.68)	(230.05)
	(Increase) in other financial assets	(44.30)	(23.33)
	Decrease/ (Increase) in other non-financial assets	0.03	(2.60)
	Decrease / (Increase) in other bank balances	0.73	(0.73)
	Increase in trade payables	0.69	1.23
	Increase in provisions	0.02	0.32
	(Decrease)/ Increase in other financial liabilities	(155.32)	151.75
	(Decrease) in other non-financial liabilities	(0.12)	(2.62)
	Cash (outflow) from operations	**(2.94)**	**(876.61)**
	Direct taxes paid (net)	(88.18)	(90.50)
	Net cash (outflow) from operating activities	**(91.11)**	**(967.11)**
B	**Cash flow from investing activities**		
	Purchase of Property, Plant and Equipment	(0.03)	(0.91)
	Sale of Property, Plant and Equipment	0.04	#
	Interest Income	5.51	0.60
	Net cash inflow/(outflow) from investment activities	**5.52**	**(0.31)**
C	**Cash flow from financing activities**		
	Proceeds from debt securities	938.19	1,046.81
	Repayment of debt securities	(1,039.34)	-
	Proceed from issue of compulsory convertible debenture	200.24	-
	Repayment of lease liability (including interest)	(3.15)	-
	Proceeds from borrowing	375.00	118.16
	Repayment of borrowing	(286.74)	(56.50)
	Net cash inflow from financing activities	**184.20**	**1,108.47**
	Net increase in cash and cash equivalents	**98.61**	**141.05**
	Cash & cash equivalents (opening)	154.59	13.54
	Cash & cash equivalents (closing)	**253.20**	**154.59**

# Denotes amount less than ₹50,000/-

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

In terms of our report attached

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

G.K.Subramaniam
Partner
Membership No: 109839

Place : Mumbai
Date : May 4, 2020

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

Significant Accounting Policies

and notes to the Standalone Financial Statements

1 Corporate Information

JM Financial Asset Reconstruction Company Limited (the "Company" or "JMFARC") was incorporated as a private limited company on September 19, 2017 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 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 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.

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 INDAS 109 (also refer para 2.15). Refer note 36 of change in accounting policy.

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

Significant Accounting Policies

and notes to the Standalone Financial Statements

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

The Company as a lessor

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

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

2.6 Foreign Currency translation

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

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

2.7 Borrowing costs

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

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

2.8 Employee Benefits

Retirement benefit costs and termination benefits:
Defined Contribution Plan

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

Defined Benefit Obligation:

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

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

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

Short-term employee benefits:

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

Other long-term benefits:

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

2.9 Income Tax

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

Current Tax

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company’s financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against

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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.

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

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of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

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

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

Impairment losses on non-financial assets

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

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

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

2.11 Goods and Services Input Tax Credit

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

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

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

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

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

Contingent liability is disclosed in case of:

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

Contingent Assets:

Contingent assets are not recognised in the financial statements.

2.13 Commitments

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

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

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

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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. Investment in security receipts of subsidiary trusts are measured at FVTPL (refer note 8 and 36).

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

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

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

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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.

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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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.17 Cash and Cash Equivalents

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

3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of standalone financial statements in conformity with Ind AS requires the Company's 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 44.

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4 Cash and cash equivalents

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balances with Banks			
- in current accounts	13.20	57.59	13.51
- in deposit accounts (Refer note 4.1)	240.00	97.00	–
Total	**253.20**	**154.59**	**13.51**

4.1 Balance in deposit accounts carrying fixed rate interest with period ranging 1 day to 30 days.

5 Other bank balances

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Earmarked balance with banks:		-	-
- In current account (refer note 5.1)	0.76	0.76	0.76
- In deposit account (refer note 5.2)	–	0.73	–
Total	**0.76**	**1.49**	**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 181 days and have lien against bank guarantees obtained by the Company.

6 Trade receivables

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade Receivables			
Unsecured considered good:			
Trade receivables	166.70	140.64	116.69
Less: Impairment Loss Allowance (Refer note no. 45)	12.58	5.26	2.52
Total	**154.12**	**135.38**	**114.17**

7 Loans

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortised cost			
Secured Loans	504.54	453.30	255.69
Interest accrued	45.39	49.95	17.51
Gross Loan	549.93	503.25	273.20
Less: Impairment loss allowance (Refer note no. 45)	(24.00)	(17.54)	(11.70)
Net Loan- Total	**525.93**	**485.71**	**261.50**

(Within India and to entities other than public sector)

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8 Investments

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Quoted Investment			-
Equity instruments			
70,07,709 of equity shares of Nitco Limited of ₹ 10/- each fully paid up	8.83	27.19	64.82
Unquoted			
a) Equity instruments			
Nil (previous year 61,31,745 nos.) Convertible warrants of Nitco Limited of issue price ₹114.16 each	–	0.50	14.18
b) Security receipts of trusts held in distressed credit business (refer notes 8.2, 8.3 and 36)	3,028.19	3,156.37	2,106.48
Total	**3,037.02**	**3,184.06**	**2,185.48**

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:

a. In respect of two trusts, 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, 2020 is ₹ 66.29 crore (Previous year ₹ 66.29 crore).

b. Uncalled liability on 61,31,745 convertible warrants of Nitco Limited ₹ Nil being not exercised (Previous year ₹ 52.50 crore).

9 Other Financial Assets

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Recoverable from trusts	72.35	47.21	26.03
Interest accrued but not due	0.65	-	-
Security deposits			
To Related Parties	1.22	1.12	-
To Others	4.20	2.68	0.31
	78.42	51.01	26.34
Less : Impairment loss allowance on recoverable from trusts (Refer note 45)	(18.29)	(11.76)	(7.67)
Total	**60.13**	**39.25**	**18.67**

10 Current tax assets (net)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance tax paid (net of provisions)	26.79	5.26	4.66
Total	**26.79**	**5.26**	**4.66**

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11 Deferred tax liability/ (asset)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Measurement of Financial instruments at fair value	13.77	43.02	65.49
Impairment of financial instruments	(12.49)	(10.14)	(6.71)
Difference between books and tax Written Down Value (WDV) of Property, plant and equipment (PPE)	(0.39)	(0.48)	(0.33)
Others (43B, 35D, etc. allowances in Income Tax Act, 1961)	(2.95)	(4.96)	(3.36)
Total	**(2.06)**	**27.44**	**55.09**

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

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
Measurement of financial 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 Written Down Value (WDV) of Property, plant and equipment (PPE)	(0.48)	0.07	–	–	(0.39)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(4.96)	2.15	–	#	(2.95)
Total- DTL/ (DTA)	**27.44**	**(29.50)**	**–**	**#**	**(2.06)**

For the year ended March 31, 2019

₹ in Crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in Other Equity*	Recognised in OCI	Closing balance
Measurement of financial instruments at fair value	65.52	(22.38)	–	–	43.02
Impairment on financial instruments	(6.71)	(3.43)	–	–	(10.14)
Difference between books and tax Written Down Value (WDV) of Property, plant and equipment (PPE)	(0.33)	(0.15)	–	–	(0.48)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(3.39)	(1.72)	–	(0.07)	(4.96)
Total- DTL/ (DTA)	**55.09**	**(27.68)**	**–**	**(0.07)**	**27.44**

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12 Property, Plant and equipment:

₹ 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, 2020
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 39)	–	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**

Previous year:

₹ in Crore

Description	Gross block				Depreciation / Amortisation				Net block
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	Up to April 01, 2018	Additions	Deductions	Up to March 31, 2019	As at March 31, 2019
TANGIBLE ASSETS:									
Owned Assets:									
Freehold land (Refer note 12.1)	0.03	–	–	0.03	–	–	–	–	0.03
Furniture and Fixtures	0.01	0.01	–	0.02	0.01	#	–	0.01	0.01
Office Equipment's	0.18	#	–	0.18	0.05	0.05	–	0.10	0.08
Computers	0.46	0.12	0.03	0.55	0.18	0.16	0.03	0.31	0.24
Lease Hold Improvements	1.43	0.46	–	1.89	0.50	0.51	–	1.01	0.88
Leased Assets:									
Vehicles (refer note 12.2)	0.19	0.28	–	0.47	0.04	0.12	–	0.16	0.31
Total	**2.30**	**0.87**	**0.03**	**3.14**	**0.78**	**0.84**	**0.03**	**1.59**	**1.55**

# 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.

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₹ 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, 2020
INTANGIBLE ASSETS:									
Software	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**

Previous year:

