



JM FINANCIAL
Annual Report 2017-18

JM Financial Asset Reconstruction Company Limited

Racing Towards Tomorrow

CORPORATE INFORMATION

BOARD OF DIRECTORS

NON EXECUTIVE CHAIRMAN

Mr. V P Shetty

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. Anil Bhatia

NON EXECUTIVE DIRECTORS

Mr. Narotam Sekhsaria

Mr. Pulkit Sekhsaria

Mr. Adi Patel

INDEPENDENT DIRECTORS

Mr. Hoshang N Sinor

Mr. G M Ramamurthy

Mr. Shailesh Haribhakti (*upto April 20, 2018*)

Dr. Anil Khandelwal

Ms. Rupa Vora

CHIEF OPERATING OFFICER

Mr. Vivek Grover

CHIEF FINANCIAL OFFICER

Mr. Sabyasachi Ray

COMPANY SECRETARY

Mr. Nikhil Bhandary

BANKERS

HDFC Bank Limited

IDBI Bank Limited

RBL Bank Limited

UCO Bank

Indian Overseas Bank

Karur Vysya Bank

Punjab National Bank

STATUTORY AUDITORS

Deloitte Haskins & Sells, LLP

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District, Nana-

kramguda, Hyderabad – 500 032

Phone: 040-6716 2222

Fax: 040-23420814

Toll Free no.: 1800-3454-001

Email ID: einward.ris@karvy.com

Website: www.karvycomputershare.com

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited

(Formerly known as IL&FS Trust Company 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

REGISTERED OFFICE

JM Financial Asset Reconstruction Company Limited

7th Floor, Energy, Appasaheb Marathe Marg,

Prabhadevi, Mumbai- 400025

Tel: 91-22-66303030 Fax: 91-22-66303223

Email: nikhil.bhandary@jmfl.com

Website: www.jmfinancialarc.com

CIN: U67190MH2007PLC174287

OUR OFFICES

Mumbai Office

3rd Floor, Suashish IT Park Building B,

Dattapada Road, Borivali East,

Mumbai - 400 066.

Kolkata Office

8th Floor, Kankaria Estate, 6,

Little Russell Street, Kolkata - 700 071.

Secunderabad Office

3rd Floor, 305, Jade Arcade, Opposite Paradise Hotel, M.G. Road,

Secunderabad - 500 003.

Delhi Office

5A, 5th Floor, Hansalaya Building, 15,

Barakhamba Road,

New Delhi - 110 001.

Bengaluru Office

4th Floor, Basappa Complex,

Lavelle Road, Bengaluru - 560 001.

Independent Auditors' Report

To The Members of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

Independent Auditors' Report (Contd.)

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed 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 31st March, 2018 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 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 as at 31st March, 2018 which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2018 for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

G.K Subramaniam
Partner
(Membership No. 109839)

Mumbai, 27th April, 2018

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 Act

We have audited the internal financial controls over financial reporting of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the 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. 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 issued by the ICAI.

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

G.K Subramaniam
Partner
(Membership No. 109839)

Mumbai, 27th April, 2018

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. In respect of property, plant and equipment:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (b) All the property, plant and equipment 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 deed, comprising of the immovable property of the land which is freehold, is held in the name of the Company as at the balance sheet date.
2. The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
3. The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide 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.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in this regard in the case of the Company.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Thus reporting under (vi) of the Order is not applicable to the Company.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Service Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

Considering the nature of business that the Company is engaged in, Employees' State Insurance, Sales Tax, Customs Duty, Excise Duty and Value Added Tax are not applicable to the Company.
 - (b) There were no undisputed amounts payables in respect of Provident Fund, Income Tax, Service Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date of becoming payable.
 - (c) There are no cases of non-deposits with the appropriate authorities of disputed dues of Income Tax and Service Tax as applicable.
8. 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 has not taken loans or borrowings from government and financial institutions.
9. In our opinion and according to the information and explanations given to us, money raised through issue of debt instruments and term loans has been utilised during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer.
10. 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.