₹ in Crore

Description	Gross block				Depreciation / Amortisation				Net block
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	Up to April 01, 2018	Additions	Deductions	Up to March 31, 2019	As at March 31, 2019
INTANGIBLE ASSETS:									
Software	0.33	0.04	–	0.37	0.15	0.08	–	0.23	0.14
Total	**0.33**	**0.04**	**–**	**0.37**	**0.15**	**0.08**	**–**	**0.23**	**0.14**

13 Other non-financial assets

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Prepaid expenses	1.19	1.82	0.10
Balances with Service Tax / VAT Authorities etc.	0.54	1.58	0.78
Other non-financial Assets	0.09	0.08	–
Total	**1.82**	**3.48**	**0.88**

14 Trade payable

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Payables to micro and small enterprises	0.08	–	–
Payables other than micro and small enterprises	2.62	1.93	0.70
Total	**2.70**	**1.93**	**0.70**

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, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	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	**0.08**	**–**

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15 Debt securities (Within India)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortised cost			-
Secured			
Non-Convertible Debentures (refer note 15.1 and 15.2)	1,799.31	1,383.37	693.20
Add: Premium/ interest accrued	198.68	100.79	64.98
Total	**1,997.99**	**1,484.16**	**758.18**
Unsecured			
Compulsory Convertible Debentures (refer note 15.5)	56.41	–	–
Add: Interest accrued but not due	3.85	–	–
Total	60.26	–	–
Commercial papers (refer note 15.3 and 15.4)	-	630.00	300.00
Less: Unamortised interest	-	(15.02)	(5.85)
Total	–	614.98	294.15
Total Debt Securities	**2,058.25**	**2,099.14**	**1,052.33**

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, 2020	As at March 31, 2019
9.50% Tranche V NCD redeemable in the year 2020-21*	139.00	150.00
9.31% Tranche VII Option A NCD redeemable in year 2020-21	–	50.00
9.25 %Tranche VII Option B NCD redeemable in year 2019-20	–	50.00
8.75 %Tranche VIII NCD redeemable in year 2019-20@	–	15.00
9.30% Tranche IX NCD redeemable in year 2020-21*	28.50	28.50
8.60% Tranche X NCD redeemable in year 2019-20@	–	35.00
9.15 % Tranche XII NCD redeemable in year 2020-21*	14.70	14.70
9.10% Tranche XIII NCD redeemable in year 2019-20	–	75.00
9.25% Tranche XIV - Option A redeemable in the year 2020-21*	26.70	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	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	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	50.00

Notes

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₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
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	25.00
11.5% Tranche XXVI - Option A redeemable in the year 2021-22	150.00	150.00
11.5% Tranche XXVI - Option B redeemable in the year 2022-23	150.00	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	–
Total	**1,816.90**	**1,391.40**

Note :

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

* Redeemable at premium

Maturity profile above is disclosed at face value which excludes premium amounting to ₹ Nil (2018-19 : ₹ 0.59 crore),discount of ₹ 5.87 crore (2018-19 : ₹ 8.62 crore) and impact of effective interest rate adjustment amounting to ₹ 3.69 crore (As at March 31, 2019 : ₹ Nil).

15.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 630 crore (Previous year: ₹ 969 crore).

15.4 Interest rate of commercial paper range from 9.20 % to 9.88 % p.a (Previous year 7.93% to 10.35% p.a).

15.5 During the year, the Company has issued Compulsory Convertible Debentures aggregating ₹ 200.24 Crore out of which ₹ 56.41 crore (net of TDS) has recognized as liability and balance ₹ 142.52 crore as equity in accordance with Ind AS 32.

Notes

to the Standalone Financial Statements

16 Borrowings (other than debt securities)

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
At amortized cost			-
Secured:			
Term loans (Refer note 16.1 and 16.2):			
(a) from Banks	137.38	277.50	334.00
(b) from Others	125.00	50.00	–
Add: Interest accrued	7.47	0.47	0.19
Total	269.85	327.97	334.19
Other loans from banks as (Refer note 16.3):			
cash credit facility	112.20	91.01	23.76
Add: Interest accrued	0.36	0.68	0.14
Total	112.56	91.69	23.90
Finance lease obligations (Refer note 16.4)	0.20	0.30	0.21
Unsecured:			
Inter corporate deposits from Related Party (Unsecured)	125.00	–	–
Add: Interest accrued but not due	0.61	-	-
	125.61	–	–
Total	**508.22**	**419.96**	**358.30**

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, 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**
As at March 31, 2019:				
Up to one year (April- 19 to March- 20)	20.00	107.50	–	–
Up to 1-3 years (April- 20 to March- 23)	20.00	130.00	50.00	-
3 years and above (April- 22 onwards)	-	-	-	-
Total	**40.00**	**237.50**	**50.00**	**–**

Note:

i) Maturity profile shown excluding effective interest rate impact amounting to ₹ 7.47 crore (FY 2018-19 : ₹ 0.47 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.

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to the Standalone Financial Statements

16.3 Other loans from banks in the nature of 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 All borrowings are made within India.

17 Other financial liabilities

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Employee Benefits payable	12.06	23.56	17.71
Amount collected on behalf of trust	17.49	13.76	15.89
Lease liabilities (refer note no 39)	22.21	-	-
Others	0.51	148.11	-
Total	**52.27**	**185.43**	**33.60**

18 Current tax liabilities

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for tax (net)	6.25	22.56	6.65
Total	**6.25**	**22.56**	**6.65**

19 Provisions

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for Gratuity (refer note no 40)	1.34	1.21	1.03
Provision for compensated absence	0.66	0.77	0.62
Total	**2.00**	**1.98**	**1.65**

20 Other non-financial liabilities

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory Dues	5.27	2.94	6.88
Others	2.10	3.24	1.92
Total	**7.37**	**6.18**	**8.80**

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21 Equity share capital

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Authorised			-
1,85,00,00,000 Equity Shares of ₹ 10/- each (As at March 31, 2019: 185,00,00,000)	1,850.00	1,850.00	1,850.00
15,00,00,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00	150.00
Total	**2,000.00**	**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, 2019 : 34,46,42,857 Equity Shares)	344.64	344.64	344.64
Total	**344.64**	**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 the rights of such preference shares.

21.2 Reconciliation of number of shares

Particulars	Number of equity shares		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Shares outstanding at the beginning of the year	34,46,42,857	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**	**34,46,42,857**

21.3 Details of shareholding more than 5%

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares:						
JM Financial Limited	204,197,279	59.25%	20,41,97,279	59.25%	19,66,97,279	57.07%
Mr Narotam S Sekhsaria	56,866,072	16.50%	5,68,66,072	16.50%	5,68,66,072	16.50%
Indian Overseas Bank	21,000,000	6.09%	2,10,00,000	6.09%	2,10,00,000	6.09%
Valiant Mauritius Partners FDI Ltd	29,028,911	8.42%	2,90,28,911	8.42%	2,90,28,911	8.42%

22 Other Equity

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Reserve and surplus:		
Securities premium reserve	194.34	194.34
Retained earnings	766.50	707.28
Equity of compulsory convertible debenture (refer note no 15.5)	142.52	–
Total	**1,103.36**	**901.62**

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

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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 Companies 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, dividends or other distributions to the shareholders.

23 Interest income

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income:		-
On loans (at amortised cost)	112.40	81.52
On financial instruments (at FVTPL)	73.64	42.74
On others (at FVTPL)	1.38	4.51
Total	**187.42**	**128.77**

24 Fees and incentives

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Management and restructuring fees	215.13	232.27
Recovery Incentives fees	5.43	11.71
Total	**220.56**	**243.98**

25 Net Gain on Fair Value Changes

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On Financial instruments designated at FVTPL:		-
- Financial assets	(57.93)	(3.21)
- Equity instruments	(18.86)	(51.31)
- Realised gain on security receipts	65.43	218.60
Total	**(11.36)**	**164.08**

25.1 Net gain on fair value changes:

₹ in Crore

Particulars	For the period ended March 31, 2020	For the year ended March 31, 2019
- Realised	65.43	254.76
- Unrealised	(76.79)	(90.68)
Total	**(11.36)**	**164.08**

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26 Net gain on derecognition of security receipts

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain on derecognition of financial instruments (at amortised cost)	2.04	–
Total	**2.04**	**–**

27 Other income

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on fixed deposit	5.50	0.59
Other interest income	0.11	–
Miscellaneous income	0.06	0.01
Total	**5.67**	**0.60**

28 Finance cost

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
At Amortised cost:		-
Debt securities	215.17	157.53
Borrowings (other than debt securities)	44.98	45.36
Others	9.24	12.86
Total	**269.39**	**215.75**

28.1. Interest on debt securities includes interest on compulsory convertible debentures of ₹ 3.85 crore (Previous year Nil).

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

29 Impairment of financial instruments

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
At amortised cost:		-
Loan	6.46	5.84
Investments written off	–	6.20
Trade receivable	7.32	2.74
Other financial assets	6.54	13.66
Total	**20.32**	**28.44**

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30 Employee benefits expense

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, bonus, other allowances and benefits (refer note 47)	18.47	34.49
Contribution to provident and other funds (refer note 40)	0.84	0.95
Gratuity (refer note 40)	0.30	0.25
Staff welfare expenses	0.10	0.22
Total	**19.71**	**35.91**

31 Other expenses

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rates & taxes	0.87	1.79
Travelling expenses	0.13	0.61
Repairs & maintenance	0.06	0.04
Rent expenses	0.40	3.51
Auditors' remuneration (refer note 31.1)	0.12	0.11
Support service charges	2.16	2.16
Insurance expenses	0.29	0.22
Legal and professional fees	1.36	1.50
Electricity expenses	0.23	0.22
Commission and fees to directors	0.72	0.91
Demat charges	0.04	0.05
Conveyance expense	0.07	0.16
Car hire expenses	0.01	0.02
Donation	4.10	3.12
Manpower expenses	0.17	0.33
Communication expenses	0.04	0.07
Membership and subscription fees	0.07	0.07
Printing and stationery expenses	0.09	0.12
Information Technology expenses	0.33	0.33
Other Expenses	0.36	0.76
Total	**11.62**	**16.10**

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

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit Fees	0.07	0.07
In any other manner (Certifications, limited reviews, etc.)	0.04	0.04
Out of pocket	0.01	–
Total	**0.12**	**0.11**

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32 Income tax:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	47.35	105.70
Deferred tax	(29.50)	(27.68)
Tax adjustment in respect of earlier years	2.98	0.11
Total income tax expenses recognised in the current year	**20.83**	**78.13**
Income tax expense recognised in other comprehensive income	#	0.07
Total income tax expenses	**20.83**	**78.20**

# denotes amount below ₹ 50,000

33 Reconciliation of total tax charge

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/ (loss) for the year	80.06	240.31
Income tax rate	25.17%	29.12%
Income tax expense	20.15	69.98
Tax Effect of:		
Effect of non-deductible expenses	1.03	0.45
Effect of unrecognised deferred tax assets (net)	4.75	11.99
Deferred tax on Re-measurement of employee defined benefit obligation	#	0.07
Earlier year tax adjustment	2.98	0.11
Effect of rate change (refer note 33.1)	(8.08)	(4.40)
Income tax expense recognised in profit and loss	**20.83**	**78.20**

33.1 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 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, 2020	For the year ended March 31, 2019
a) Profit for the year attributable to equity shareholders- Basic EPS (₹ in Cr.)	59.23	162.17
b) Add : Interest on compulsory convertible debenture	3.85	–
c) Profit for the year attributable to equity shareholders- Diluted EPS (₹ in Cr.)	63.08	162.17
d) Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	34,46,42,857	34,46,42,857
e) Add : Effect of conversion of compulsory convertible debenture	2,95,62,243	-
f) Weighted average number of equity shares outstanding during the year for calculating dilutive earnings per share (Nos.)	374,205,100	344,642,857
g) Basic earnings per share (₹) (a/d)	1.72	4.17
h) Dilutive earning per share (₹) (c/f)	1.69	4,17
i) Nominal value per share (₹)	**10.00**	**10.00**

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35 Segment Reporting:

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

36 Change in Policy for Accounting of investments in subsidiary trusts:

During the year, the Company has changed its policy to value the investment in security receipts (SRs) of subsidiaries at fair value under INDAS 109 instead of carrying the same at cost. The principal activity of the Company includes investing in and managing distressed assets and hence fair valuation of the SRs in standalone financial statements would be a better representation of the underlying business of the Company as against carrying the same at cost. Accordingly, as per para 14 (b) of IND AS 8, the Company has retrospectively changed the policy to fair value the investments in SRs in subsidiary as the change results in the financial statements providing reliable and more relevant information about the Company's financial position, financial performance or cash flows. The impact of such change is as under:

₹ in Crore

Financial line item	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at April 1, 2018
	(increase / (decrease))	(increase / (decrease))	(increase / (decrease))
Profit for the year	104.21	18.33	Not applicable
Other equity	225.93	121.72	103.39
Investments in security receipts	301.92	186.14	158.10

37 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. The Company has, based on current available information, estimated impact on the cash flows in respect of security receipts and also applied management overlays as per the policy approved by the Board of Directors for the purpose of determination of fair value of security receipts and determination of impairment of loans carried at amortised cost.

Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including economic forecasts upto the date of approval of these standalone financial statements. Accordingly, the fair value loss on security receipts and provision for expected credit loss on loans given to entities covered under the resolution plan recognized during the last quarter of the year ended March 31, 2020 aggregates Rs.67.33 crore which significantly includes 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.

The extent to which the COVID-19 pandemic will 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 global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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38 Corporate Social Responsibilities:

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

₹ in Crore

Particulars	March 31, 2020	March 31, 2019
a) Gross amount required to be spent by the Company during the year	4.10	3.12
b) Amount spent during the year:		
- In cash	4.10	3.12
- Yet to be paid in cash	–	–
Total	**4.10**	**3.12**
c) (i) Construction / acquisition of any asset	–	–
(ii) On purposes other than (i) above	4.10	3.12
Total	**4.10**	**3.12**

39 Leasing:

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using modified retrospective method. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets at an amount equal to the lease liability discounted at the incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year ended March 31, 2019.

On the date of initial application, the adoption of the new standard resulted in recognition of "Right to Use' asset of ₹ 24.14 crore and a lease liability of ₹ 22.51 crore. The weighted average of discount rate applied to lease liabilities as at April 1, 2019 is 9.40%. Company has recognised depreciation expenses from ROU of ₹ 2.59 crore and interest expenses on lease liabilities of ₹ 2.18 crore. Lease payments during the year have been disclosed under financial activities in the cash flow statements.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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The difference between the lease obligation recorded as March 31, 2019 under Ind AS 17 disclosed under note 39 of annual standalone financial statements forming part of 2019 annual report and the value of lease liability as of April 1, 2019 is primarily on account of discounting the lease liabilities to the present value under Ind AS 116.

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 aggregate depreciation expenses on ROU assets is included under depreciation and amortization expenses in the Statement of Profit and Loss.

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

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Not later than one year	3.28	3.17
Later than one year and not later than five years	14.47	13.32
Later than five years	15.73	20.11

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.

Lease liability reconciliation

₹ in Crore

Particulars	Amount
Operating lease commitments disclosed at March 31,2019 (non-cancellable)	32.02
Operating lease commitments disclosed at March 31, 2019 (cancellable)	4.58
Total Operating Lease Liabilities(on an undiscounted basis)	36.60
Less: Future finance cost	14.09
Total operating lease commitment recognised under Ind AS 116 as at April 1, 2019	**22.51**

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
On Vehicle		-
Not later than one year	0.11	0.13
Later than one year and not later than five years	0.15	0.26
Later than five years	–	–
Total	0.26	0.39
Less: future finance charges	(0.06)	(0.09)
Total Finance lease commitment	**0.20**	**0.30**

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.

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40 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 ₹ 0.74 crore (Previous year ₹ 0.89 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, 2020	As at March 31, 2019
Discount rate	6.80%	7.55%
Expected rate of salary increase	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2012-14) Ult table

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

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year eded March 31, 2019
Current service cost	0.21	0.17
Past service cost	–	–
Net interest cost	0.09	0.08
Components of defined benefits costs recognised in profit or loss.	**0.30**	**0.25**
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	0.10	0.04
- Actuarial (gain)/loss from change in experience adjustments	(0.09)	0.15
Total amount recognised in OCI	**0.01**	**0.19**
Total	**0.31**	**0.44**

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, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	1.34	1.21
Fair value of plan assets	–	–
Net liability arising from defined benefit obligation	**1.34**	**1.21**

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

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening defined benefit obligation	1.21	1.03
Current service cost	0.21	0.17
Interest cost	0.09	0.08
Past service cost	–	–
Re-measurements (gains)/losses:	–	
- Actuarial (gain)/loss from change in demographic assumptions	–	#
- Actuarial (gain)/loss from change in financial assumptions	0.10	0.04
- Actuarial (gain)/loss from change in experience adjustments	(0.09)	0.15
Benefits paid	(0.18)	(0.26)
Closing defined benefit obligation	**1.34**	**1.21**