11. 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.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. 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 financial statements as required by the applicable accounting standards.
14. 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 the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
16. The Company being a Securitisation and Reconstruction Company ('SCRC') under Securitisation & Reconstruction of Financial Assets & Enforcement of Securities Interest Act, 2002, it is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

G.K Subramaniam
Partner
(Membership No. 109839)

Mumbai, 27th April, 2018

Balance Sheet

as on March 31, 2018

(₹ in Crore)			
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I. Equity and liabilities			
1. Shareholders' funds			
a. Share capital	2.01	344.64	241.25
b. Reserves and surplus	2.02	622.22	338.52
		966.86	579.77
2. Non-current liabilities			
a. Long-term borrowings	2.03	830.99	340.12
b. Other liabilities	2.04	6.18	2.95
c. Long-term provisions	2.05	0.98	0.69
		838.15	343.76
3. Current liabilities			
a. Short-term borrowings	2.06	401.91	614.98
b. Trade payables			
Total outstanding dues to micro enterprises and small enterprises	2.07	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		0.70	0.82
c. Other current liabilities	2.08	213.86	270.24
d. Short-term provisions	2.09	7.32	0.70
		623.79	886.74
Total		2,428.80	1,810.27
II. ASSETS			
1. Non-current assets			
a. Property, plant and equipments	2.10		
(i) Tangible assets		1.52	2.17
(ii) Intangible assets		0.18	0.29
b. Non-current investments	2.11	97.50	-
c. Deferred tax assets (net)	2.12	16.80	13.35
d. Long-term loans and advances	2.13	206.50	4.21
		322.50	20.02
2. Current assets			
a. Current investments	2.14	1,981.31	1,635.40
b. Trade receivables	2.15	44.31	63.75
c. Cash and bank balances	2.16	14.27	17.88
d. Short-term loans and advances	2.17	66.41	73.22
		2,106.30	1,790.25
Total		2,428.80	1,810.27
Notes to the financial statements	1 to 2.33		

In terms of our report attached
Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

G.K. Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: April 27, 2018

For and on behalf of the Board of Directors

VP Shetty
Chairman
(DIN-00021773)

Rupa Vora
Chairperson-
Audit Committee
(DIN - 01831916)

Anil Bhatia
Managing Director &
Chief Executive Officer
(DIN-01310959)

Nikhil Bhandary
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Crore)			
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Revenue from operations	2.18	386.92	223.74
II. Other income	2.19	0.67	0.12
III. Total Revenue (I + II)		387.59	223.86
IV. Expenses			
Employee benefits expense	2.20	30.09	22.37
Finance costs	2.21	119.11	91.87
Provision/write off for receivables, loans and investments	2.22	55.63	13.23
Depreciation / amortization expense	2.10	1.12	1.20
Other expenses	2.23	14.71	11.40
Total Expenses		220.66	140.07
V. Profit before tax (III - IV)		166.93	83.79
Tax expense			
Current tax		61.81	34.63
Deferred tax		(3.36)	(5.71)
Earlier year tax adjustments		0.40	-
		58.85	28.92
VI. Profit after tax		108.08	54.87
VII. Earnings per share	2. 2.31 (a)		
(Face value of ₹ 10/- each)			
Basic / Diluted (in Rupees)		4.38	2.27
Notes to the financial statements	1 to 2.33		

In terms of our report attached
Deloitte Haskins & Sells LLP
 Chartered Accountants
 Registration No. 117366W/W-100018

G.K. Subramaniam
 Partner
 Membership No. 109839

Place: Mumbai
 Date: April 27, 2018

For and on behalf of the Board of Directors

VP Shetty
 Chairman
 (DIN-00021773)

Nikhil Bhandary
 Company Secretary

Rupa Vora
 Chairperson-
 Audit Committee
 (DIN - 01831916)

Sabyasachi Ray
 Chief Financial Officer

Anil Bhatia
 Managing Director &
 Chief Executive Officer
 (DIN-01310959)