# denotes amount less than ₹50,000/-

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

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening defined benefit plan assets	–	–
Employer contribution	0.18	0.19
Interest on plan assets	–	–
Administrative Expenses	–	–
Re-measurement due to :	–	
Actual return on plan assets less interest on plan assets	–	–
Benefit paid	(0.18)	(0.19)
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:

	March 31, 2020	March 31, 2019
Defined benefit obligation (base)	**1.34**	**1.21**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.27	1.41	1.15	1.25
Impact of increase in 50 bps on DBO	(4.86%)	5.25%	(4.99%)	3.37%
Defined benefit obligation on decrease in 50 bps	1.41	1.27	1.28	1.17
Impact of decrease in 50 bps on DBO	**5.29%**	**4.88%**	**5.42%**	**(3.44%)**

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

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

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

Projected benefits payable:

Particulars	As at March 31, 2020	As at March 31, 2019
Expected benefits for year 1	0.06	0.06
Expected benefits for year 2	0.06	0.06
Expected benefits for year 3	0.06	0.06
Expected benefits for year 4	0.24	0.06
Expected benefits for year 5	0.23	0.23

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Particulars	As at March 31, 2020	As at March 31, 2019
Expected benefits for year 6	0.05	0.22
Expected benefits for year 7	0.09	0.05
Expected benefits for year 8	0.17	0.07
Expected benefits for year 9	0.05	0.14
Expected benefits for year 10 and above	2.20	2.35

Compensated absences:

As per Group's policy, provision of ₹ 0.66 crore (Previous year ₹ 0.77 crore) has been made towards compensated absences, calculated on the basis of unutilized leave as on the last day of the financial year.

41 Unhedged Foreign Currency Exposure:

₹ in Crore

Particulars	Unhedged			Hedged through forward or derivative (#)			Natural Hedge
	</=1 Year	>1 Year	Total	</=1 Year	> Year	Total	</=1 year
Foreign Currency Receivables	-	-	-	-	-	-	-
Loans to JV/WOS	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–
Foreign Currency Payables							
Imports	–	–	–	–	–	–	–
Trade Credits	–	–	–	–	–	–	–
ECBs	–	–	–	–	–	–	–
Other FCY loans	–	–	–	–	–	–	–
INR to USD swaps	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–

Covered Option(s) is/are not included

Note:

The Company does not have foreign currency exposure and therefore has not taken any derivative instruments to hedge the exposure.

42 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

(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

Mr. G M Ramamurthy (ceased to be director with effect from March 31, 2020)

Dr. Vijay Kelkar (from September 21, 2018)

Mr. Ameet Desai (from January 9, 2019)

Mr. Satish Chand Mathur (appointed as Director with effect from April 15, 2019)

Mr. Shailesh Haribhakti (ceased to be director with effect from April 20, 2018)

Mr. H N Sinor (ceased to be director with effect from October 25, 2018)

Dr. Anil Khandelwal (ceased to be director with effect from October 27, 2018)

(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**

Particulars	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Company	
			As at 31 March 2020	As at 31 March 2019
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%
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%

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Particulars	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Company As at 31 March 2020	As at 31 March 2019
JMFARC Corp Textile 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC Corp Apparel 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC Corp Biotech 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC Central India 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC Stancy Textile 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 Petro BOB March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC Petro UCO March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC Petro CBOI March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC ICICI Bank July 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC Axis Bank Cement March 2015 Trust	Asset reconstruction	India	100%	100%
JMFARC ICICI Bank Cement June 2015 Trust	Asset reconstruction	India	100%	100%
JMFARC United Bank Cement Sept 2015 Trust	Asset reconstruction	India	100%	100%
JMFARC ICICI Geometric Trust	Asset reconstruction	India	15%	15%
JMFARC Axis Bank February 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC OBC Cement March 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC 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 Retreat II 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 ICICI Bank September 2016 Trust *	Asset reconstruction	India	15%	15%
JMFARC Retail June 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC Retail Aug 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC 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 Metallics February 2018 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 Green December 2012 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%

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Particulars	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the Company As at 31 March 2020	As at 31 March 2019
JMFARC Fabrics March 2019 I	Asset reconstruction	India	100%	100%
JMFARC Fabrics Sept 2018 I Trust	Asset reconstruction	India	100%	100%
JMFARC Fabrics Sept 2018 II Trust	Asset reconstruction	India	100%	100%
JMFARC Fabrics Sept 2018 IV Trust	Asset reconstruction	India	100%	100%
JMFARC PNB IRIS II September 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC Fabrics June 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC Fabrics June 2019 II Trust	Asset reconstruction	India	100%	–
JMFARC Fabrics June 2019 III Trust	Asset reconstruction	India	100%	–
JMFARC Fabrics December 2019 I Trust	Asset reconstruction	India	100%	–
JMFARC March 2018 Trust	Asset reconstruction	India	100%	–

*Subsidiary till February 29, 2020.

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, 2020	For the year ended March 31, 2019
JM Financial Limited (JMFL)	(A)		
Inter Corporate Deposit taken		40.00	–
Inter Corporate Deposit paid		40.00	–
Interest on Inter Corporate Deposits		0.08	–
Rating Support Fees		2.98	2.99
Support Service Charges		1.98	1.98
Reimbursement of Expenses		0.15	0.12
ESOP Charges		0.33	0.74
Issue of Compulsory Convertible Debenture		183.37	–
Interest on Compulsory Convertible Debenture		12.24	–
JM Financial Properties and Holdings Limited (JMFPHL)	(B)		
Space and other related cost		2.55	2.42
Security deposit paid		–	2.75
Reimbursement of CAMs and Property Tax expenses		–	0.25
Interest expenses		0.07	-
Inter Corporate Deposit given		35.00	-
Inter Corporate Deposit repaid		35.00	-
Reimbursement of expenses		0.53	0.19
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		–	25.00
Inter Corporate Deposit paid		–	25.00
Management Fees received		1.26	1.26

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₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Inter Corporate Deposits paid		–	0.03
Repayment of NCD		35.00	–
Interest paid on NCD		6.29	–
JM Financial Services Limited (JMFSL)	(B)		
Market linked Non-Convertible Debentures issued		123.30	–
Rent and fees paid		#	0.01
Arranger fees paid		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		–	25.00
Inter Corporate Deposit paid		–	25.00
Interest on Inter Corporate Deposits paid		–	0.02
Market linked Non-Convertible Debentures issued		65.00	74.27
JM Financial Credit Solutions Ltd (JMFCSL)	(B)		
Inter Corporate Deposit taken		–	100.00
Inter Corporate Deposit paid		–	100.00
Interest on Inter Corporate Deposits paid		–	0.11
JM Financial Asset Management Limited (JMFAMC)	(B)		
Gratuity Liability transferred in Respect of Employee Transfer		–	0.08
Sale of Fixed Assets		–	#
# Denotes amount less than ₹50,000/-			
Subsidiary trusts - managed by the Company as trustee	(E)		
Management fees and incentives:			
JMFARC - ICICI Bank September 2016 – Trust		11.76	14.64
Other		0.05	2.40
Net gain on derecognition of security receipts			
JMFARC -Axis Bank February 2016-Trust		12.44	1.54
JMFARC Fabrics Sept 2018 IV Trust		5.77	–
JMFARC Green Dec 2012 Trust		–	55.68
JMFARC-Corp Biotech 2013-Trust		–	9.43
Others		0.72	2.82
Interest Income			
JMFARC Fabrics August 2018 I- Trust		51.14	33.24
JMFARC – Retreat II March 2017 – Trust		22.21	6.36
Others		0.37	3.59

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₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
Investment in security receipts			
JMFARC – March 2018 – Trust		120.00	–
JMFARC - Fabrics June 2019 II – Trust		70.75	–
JMFARC – Fabrics August 2018 I – Trust		–	802.00
JMFARC - Fabrics June 2018 - Trust		–	83.00
Others		23.22	210.46
Redemption/sale of security receipts			
JMFARC – Retreat II March 2017 – Trust		36.50	–
JMFARC - Fabrics September 2018 IV – Trust		30.00	–
JMFARC - Federal Bank June 2017 – Trust		19.90	47.92
JMFARC- Metallics February 2018- Trust		–	112.07
JMFARC- Green December 2012 Trust		–	37.39
Others		35.73	56.95
Loans and advances given/ (repaid) (net)			
JMFARC Fabrics August 2018 I- Trust		2.64	–
JMFARC-Central India 2013-Trust		0.72	0.15
JMFARC-Corp I 2013-Trust		0.70	0.56
JMFARC March 2018 Trust		0.38	–
JMFARC Fabrics September I 2018 Trust		0.32	0.09
JMFARC-Gelatine March 2014-Trust		–	0.70
JMFARC SBI Geometric 2016 Trust		–	0.44
Others		(1.60)	1.15
Key Managerial Personnel	(C)		
Remuneration (refer note d below)		3.15	4.03
Contribution to provident fund		0.08	0.07

c) Closing balances:

₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Compulsory Convertible Debenture			
JM Financial Limited (JMFL)	(A)	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)	12.13	–
JM Financial Capital Ltd	(B)	0.30	0.30
Trade Payable			
JM Financial Limited (JMFL)	(A)	0.68	–
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	#	-

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₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2020	For the year ended March 31, 2019
JM Financial Home Loans Limited (JMFHL)	(B)	0.06	-
JM Financial Products Limited (JMFPL) -Fees received in advance	(B)	-	-
Trade receivables	(E)		
Subsidiaries trust			
JMFARC Fabrics August 2018 II- Trust		2.42	–
JMFARC Fabrics June 2019 I Trust		2.18	–
JMFARC Fabrics August 2018 I- Trust		-	5.77
JMFARC-Gelatine March 2014-Trust		-	5.03
Others		1.87	0.44
Key Managerial Personnel	(C)	**2.59**	**5.23**

# 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.

43 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, 2020	As at March 31, 2019
Borrowings (Debt securities and borrowing other than debt securities)	2,566.47	2,519.10
Less: Cash and cash equivalents	(253.20)	(154.59)
Net debt	**2,313.27**	**2,364.51**
Total equity (excluding non-controlling interest)	1,448.04	1,246.29
Net Debt to Equity Ratio	1.60	1.90

44 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 Company has classified its financial instruments into the three levels prescribed under the accounting standard.

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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

	Carrying amount				Fair value			
As at March 31, 2020	FVTPL	FVTOCI	Amortized 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**	**–**	**–**	**–**	**–**

₹ in Crore

	Carrying amount				Fair value			
As at March 31, 2019	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	–	–	154.59	154.59	–	–	–	–
Other bank balances	–	–	1.49	1.49	–	–	–	–
Trade receivables (net)	–	–	144.95	144.95	–	–	–	–
Loans (net)	–	–	485.71	485.71	–	–	–	–
Investments	3,184.06	–	–	3,184.06	27.19	0.50	3,156.37	3,184.06
Other Financial assets (net)	–	–	29.68	29.68	–	–	–	–
Total	**3,184.06**	**–**	**816.42**	**4,000.48**	**27.19**	**0.50**	**3,156.37**	**3,184.06**
Financial liabilities								
Trade payables	–	–	1.93	1.93	–	–	–	–
Debt securities	–	–	2,099.14	2,099.14	–	–	–	–
Borrowing (other debt securities)	–	–	419.96	419.96	–	–	–	–
Other financial liabilities	–	–	185.43	185.43	–	–	–	–
Total	**–**	**–**	**2,706.46**	**2,706.46**	**–**	**–**	**–**	**–**

Notes:

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

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₹ in Crore

As at	Carrying value	Fair value
As at March 31, 2020	1,704.71	1,681.42
As at March 31, 2019	1,349.00	1,335.65

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, 2020 and March 31, 2019.

₹ in Crore

Particulars	Investment in Security Receipts
As at March 31, 2018	**2,106.48**
Acquisitions made	1,465.39
(Realisations) made	(624.70)
Investment w/off	(6.20)
Net gain on fair value changes	215.39
As at March 31, 2019	**3,156.36**
Acquisitions made	234.13
(Realisation) made	(369.79)
Net gain on fair value changes	7.50
As at March 31, 2020	**3,028.19**

e) Sensitivity for instruments

₹ in Crore

Nature of the instrument	Fair Value As at March 31, 2020	Fair Value As at March 31, 2019	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2020		Sensitivity Impact for the year ended March 31, 2019	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Investment in Security receipts	3,028.19	3,156.37	Estimated cash flow based on realisation of collaterals value, etc.	5%	150.30	(150.30)	178.07	(178.07)

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

45 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 grading's.

Company has classified its receivables in to following categories:

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

b) Other receivables under distress credit business.

Provision for expected credit loss:

1 For loans:

Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company's current credit risk rating and grading framework comprises the following categories:

- For stage-1 performing assets- 12 months Expected Credit Loss (ECL);
- For stage-2- non-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.

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(i) **Movement of gross carrying amount in loans given:**
As at March 31, 2020

₹ 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**

As at March 31, 2019

₹ in Crore

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**263.25**	**–**	**9.95**	**273.20**
New assets originated or purchased	225.86	–	4.19	230.05
Assets derecognised or repaid (excluding write offs)	–	–	–	–
Gross carrying amount	**489.11**	**–**	**14.14**	**503.25**

(ii) **Movement of provision for impairment (ECL):**
As at March 31, 2020

₹ 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**

As at March 31, 2019

₹ in Crore

Particulars	As at March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**1.75**	**–**	**9.95**	**11.70**
New assets originated or purchased	1.65	–	4.19	5.84
ECL allowance - closing balance	**3.40**	**–**	**14.14**	**17.54**

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.

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

Movement of provision for impairment:
As at March 31, 2020

₹ 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**

As at March 31, 2019

₹ in Crore

Particulars	As at March 31, 2019		
	Trade receivables	Recoverable from Trusts	Total
ECL allowance - opening balance	**2.52**	**7.67**	**10.19**
Addition	2.74	13.66	16.40
Utilization/ written back	–	–9.57	–9.57
Closing balance	**5.26**	**11.76**	**17.02**

The ageing of trade receivables:

₹ in Crore

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Past due 1–180 days	37.28	55.15
More than 180 days	129.42	85.49
Total	**166.70**	**140.64**

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 ₹ 238.24 crore and ₹ 308.99 crore as of March 31, 2020 and March 31, 2019 respectively, from its bankers for working capital requirements.

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.

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₹ 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	**2,621.44**	**2,621.44**	**822.52**	**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	**4,031.16**	**4,031.16**	**1,228.67**	**1,349.71**	**1,314.10**	**138.68**

₹ in Crore

As at March 31, 2019	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	2,519.10	2,519.10	1,029.49	1,290.77	198.84	–
Trade payables	1.93	1.93	1.93	–	–	–
Other financial liabilities	185.43	185.43	76.47	108.96	–	–
Total	**2,706.46**	**2,706.46**	**1,107.89**	**1,399.73**	**198.84**	**–**
Financial Assets						
Cash and cash equivalents	154.59	154.59	154.59	–	–	–
Other Bank balances	1.49	1.49	0.73	0.76	–	–
Trade receivables (net)	144.95	144.95	144.95	–	–	–
Loans (net)	485.71	485.71	255.96	229.75	–	–
Investment	3,184.06	3,184.06	1,694.85	724.00	620.65	144.56
Other Financial Assets (net)	29.68	29.68	28.46	–	–	1.22
Total	**4,000.48**	**4,000.48**	**2,279.54**	**954.51**	**620.65**	**145.78**

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) 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.

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2 Interest rate risk

The Company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk and provide appropriate guidelines to the Treasury to manage such risk. The ALCO reviews the interest rate risk on periodic basis and decides on the appropriate funding mix.

Exposure to interest rate risk

The exposure of the Company's borrowings to the interest rates risk at the end of the reporting period is:

₹ in Crore

Borrowings:	As at March 31, 2020	As at March 31, 2019
Fixed-rate instruments	1,710.34	2,014.39
Floating-rate instruments	645.16	402.77
Total	**2,355.50**	**2,417.16**

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, 2020 would decrease/ increase by ₹ 6.45 crore (Previous year: decrease/ increase by ₹ 4.03 crore).