Statement of Cash Flow

for the year ended March 31, 2018

Particulars	(₹ in Crore)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash flow from operating activities		
Profit before tax	166.94	83.79
Adjustment for:		
Depreciation	1.12	1.20
Investments written off	39.04	-
Provision for receivables, advances, investments and loans	16.59	13.23
Earlier year provision on receivables/ advances w/back	(12.02)	(1.68)
Interest income on fixed deposits	(0.65)	-
Interest expense	119.10	91.87
Operating profit before working capital changes	330.12	188.42
Adjustment for:		
Decrease/(increase) in trade receivables	19.43	(30.17)
Decrease/(increase) in short-term loans and advances	5.11	(31.26)
(Decrease)/increase in trade payables	(0.13)	0.66
(Decrease)/increase in other current liabilities and provisions	(78.01)	206.19
Decrease/(increase) in other bank balances	-	(0.07)
Cash generated from operations	276.52	333.77
Direct taxes paid	(60.05)	(33.93)
Net cash from operating activities	216.47	299.84
B Cash flow from investing activities		
Purchase of current investments - Others	(536.56)	(491.57)
Purchase of non-current investments - Others	(97.50)	-
Redemption of current investments - Others	145.94	82.41
Purchase of fixed assets	(0.37)	(0.30)
Interest income on fixed deposits	0.65	-
Net cash (used in) investment activities	(487.84)	(409.46)
C Cash flow from financing activities		
Proceeds from rights issue of equity share	103.39	-
Securities Premium received	175.80	-
Increase/(decrease) in non-current liabilities	3.23	2.95
(Increase) /decrease in long term loans and advances	(195.99)	8.44
Proceeds from long-term borrowings	490.85	-
Proceeds from short-term borrowings	-	231.06
Repayment of short-term borrowings	(213.07)	-
Interest paid	(96.46)	(77.22)
Net cash from financing activities	267.76	125.09
Net increase/(decrease) in cash and cash equivalents	(3.61)	15.47
Cash and cash equivalents (opening)	17.12	1.65
Cash and cash equivalents (closing)	13.51	17.12

Note: Reconciliation of Cash and cash equivalents

(₹ in Crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash and bank balance as per note 2.16	14.27	17.88
Less: Bank balance not considered in cash and cash equivalents	0.76	0.76
Balance as per Cash flow statement	13.51	17.12

In terms of our report attached
Deloitte Haskins & Sells LLP
 Chartered Accountants
 Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

G.K. Subramaniam
 Partner
 Membership No. 109839

VP Shetty
 Chairman
 (DIN-00021773)

Rupa Vora
 Chairperson-
 Audit Committee
 (DIN - 01831916)

Anil Bhatia
 Managing Director &
 Chief Executive Officer
 (DIN-01310959)

Place: Mumbai
 Date: April 27, 2018

Nikhil Bhandary
 Company Secretary

Sabyasachi Ray
 Chief Financial Officer

Significant Accounting Policies

and notes to the Financial Statements

1. Significant Accounting Policies

a. Accounting convention

"The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and the guidelines issued by the Reserve Bank of India ("RBI") from time to time and the provisions of the Companies Act, 2013 (the "Act") to the extent applicable.

The financial statements are based on historical cost convention and are prepared on accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognised in the periods in which the results are known / materialized.

c. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferral on account of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

d. Property, plant and equipments and depreciation/ Amortisation owned tangible assets

Assets are recorded at historical cost of acquisitions or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

Depreciation on tangible property plant and equipments is provided pro-rata basis for the period of use, on the Straight

Line Method (SLM), based on management's estimate of useful lives of the property plant and equipments, or at the rates prescribed in Schedule II to the Act whichever is higher, as per the following table:

Asset	Useful Life
Leasehold improvements	10 years or period of lease whichever is lower
Office equipments	5 years
Computers	3 years
Servers & Networks	6 years
Motor Vehicles	5 years
Furniture and Fixtures	10 years

Assets costing ₹ 5,000/- or less are fully depreciated in the year of acquisition.

Owned intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Softwares are amortized over a period of five years, on a straight line basis.

e. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of the assets exceed its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of asset in an arm's length transaction between knowledgeable willing parties, less the cost of disposal.

An impairment loss, if any, is charged to the statement of profit and loss in the year, in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

f. Investments

Non-current investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of non-current investments.

Significant Accounting Policies (Contd.)

and notes to the Financial Statements

Investments in Security Receipt (SR) are classified as available for sale under current assets. They are valued at lower of cost and realizable value. Latest Net Asset Value (NAV) as declared by independent rating agencies is considered to be realizable value of these investments. In case where NAV is not declared within one year from acquisition of assets or finalization of resolution strategy, whichever is earlier, cost of SR is considered as realizable value.