46. Maturity Analysis of Assets and Liabilities

₹ in Crore

	Assets	As at March 31, 2020			As at March 31, 2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(1)	**Financial Assets**						-
(a)	Cash and cash equivalents	253.20	–	253.20	154.59	–	154.59
(b)	Other bank balances	–	0.76	0.76	0.73	0.76	1.49
(c)	Trade Receivables	63.28	90.84	154.12	135.38	–	135.38
(d)	Loans	235.94	289.99	525.93	255.96	229.75	485.71
(e)	Investments	639.94	2,397.08	3,037.02	1,694.86	1,489.20	3,184.06
(f)	Other Financial assets	60.13	–	60.13	28.95	10.30	39.25
	Total Financial Assets	**1,252.49**	**2,778.67**	**4,031.16**	**2,270.47**	**1,730.01**	**4,000.48**
(2)	**Non-financial Assets**						
(a)	Current tax Assets (Net)	–	26.79	26.79	–	5.26	5.26
(b)	Deferred tax Assets (Net)	–	2.06	2.06	–	–	–
(c)	Property, Plant and Equipment	–	23.20	23.20	–	1.55	1.55
(d)	Other Intangible assets	–	0.07	0.07	–	0.14	0.14
(e)	Other non-financial assets	1.82	–	1.82	1.85	1.63	3.48
	Total Non -financial Assets	**1.82**	**52.12**	**53.94**	**1.85**	**8.58**	**10.43**
	Total Assets (A)	**1,254.31**	**2,830.79**	**4,085.10**	**2,272.32**	**1,738.59**	**4,010.91**

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₹ in Crore

	Assets	As at March 31, 2020			As at March 31, 2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	LIABILITIES AND EQUITY						
	LIABILITIES						
(1)	**Financial Liabilities**						
(a)	Trade Payables	2.70	–	2.70	1.93	–	1.93
(b)	Debt Securities	511.02	1,547.23	2,058.25	809.74	1,289.40	2,099.14
(c)	Borrowings (Other than Debt Securities)	280.48	227.74	508.22	219.75	200.21	419.96
(d)	Other financial liabilities	28.32	23.95	52.27	176.02	9.41	185.43
	Total Financial Liabilities	**822.52**	**1,798.92**	**2,621.44**	**1,207.44**	**1,499.02**	**2,706.46**
(2)	**Non-Financial Liabilities**						
(a)	Current tax liabilities (net)	–	6.25	6.25	–	22.56	22.56
(b)	Provisions	0.72	1.28	2.00	0.82	1.16	1.98
(c)	Deferred tax liabilities (Net)	–	–	–	27.44	–	27.44
(d)	Other non-financial liabilities	7.37	–	7.37	5.10	1.08	6.18
	Total Non-Financial Liabilities	**8.09**	**7.53**	**15.62**	**33.36**	**24.80**	**58.16**
	Total Liabilities (B)	**830.61**	**1,806.45**	**2,637.06**	**1,240.80**	**1,523.82**	**2,764.62**
	Net (A-B)	**423.70**	**1,024.34**	**1,448.04**	**1,031.52**	**214.77**	**1,246.29**

47. Employee Stock Option Scheme

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, 2020	As at March 31, 2019
Outstanding at the beginning of the year	129,035	81,598
Granted during the year	–	88,236
Transfer in during the year	–	–

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Particulars	Number of outstanding options	
	As at March 31, 2020	As at March 31, 2019
Transfer out during the year	–	–
Lapsed/forfeited during the year	–	–
Exercised during the year	(70,211)	(40,799)
Outstanding at the end of the year	58,824	129,035
Exercisable at the end of the year	–	–

The charge on account of the above scheme is included in employee benefit expense aggregating ₹0.33 crore (Previous year: ₹ 0.74 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.

48 Schedule of security receipts

₹ in Crore

Name of Trust	As at March 31, 2020		As at March 31, 2019	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC - BOI 2009 I - Trust	36,000	–	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	–	100,000	–
JMFARC – SASF Tube – Trust	62,000	–	62,000	–
JMFARC-UCO Bank March 2011-Trust	16,500	–	16,500	0.41
JMFARC- Textile 2013- Trust	91,000	0.01	91,000	–
JMFARC- Corp Textile 2013- Trust	150,000	13.50	150,000	13.50
JMFARC-Corp Apparel 2013-Trust	120,000	0.01	120,000	–
JMFARC-Corp Biotech 2013-Trust	–	–	114,000	0.00
JMFARC- Central India 2013- Trust	289,360	28.07	289,360	28.94
JMFARC- Dena Bank March 2014 Trust	67,000	5.03	67,000	6.70
JMFARC- Gelatine March 2014 Trust	628,672	48.26	628,672	48.26
JMFARC- Petro BOB 2014 Trust	–	–	135,500	0.08
JMFARC- Petro UCO 2014 Trust	–	–	140,000	0.08
JMFARC- Petro CBOI 2014 Trust	–	–	51,500	0.03
JMFARC- ICICI Bank July 2014 Trust	20,000	0.00	20,000	0.00
JMFARC- Axis Bank Cement March 2015-Trust	230,000	28.75	230,000	23.00
JMFARC- ICICI Bank Cement June 2015-Trust	170,500	22.34	170,500	17.05
JMFARC-United Bank Cement September 2015-Trust	180,000	27.00	180,000	27.00
JMFARC -ICICI Geometric-Trust	61,500	–	61,500	–

Notes

to the Standalone Financial Statements

₹ in Crore

Name of Trust	As at March 31, 2020		As at March 31, 2019	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC -Axis Bank February 2016-Trust	87,500	–	87,500	0.01
JMFARC -OBC Cement March 2016-Trust	49,700	3.13	49,700	6.21
JMFARC - Indian Bank I March 2016- Trust	16,010	0.00	16,010	0.00
JMFARC – Axis Iris II March 2016 Trust	60,000	6.00	60,000	9.00
JMFARC SBI Geometric October 2016 Trust	453,000	22.28	453,000	27.10
JMFARC - IRIS Cash 2016 - Trust	426,200	89.66	426,200	57.43
JMFARC - Tata Capital December 2016 - Trust	130,000	9.87	130,000	9.87
JMFARC – IDBI March 2017- Trust	30,000	2.45	30,000	2.81
JMFARC – Retreat II March 2017 – Trust	–	–	394,000	54.76
JMFARC - IRIS IIFL May 2017 - Trust	27,500	4.65	27,500	3.76
JMFARC - IRIS Cash July 2017 - Trust	264,000	24.81	264,000	35.13
JMFARC - Woods October 2017 Trust	187,500	14.72	187,500	17.40
JMFARC IRIS Cash March 2018 Trust	78,500	13.13	78,500	11.54
JMFARC - Fabrics June 2018 - Trust	830,000	81.82	830,000	76.24
JMFARC- Metallics July 2018- Trust	166,500	19.13	166,500	20.80
JMFARC – Fabrics August 2018 I – Trust	8,020,000	872.12	8,020,000	826.06
JMFARC - Fabrics September 2018 I - Trust	753,500	83.28	753,500	77.61
JMFARC - Fabrics September 2018 II - Trust	535,300	59.15	535,300	55.12
JMFARC - Fabrics September 2018 IV - Trust	–	–	300,000	30.90
JMFARC - PNB IRIS II September 2018– Trust	11,510	1.15	11,510	1.15
JMFARC - Fabrics March 2019 I - Trust	337,800	37.34	337,800	33.78
JMFARC – BOB 2008 – Trust	111,600	–	111,600	–
JMFARC-SME Retail 2011-Trust	13,365	0.00	13,365	0.00
JMFARC-IOB II March 2011-Trust	104,200	–	104,200	–
JMFARC-IOB II March 2011-Trust	5,800	–	5,800	–
JMFARC- Federal Bank March 2013- Trust	1,000,000	39.02	1,000,000	35.50
JMFARC- Corp I 2013- Trust	93,000	6.07	93,000	6.07
JMFARC- Corp II 2013- Trust	58,800	0.01	58,800	0.01
JMFARC - ICICI Bank September 2016 – Trust	855,495	57.57	855,495	84.73
JMFARC - Allahabad Bank June 2017 Trust	36,000	0.46	36,000	4.07
JMFARC - Allahabad Bank Textile June 2017 Trust	69,000	9.04	69,000	9.04
JMFARC - Federal Bank June 2017 – Trust	1,572,000	76.69	1,572,000	94.59
JMFARC-Retail June 2011-Trust	469,884	0.05	469,884	–
JMFARC-Retail Aug 2011-Trust	7,039	0.00	7,039	0.00
JMFARC-Fabrics June 2019 II Trust	707,500	78.20	–	–
JMFARC-Fabrics June 2019 III Trust	183,100	20.24	–	–
JMFARC-Fabrics December 2019 I Trust	49,100	5.43	–	–
JMFARC- March 2019 Trust	1,200,000	120.00	–	–
JMFARC - BOI 2009 - Trust	48,600	–	48,600	–