All these investments are aggregated for the purpose of arriving at net depreciation / appreciation of investments under the category. Net depreciation, if any shall be provided for and Net appreciation, if any, shall be ignored.

In respect of SRs in trusts which have exceeded 5 years, provision is being made for specific cases equally till the completion of 8 years as per internal assessment in accordance with the provisioning policy for such SRs.

Outstanding value of investments in trusts exceeding eight years have been written off as per RBI guidelines.

g. Revenue recognition

Accounting Standard 9 as notified by the Rules specifies that the amount of revenue arising on a transaction is usually determined by agreement between the parties involved in the transaction. When uncertainties exist regarding determination of the amount, these uncertainties may influence the timing of revenue recognition.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured with no significant uncertainty as to the ultimate collection. In case of significant uncertainty as to the ultimate collection, revenue recognition is postponed till such uncertainty is removed.

i. Management fee:

Management fee from trusts is accrued as per terms of the relevant trust deed / offer document.

Management fee from borrowers/parties is accrued as per the terms of the relevant contract. However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate

collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such case is recognized only when such uncertainty is removed.

Unrealised management fees would be reversed/ provided in earlier of the following situations based on RBI guidelines:

- If the management fees remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of recognition in case of trusts where the planning period is over, or
- NAV of the SRs of the trust fall below 50% of face value.

In respect of such trusts no further management fees is recognized unless it is realized.

- ii. Any fee income other than (i) above (e.g. advisory fees, etc.) is recognised as per the terms of contract. However in respect of such fees, the ultimate realization is tested for impairment and in case there are events which suggest significant uncertainty as to the ultimate collection, revenue recognition is postponed to the extent of the uncertainty involved. Revenue in such cases is recognized only when such uncertainty is removed.
- iii. Outstanding management fee/ any other fee from borrowers/ parties remaining unpaid for more than 180 days is provided/ reversed. In respect of such cases, no further fee is recognized unless it is realized.
- iv. Additional realization of assets over acquisition price on redemption of SR is accounted for as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the SRs in the trust.
- v. Income by way of yield on SRs is recognized on actual distribution from the trusts, after redemption of the principal amount of each class of SRs as per the terms of the relevant trust deed / offer document.

vi Interest income:

Interest on bank deposits placed with banks is accounted on accrual basis.

Interest on expenses incurred on behalf of trust(s) is accounted as per terms of the relevant trust deed and offer document and is accrued where reasonable certainty exists with respect to its recovery. Outstanding expenses would be reversed/ provided in earlier of the following situations :

If the interest on expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of charging of such interest in case in trusts where the planning period is over, or

NAV of the SRs of the trust fall below 50% of face value.

Interest on restructuring is accrued as per contract, net of the proportionate share of expenses incurred and management fees charged in the trust.

Interest on loan is accounted for as per the terms of the contract. In case interest / principal is overdue for more than 180 days from the due date specified in the contract, the loan outstanding is classified as Non-Performing Asset and provision is made as per the guidelines issued by the Reserve Bank of India. Unrealized interest on loan is derecognized and further recognition is made only on realisation.

h. Employee Benefits

Defined contribution plan

The Company makes defined contribution to the provident fund, which is recognized in the statement of profit and loss on an accrual basis in respect thereof is determined on the basis of contribution as required under the Statue / Rules.

Defined benefit plan

The Company's liabilities under the Payment of Gratuity Act are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Major drivers in actuarial assumption, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumption are charged to the Statement of Profit and Loss.

Short term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss of the year in which the related services are rendered.

i. Expenses incurred for financial assets not acquired

Pre-acquisition expenses in case of acquisition of financial assets from banks/ FIs are recognized immediately in the statement of profit and loss for the period in which such costs are incurred.

j. Expenses incurred by the Company on behalf of the trust

The expenses incurred on behalf of trusts are shown as 'Recoverable from Trusts' and grouped under Advances recoverable in cash or in kind in the balance sheet. These expenses are reimbursed to the Company in terms of the provisions of the relevant trust deed and offer document.

These expense reimbursements would be reversed/ provided in earlier of the following situations:

If the expenses remain unrealized for more than 180 days from the end of the planning period, wherever applicable or 180 days from the date of incurrence of such expenses in trusts where the planning period is over, or

NAV of the SRs of the trust fall below 50% of face value.

k. Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain / loss is reflected in the statement of profit and loss. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction. Premium / Discount, in respect of forward foreign exchange contract is recognised over the life of the contract. Profit / Loss on cancellation / renewal of forward exchange contract is recognised as income / expense for the year.

l. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or the production of qualifying assets are capitalized as a part of cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to

Significant Accounting Policies (Contd.)

and notes to the Financial Statements

get ready for its intended use. All other borrowing costs are charged to revenue.

m. Taxation

Tax expense comprises current tax and deferred tax at the applicable enacted/substantially enacted rates.

Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred taxes represents effect of timing differences between taxable income and accounting income for the reporting period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against such deferred tax assets can be realized. In

case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realized against future taxable profits.

n. Provisions and contingencies

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

Notes

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2. Notes to the Financial Statements

Particulars	(₹ in Crore)	
	As at March 31, 2018	As at March 31, 2017
2.01 Share capital		
Authorised		
1,850,000,000 (Previous year 30,00,00,000) Equity Shares of ₹ 10/- each	1,850.00	300.00
150,000,000 Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
	2,000.00	450.00
Issued, Subscribed and Paid-up		
344,642,857 (Previous year 241,250,000) Equity Shares of ₹ 10/- each fully paid-up	344.64	241.25
Total	344.64	241.25

Note a. 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 Authorised 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.

Note b. Reconciliation of number of shares

Particulars	Equity Shares			
	As at March 31, 2018		As at March 31, 2017	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Shares outstanding at the beginning of the year	241,250,000	241.25	241,250,000	241.25
Shares Issued during the year	103,392,857	103.39	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	344,642,857	344.64	241,250,000	241.25

Note c. Details of shareholding more than 5%

Out of Equity shares issued by the Company, shares held by each shareholder, holding more than 5 percent shares specifying the number of shares held are as below:

Particulars	Equity Shares			
	As at March 31, 2018		As at March 31, 2017	
	Number	% of Holding	Number	% of Holding
Equity Shares:				
JM Financial Limited	196,697,279	57.07%	120,625,000	50.01%
Mr Narotam S Sekhsaria	56,866,072	16.50%	36,187,500	15.00%
Indian Overseas Bank	21,000,000	6.09%	21,000,000	8.70%
Valiant Mauritius Partners FDI Ltd.	29,028,911	8.42%	20,320,238	8.42%

Notes (Contd.)

to the Financial Statements

2.02 Reserves and Surplus

	As at March 31, 2018	(₹ in Crore) As at March 31, 2017
Securities Premium Reserve		
Opening Balance	18.72	18.72
As per last Balance Sheet		
Add: Share issued during the year	175.80	-
Less: Utilisation on Rights issue expenses (net of deferred tax of ₹ 0.09 crore) (Previous year ₹ Nil)	(0.18)	-
Closing balance	194.34	18.72
Surplus in Statement of profit and loss:		
Opening balance	319.80	264.93
Add: Profit for the year	108.08	54.87
Closing balance	427.88	319.80
Total	622.22	338.52
2.03 Long-term Borrowings		
Secured:		
Term Loans from Bank (refer note 2.08 and 2.27)	250.00	-
Less: Current maturities of term loans	(22.50)	-
(Secured by way of pledge of certain identified security receipts)	227.50	-
Non-Convertible Debentures (refer note 2.26)	693.20	540.00
Add: Unamortised premium on Non-Convertible Debentures	0.26	-
Less: Current maturities of Non-Convertible Debentures	(90.00)	(200.00)
(Secured by way of hypothecation of certain identified security receipt and mortgage of freehold land)	603.46	340.00
Finance lease obligations (refer note 2.31 (c) (I))	0.21	0.36
Less: Current maturities of finance lease obligations	(0.18)	(0.24)
(Secured by way of hypothecation of vehicles)	0.03	0.12
Total	830.99	340.12
2.04 Other Liabilities		
Employees benefits payable	6.18	2.95
Total	6.18	2.95
2.05 Long-term Provisions		
For employee benefits - gratuity (refer note 2.31(d))	0.98	0.69
Total	0.98	0.69