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₹ in Crore

Name of Trust	As at March 31, 2020		As at March 31, 2019	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC-Swarna 2011-Trust	72,199	0.98	72,199	3.61
JMFARC- Swarna II 2012- Trust	66,200	2.37	66,200	6.24
JMFARC- Swarna II 2012- Trust	12,500	0.88	12,500	0.94
JMFARC- Fed Textile 2013 Trust	8,820	0.33	8,820	0.44
JMFARC-BOI Textile 2013-Trust	41,000	0.70	41,000	1.03
JMFARC- OBC March 2014 Trust	34,500	1.73	34,500	2.07
JMFARC- Fed Gelatine March 2014 Trust	17,500	0.44	17,500	0.44
JMFARC- OBC March 2014 II Trust	4,760	0.29	4,760	0.32
JMFARC- UBOI March 2014 Trust	66,750	3.30	66,750	4.34
JMFARC- SBI Ceramics June 2014 Trust	156,000	5.53	156,000	6.14
JMFARC- Indian Bank June 2014 Trust	32,200	1.57	32,200	2.25
JMFARC- Vijaya Bank June 2014 Trust	25,360	1.37	25,360	1.78
JMFARC- Hotels June 2014 Trust	329,099	–	329,099	0.29
JMFARC- Hotels June 2014 Trust	2,071,631	–	2,071,631	145.01
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	3.82	93,150	4.19
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	4.95
JMFARC- Vijaya Bank Ceramics March 2015-Trust	27,000	1.97	27,000	2.16
JMFARC - SBH Cement June 2015 - Trust	66,000	4.95	66,000	4.95
JMFARC-United Bank Textile September 2015-Trust	27,075	1.41	27,075	2.71
JMFARC-PNB Ceramics November 2015-Trust	401,640	29.85	401,640	30.12
JMFARC-Corp Bank Ceramics September 2015-Trust	46,065	4.61	46,065	4.61
JMFARC -SBOP Geometric-Trust	61,560	–	61,560	0.21
JMFARC -Dena Ceramics January 2016-Trust	15,750	1.42	15,750	1.58
JMFARC - UBOI Steel March 2016 – Trust	63,000	3.34	63,000	3.97
JMFARC -OBC March 2016-Trust	72,000	7.58	72,000	7.58
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	5.15	57,180	5.43
JMFARC - EXIM Ceramics March 2016 – Trust	17,101	1.66	17,101	1.71
JMFARC - UCO Geometric March 2016 – Trust	88,965	–	88,965	0.12
JMFARC - KVB Iris II March 2016 – Trust	37,500	5.63	37,500	5.63
JMFARC - Indian Bank March 2016- Trust	97,515	0.65	97,515	1.57
JMFARC - IOB March 2016- Trust	50,250	3.22	50,250	5.03
JMFARC-Iris March 2016-Trust	1,000,165	113.98	1,000,165	147.38

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₹ in Crore

Name of Trust	As at March 31, 2020		As at March 31, 2019	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC-Exim Iris March 2016-Trust	60,000	8.28	60,000	9.00
JMFARC – Axis Iris March 2016 Trust	150,000	22.50	150,000	22.50
JMFARC - KB Metals September 2016 - Trust	22,500	1.28	22,500	2.25
JMFARC - Andhra Resin September 2016 - Trust	37,605	0.00	37,605	0.00
JMFARC - Dena SEZ September 2016 - Trust	7,335	0.73	7,335	0.73
JMFARC - IDBI Geometric Dec 2016 - Trust	41,250	0.21	41,250	0.33
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	3.64	66,900	9.75
JMFARC - SBP March 2017 - Trust	31,665	2.06	31,665	2.60
JMFARC - IRIS UCO March 2017 - Trust	38,310	5.29	38,310	5.71
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	2.25
JMFARC- Syndicate Ceramics September 2017 Trust	125,250	8.77	125,250	9.39
JMFARC - Allahabad Bank December 2017 Trust	76,275	7.02	76,275	7.63
JMFARC - Motors December 2017 Trust	94,500	5.39	94,500	6.33
JMFARC- IOB Metallics February 2018- Trust	360,000	21.96	360,000	39.60
JMFARC - Township February 2018 Trust	480,000	48.00	480,000	48.00
JMFARC- Metallics February 2018- Trust	198,375	21.02	198,375	24.56
JMFARC IRIS Canara March 2018 Trust	18,225	2.48	18,225	2.73
JMFARC IDBI March 2018 Trust	60,000	5.93	60,000	5.93
JMFARC - Alphahealth 2018 - Trust	1,191,000	270.11	1,191,000	297.88
JMFARC – Fabrics August 2018 II – Trust	380,000	42.00	380,000	39.14
JMFARC - Fabrics September 2018 III - Trust	40,200	4.44	40,200	4.14
JMFARC- Metallics November 2018- Trust	103,725	12.45	103,725	12.97
JMFARC - Metallics December 2018 – Trust	108,000	12.64	108,000	13.50
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	4.77	33,000	4.77
JMFARC – KTK Metallics December 2018 – Trust	55,500	6.60	55,500	6.94
JMFARC – Infra March 2019 – Trust	60,000	4.50	60,000	6.00
JMFARC-IOB March 2011-Trust	280,000	–	280,000	–
JMFARC-IOB March 2011-Trust	96,500	–	96,500	–

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₹ in Crore

Name of Trust	As at March 31, 2020		As at March 31, 2019	
	No. of SRs	Amount	No. of SRs	Amount
JMFARC- UCO Bank March 2014 Trust	462,500	19.06	462,500	21.25
JMFARC- SBI March 2014 I Trust	173,750	5.67	173,750	8.81
JMFARC- SBI March 2014 II Trust	45,250	1.64	45,250	1.79
JMFARC- Cosmos March 2014 Trust	154,500	6.15	154,500	7.05
JMFARC- Indian Bank March 2014 Trust	44,500	1.78	44,500	1.78
JMFARC- BOI March 2014 II Trust	215,750	8.03	215,750	13.43
JMFARC- OBC June 2014 Trust	8,915	0.67	8,915	0.67
JMFARC- UBOI June 2014 Trust	59,915	1.48	59,915	1.50
JMFARC-Karnataka Bank December 2014-Trust	172,500	7.25	172,500	10.83
JMFARC-CSB September 2015-Trust	63,000	4.85	63,000	6.22
JMFARC-PNB December 2015- Trust	24,765	1.24	24,765	1.44
JMFARC-SBH December 2015-Trust	73,380	9.54	73,380	7.34
JMFARC - KVB March 2016-Trust	355,095	20.02	355,095	32.01
JMFARC - Federal Bank March 2016 – Trust	73,350	3.77	73,350	6.43
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	14.99
JMFARC - SBT March 2017 – Trust	55,875	4.02	55,875	4.19
JMFARC - LTF June 2017 – Trust	600,000	21.32	600,000	44.79
JMFARC-Central Bank Retail 2011-Trust	88,872	–	88,872	0.65
JMFARC-Fabrics June 2019 I Trust	1,342,500	9.35	–	–
Total		**3,028.19**		**3,156.37**

49 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	4.85%
Sponsor Total		**827.91**	**4.85%**
Non- Sponsors			
State Bank of India	State Bank Bhavan, Corporate Centre, Madame Came Marg, Mumbai, Maharashtra – 400 021	2,701.48	15.83%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	1,311.40	7.68%
UCO Bank	Biplabi Trailokya Maharaj Sarani, Kolkata – 700001	1,066.49	6.25%
Syndicate Bank	Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai - 400005	1,007.98	5.91%

Notes
to the Standalone Financial Statements

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ (in Crore)	% to total
ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051	884.65	5.18%
HDFC Limited	Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020	863.89	5.06%
Union Bank of India	Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai -400021	857.34	5.02%
Axis Bank	Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400005	609.02	3.57%
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	535.85	3.14%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai – 400005	464.21	2.72%
Federal bank	Federal Towers, Aluva, Ernakulum, Kerala – 683101	402.00	2.36%
Central Bank of India	Chandermukhi, Nariman Point, Mumbai 400021	385.18	2.26%
Indian Overseas Bank	763, Anna Salai, Chennai	353.99	2.07%
Cosmos Co-operative Bank Ltd	Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030	309.00	1.81%
L&T Infrastructure Finance Company Limited	3rd Floor, Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400 098	308.43	1.81%
Karur Vysya Bank	Erode Road, Karur – 639002	296.41	1.74%
Vijaya bank@	41/2 M. G. Road, Bangalore – 560001	257.98	1.51%
Diwan Housing Finance	3rd Floor, DHFL House, 19 Sahar Raod, Vile Parle (East), Mumbai - 400 099	240.00	1.41%
State Bank of Mysore#	P.B. No. 9727, Kempe Gowda Road, Bangalore - 560009	239.60	1.40%
Bank of Baroda@	Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400023	232.76	1.36%
Indian Bank	254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014	225.26	1.32%
Karnataka Bank	Mahavira Circle, Kankanadi, Mangalore - 575002	220.39	1.29%
State Bank of Travancore#	34, Poojapura, Thiruvananthapuram – 695012	199.00	1.17%
State Bank of Hyderabad#	Head Office- Gunfoundry, Hyderabad - 500001	192.97	1.13%
Oriental Bank of Commerce	Harsh Bhavan, E- Block, Connaught Place, New Delhi - 110001	185.88	1.09%
State Bank of Patiala#	The Mall, Patiala – 147105	169.60	0.99%
IDBI Bank	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	153.35	0.90%
Dena Bank	C -10, G Block, Bandra Kurla Complex, Mumbai - 400051	120.93	0.71%
Allahabad Bank	2, Netaji Subhash Road, Kolkata - 700001	113.56	0.67%
Canara Bank	112 J. C. Road, Bangalore	110.08	0.64%
L&T Finance Limited	City 2, Plot No. 177, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai 400 098	91.57	0.54%
Standard Chartered Bank	23, Narain Manzil, Barakhamba Road, New Delhi- 110001	89.84	0.53%
Corporation Bank	Mangladevi Temple Road, Mangalore - 575 001	87.61	0.51%
United Bank of India	11, Hemanta Basu Sarani, Kolkata	87.14	0.51%
Sicom Ltd	Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai – 400093	84.65	0.50%
State Bank of Bikaner & Jaipur#	Tilaknagar, Jaipur – 302005	83.35	0.49%
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	0.42%
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	0.32%
Lakshmi Vilas Bank	LVB House,4/1,Sardar Patel Road, guindy,Chennai - 600032. Tamil Nadu	51.32	0.30%
HSBC	52/60, M. G. Road, Fort, Mumbai - 400001	49.03	0.29%
Bank of Maharashtra	"Lokmangal" 1501, Shivajinagar, Pune 411005	32.94	0.19%