	As at March 31, 2018	(₹ in Crore) As at March 31, 2017
2.06 Short term borrowings		
Secured :		
From banks		
a) Working capital loans (Secured by way of pledge of certain identified security receipts)	23.76	157.62
b) Short Term Loans (Secured by way of hypothecation of certain identified security receipts)	84.00	-
	107.76	157.62
Unsecured:		
Other loans & advances		
Commercial papers (refer note 2.06 (a) and 2.06 (b))	300.00	365.00
Less: Unamortised interest on commercial papers	(5.85)	(7.99)
	294.15	357.01
Inter Corporate Deposits	-	100.35
Total	401.91	614.98
2.06 a) The maximum amount of commercial paper outstanding at any time during the year was ₹ 475 crore (Previous year was ₹ 465 crore)		
b) Interest rate of commercial paper issued during the year ranges from 7.10% to 9.00% p.a.)		
2.07 Trade Payables		
There are no dues payable to Micro and Small Enterprises, based on the information available with the Company		
Particulars		
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
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 the 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	-	-
2.08 Other Current Liabilities		
Current maturities of long term borrowings		
Term loans from banks (refer note 2.03)	22.50	-
Non convertible debentures (refer note 2.03)	90.00	200.00
Finance lease obligations (refer note 2.03)	0.18	0.24
	112.68	200.24
Statutory dues	6.79	0.75
Employees benefits payable	11.53	7.58
Amounts collected on behalf of trusts	15.90	18.57
Interest accrued but not due on borrowings	65.05	42.41
Other liabilities (includes Directors commission, etc)	1.91	0.67
Total	213.86	270.24
2.09 Short-term Provisions		
Provision for taxation (Net of Advance tax)	6.65	-
For employee benefits - gratuity	0.05	0.14
For employee benefits - compensated absences	0.62	0.56
Total	7.32	0.70

Notes (Contd.)

to the Financial Statements

2.10 Property, Plant and Equipments

Description	Gross Block				Depreciation/Amortisation				Net Block
	As at	Additions	Disposals	As at	Up to	Additions	Deductions	Up to	As at
	April 01, 2017			March 31, 2018	April 01, 2017			March 31, 2018	March 31, 2018
(₹ in Crore)									
Tangible assets:									
Owned assets:									
Freehold land (refer note 2.10 (a))	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and Fixtures	0.07	-	-	0.07	0.06	0.01	-	0.07	0.00
Office Equipments	0.46	0.04	-	0.50	0.32	0.05	-	0.37	0.13
Computers	0.98	0.24	-	1.22	0.76	0.18	-	0.94	0.28
Lease Hold Improvements	2.30	-	-	2.30	0.87	0.50	-	1.37	0.93
Leased Assets:									
Vehicles (refer note 2.10 (b))	0.98	0.04	0.19	0.83	0.64	0.23	0.19	0.68	0.15
Total	4.82	0.32	0.19	4.95	2.65	0.97	0.19	3.43	1.52
Intangible assets:									
Software	1.07	0.04	-	1.11	0.78	0.15	-	0.93	0.18
Total	1.07	0.04	-	1.11	0.78	0.15	-	0.93	0.18

Notes : 2.10(a) Mortgaged as security against secured non convertible debentures (also refer note 2.03)

2.10(b) Vendor have a lien over the assets taken on lease.