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Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ (in Crore)	% to total
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%
RBL Bank Ltd	One India Bulls Center, Tower 2 , 6th Floor,841, Senapati Bapat Marg,Lower Parel (W),Mumbai 400013	25.00	0.15%
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	0.13%
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	0.04%
IFCI Ltd	Earnest House, 9th Floor,, NCPA Marg, Nariman Point, Mumbai 400021	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 – 400018	0.42	0.00%
Industrial & Commercial Bank of China	2, G Block Rd, G Block BKC, Bandra Kurla Complex, Bandra East, Mumbai 400051	0.41	0.00%

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Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ (in Crore)	% to total
Omkara Asset Reconstruction Pvt Ltd.	C/515, Kanakia Zillion, Junction of L.B.S Road & CST Road B.K.C Annexe Near Equinox, Kurla West, Mumbai 400070	0.17	0.00%
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		**16,241.38**	**95.15%**
Grand Total		**17,069.29**	**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.

b) Dispersion of various assets industry wise.

₹ in Crore

Industry	Acquisition Price ₹ (in crore)	% to total
Hospitality	4,569.25	26.77%
Textiles	2,709.68	15.87%
Real Estate	1,997.05	11.70%
Pharmaceuticals	1,425.19	8.35%
Iron & Steel	1,122.19	6.57%
Ceramics	886.56	5.19%
Healthcare	626.43	3.67%
Infrastructure	338.17	1.98%
Chemicals	297.43	1.74%
Plywood/ laminates	276.51	1.62%
Airlines	238.75	1.40%
Retail	237.20	1.39%
Power	217.40	1.27%
Shipping	195.00	1.14%
Cement	171.52	1.00%
Media	139.71	0.82%
Trading	130.83	0.77%
Information Technology	126.66	0.74%
Metals	125.54	0.74%
Leather	107.15	0.63%
Coal	101.80	0.60%
Plastics	92.79	0.54%
Packaging	92.79	0.54%
Food Products	87.82	0.51%
Others	755.87	4.43%

Notes

to the Standalone Financial Statements

₹ in Crore

Industry	Acquisition Price ₹ (in crore)	% to total
Total	**17,069.29**	**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, 2020 including financial assets resolved till date.

e) Restructuring Loan disbursed to two borrower amounting to ₹ 23.95 crore, has been classified as non- performing asset in earlier financial year. Provision of ₹ 15.45 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.

₹ in Crore

Particulars	(Face value)
Value of financial assets acquired during the financial year either in its own books or in the books of the trust	428.24
Value of financial assets realized during the financial year	3,306.79
Value of financial assets outstanding for realization as at the end of the financial year	10,138.42
Value of Security Receipts redeemed partly during the financial year	2,880.88
Value of Security Receipts redeemed fully during the financial year (including write offs)	102.10
Value of Security Receipts pending for redemption as at the end of the financial year	11,489.08
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)	436.11
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	–

Notes forming part of the Standalone Financial Statements

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	Stage 1	526.15	8.55	517.60	–	8.55
	Stage 2					
Subtotal		**526.15**	**8.55**	**517.60**	**–**	**8.55**
Non-Performing Assets (NPA)						
Substandard	Stage 3					
Doubtful						
Up to 1 year	Stage 3					
1 to 3 years	Stage 3	17.00	8.50	8.50	8.50	–
More than 3 years	Stage 3	6.95	6.95	–	6.95	–

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to the Standalone Financial Statements

₹ 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)
Subtotal for doubtful		**23.95**	**15.45**	**8.50**	**15.45**	**–**
Loss	Stage 3	–	–	–	–	
Subtotal for NPA		**23.95**	**15.45**	**8.50**	**15.45**	**–**
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	526.15	8.55	517.60	–	8.55
	Stage 2	–	–	–	–	–
	Stage 3	23.95	15.45	8.50	6.95	–
	Total	**550.10**	**24.00**	**526.10**	**6.95**	**8.55**

The above disclosure is not applicable for management fee accrual as the same is considered to be governed by Income recognition provisions for the purpose of RBI guidelines and disclosures.

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

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

₹ in Crore

Name of Trust	Acquisition price	SRs outstanding	NAV % as on March 31, 2020
JMFARC - ICICI Bank September 2016 - Trust	570.33	564.85	68%
JMFARC - LTF June 2017 – Trust	400.00	284.27	50%
JMFARC- IOB Metallics February 2018- Trust	240.00	240.00	61%
JMFARC - Fabrics June 2019 I - Trust	100.70	100.70	25%
JMFARC - Motors December 2017 Trust	63.00	63.00	57%
JMFARC - UCO Geometric March 2016 – Trust	59.31	59.31	0%
JMFARC SBI Geometric October 2016 Trust	45.30	44.56	50%
JMFARC - IRIS United March 2017 – Trust	44.60	43.34	55%
JMFARC-SBOP Geometric-Trust	41.04	41.04	0%
JMFARC -ICICI Geometric-Trust	41.00	41.00	0%
JMFARC – Infra March 2019 – Trust	40.00	40.00	75%

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₹ in Crore

Name of Trust	Acquisition price	SRs outstanding	NAV % as on March 31, 2020
JMFARC - Federal March 2016- Trust	48.90	35.89	70%
JMFARC - IOB March 2016- Trust	33.50	33.50	64%
JMFARC- Karnataka Bank Cement March 2015-Trust	33.00	33.00	73%
JMFARC - IDBI Geometric Dec 2016 - Trust	27.50	27.50	5%
JMFARC-United Bank Textile September 2015-Trust	18.05	18.05	52%
JMFARC -OBC Cement March 2016-Trust	4.97	4.97	63%
	1,811.20	**1,674.98**	

50. Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules, 2014, (Rules) as amended, requires companies require to create Debenture Redemption Reserve ('DRR') for redemption of debentures. The said Rules, inter alia, provides that no DRR is required to be created by NBFCs registered with Reserve Bank of India (RBI) under Section 45-IA of the RBI Act, 1934

The Company, though an NBFC, is an Asset Reconstruction Company ('ARC') registered with RBI under Section 3 of the SARFAESI Act 2002. The Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 as amended, inter alia, specifies that provisions of Section 45-IA of RBI Act, 1934 relating to registration shall not apply to an NBFC, which is an ARC registered with the RBI under Section 3 of SARFAESI Act, 2002. Further, Master Directions – Exemptions from the provisions of the RBI Act, 1934 dated August 25, 2016, has stipulated that certain categories of NBFCs are exempt from registration requirements under the RBI Act and specifically provides an exemption to ARCs registered under Section 3 of SARFAESI Act, 2002 from provisions of Sections 45-IA, 45-IB and 45-IC of the RBI Act, 1934.

Pursuant to notification issued by the Ministry of Corporate Affairs (MCA) dated August 16, 2019, on Companies (Share Capital and Debentures) Rules, 2014, ('Rules') the Company is not required to DRR. However, as per the said Rules, the Company is required to invest or deposit, before April 30 of the financial year, a sum which shall not be less than 15% of the amount of the Debentures issued and maturing during the financial year. MCA vide general circular no. 11 /2020 dated April 24, 2020, has extended the said due date of April 30, 2020 to June 30, 2020.

51. Figures of previous year have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

52. The standalone financial statements are approved for issue by the Board of Directors at its meeting held on May 4, 2020

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 : May 4, 2020

JM FINANCIAL

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