2.10 Property, Plant and Equipments

(Previous Year)

Description	Gross Block				Depreciation/Amortisation				Net Block
	As at	Additions	Disposals	As at	Up to	Additions	Deductions	Up to	As at
	April 01, 2016			March 31, 2017	April 01, 2016			March 31, 2017	March 31, 2017
(₹ in Crore)									
Tangible assets:									
Owned assets:									
Freehold land (refer note 2.10 (a))	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and Fixtures	0.07	-	-	0.07	0.05	0.01	-	0.06	0.01
Office Equipments	0.45	0.01	-	0.46	0.28	0.04	-	0.32	0.14
Computers	0.95	0.03	-	0.98	0.56	0.20	-	0.76	0.22
Leasehold Improvements	2.17	0.13	-	2.30	0.38	0.49	-	0.87	1.43
Leased assets:									
Vehicles	0.85	0.13	-	0.98	0.39	0.25	-	0.64	0.34
Vehicles (refer note 2.10 (b))									
Total	4.52	0.30	-	4.82	1.66	0.99	-	2.65	2.17
Intangible assets:									
Software	1.07	0.00	-	1.07	0.57	0.21	-	0.78	0.29
Total	1.07	0.00	-	1.07	0.57	0.21	-	0.78	0.29

Notes : 2.10(a) Mortgaged as security against secured non convertible debentures (also refer note 2.03)

2.10(b) Vendor have a lien over the assets taken on lease.

	As at March 31, 2018	(₹ in Crore) As at March 31, 2017
2.11 Non-Current Investment		
(Non Trade)		
Quoted		
a. In Equity Shares		
Others - (quoted)		
Nitco Limited	80.00	-
7,007,709 (Previous year Nil) Nitco Limited of ₹ 10 each fully paid up		
b. In Convertible Warrants		
Others - (unquoted)	17.50	-
6,131,745 (Previous year Nil) Nitco Limited issue price of ₹ 114.16 (₹ 28.54 paid)		
Total	97.50	-
Notes:		
2.11 (a) Aggregate cost of		
Quoted investments	80.00	-
Unquoted investments	17.50	-
Total	97.50	-
2.11 (b) Market value of quoted investments	64.82	-
2.11 (c) Commitments: Uncalled liability of partly paid warrants 6,131,745 convertible warrants of Nitco Ltd @ 85.62 each	52.50	-
2.12 Deferred Tax Assets / (Liabilities)		
Provision for receivables / loans and advances/investments	13.09	11.51
Disallowances under section 43B, 35D of the Income Tax Act, 1961	3.37	1.65
Differences in the tax and books written down value of fixed assets	0.33	0.17
Due under finance lease	0.01	0.02
Total	16.80	13.35
2.13 Long-Term Loans and Advances		
Other loans and advances		
Secured, considered good:		
Loan funds	211.48	9.95
Unsecured, considered good:		
Advance Tax (Net of provision)	4.66	1.16
Advances recoverable in cash or in kind or for value to be received	20.50	23.31
Other deposits (Security deposits etc)	0.31	3.05
	236.95	37.47
Less: Provision for advances	20.50	23.31
Less: Provision for loans	9.95	9.95
Total	206.50	4.21

Notes (Contd.)

to the Financial Statements

2.14 Current Investments

Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
(a) Other current investments (Unquoted)					
Available for sale					
Investment in Security Receipts of the trusts					
(Face value ₹ 1,000/- each except otherwise stated)					
1	JMFARC - Yarn 2010 - Trust*# (Face value ₹ 1/- each, Previous year ₹ 1/- each)	100,000	0.01	100,000	0.01
2	JMFARC - SASF Tube - Trust@#	62,000	6.20	62,000	6.20
3	JMFARC - SME Retail 2011 - Trust (Face value ₹ 1/- each, Previous year ₹ 1/- each)	13,365	0.00	13,365	0.00
4	JMFARC-IQB March 2011-Trust@# (Face value - Class A 2,80,000 SRs ₹ 650/- each, Class B 96,500 SRs ₹ 1000/- each, Previous year ₹ Class A 2,80,000 SRs ₹ 669/- each, Class B 96,500 SRs ₹ 1000/- each)	376,500	27.86	376,500	28.39
5	JMFARC-UCO Bank March 2011-Trust	16,500	1.65	16,500	1.65
6	JMFARC-IQB II March 2011-Trust# (Face value - Class A 1,04,200 SRs ₹ 982/- each, Class B 5,800 SRs ₹ 1000/- each, Previous year ₹ Class A 1,04,200 SRs ₹ 982/- each, Class B 5,800 SRs ₹ 1000/- each)	110,000	10.82	110,000	10.82
7	JMFARC-Central Bank Retail 2011-Trust (Face value ₹ 345/- each, Previous year ₹ 360/- each)	88,872	3.07	88,872	3.38
8	JMFARC-Retail June 2011-Trust (Face value - ₹ 1/- each for Series I, II and III respectively, Previous year ₹ 1/- each for Series I, II and III respectively)	469,884	0.05	469,884	0.05
9	JMFARC-Retail Aug 2011-Trust (Face value ₹1/- each, Previous year ₹1/- each)	7,039	0.00	7,039	0.00
10	JMFARC-Swarna 2011-Trust@# (Face value - Class A SRs ₹ Nil, Class B 72,199 SRs ₹ 1000/-, Previous Year Class A Nil-, Class B ₹ 1000/- each)	72,199	7.22	72,199	7.22
11	JMFARC-Swarna II 2012-Trust@# (Face value - Class A ₹ 628/-, Class B ₹ 1000/-, Previous Year Class A ₹ 628/-, Class B ₹ 1000/- each)	78,700	5.41	78,700	5.41
12	JMFARC-Green December 2012-Trust# (Includes 4,54,955 no. of SRs of outstanding value of ₹ 56.87 crore purchased at ₹ 35 crore)	478,900	37.39	23,945	2.39
13	JMFARC-Federal Bank March 2013-Trust (Face value ₹ 775/- each, Previous year ₹ 775/- each) (Includes 9,30,000 no. of SRs of outstanding value of ₹ 46.06 crore purchased at ₹ 5 crore)	1,000,000	10.33	70,000	5.42
14	JMFARC-Textile 2013-Trust# (Face value ₹ 1/- each, Previous year ₹1/- each)	91,000	0.01	91,000	0.01
15	JMFARC-Central India 2013-Trust@#	289,360	28.94	289,360	28.94
16	JMFARC-Corp I 2013-Trust@# (Face value ₹ 435/- each, Previous year ₹ 435/- each)	93,000	4.05	93,000	4.05
17	JMFARC-Corp II 2013-Trust@# (Face value ₹ 692/- each, Previous year ₹ 1,000)	58,800	4.07	58,800	4.63
18	JMFARC-Corp Textile 2013-Trust@#	150,000	15.00	150,000	15.00
19	JMFARC-Corp Apparel 2013-Trust# (Face value ₹ 1/- each, Previous year ₹ 1/- each)	120,000	0.01	120,000	0.01
20	JMFARC-Corp Biotech 2013-Trust@#	114,000	11.40	114,000	11.40

Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
21	JMFARC-Stancy Textile 2013-Trust (Face value ₹ 1/- each, Previous year ₹ Nil)	1,000	0.00	1,000	0.00
22	JMFARC-Fed Textile 2013-Trust	8,820	0.88	8,820	0.88
23	JMFARC-BOI Textile 2013-Trust [#]	41,000	4.10	41,000	4.10
24	JMFARC-OBC March 2014-Trust [#]	34,500	3.45	34,500	3.45
25	JMFARC-Dena Bank March 2014-Trust ^{**}	67,000	6.70	67,000	6.70
26	JMFARC-UCO Bank March 2014-Trust [#] (Face value ₹ 805/- each, Previous year ₹ 818/- each)	462,500	37.21	462,500	37.88
27	JMFARC-Gelatine March 2014-Trust ^{@#} (Face value ₹ 768/- each, Previous year ₹ 810/- each)	628,672	48.26	628,672	50.90
28	JMFARC-Fed Gelatine March 2014-Trust	17,500	1.75	17,500	1.75
29	JMFARC-SBI March 2014 I-Trust [#] (Face value ₹ 767/- each, Previous year ₹ 767/- each)	173,750	13.32	173,750	13.32
30	JMFARC-SBI March 2014 II-Trust ^{**} (Face value ₹ 862/- each, Previous year ₹ 1,000/- each)	45,250	3.90	45,250	4.53
31	JMFARC-Cosmos March 2014-Trust [#] (Face value ₹ 754/- each, Previous year ₹ 761/- each)	154,500	11.64	154,500	12.09
32	JMFARC-Indian Bank March 2014-Trust [#]	44,500	4.45	44,500	4.45
33	JMFARC-Petro BOB 2014-Trust ^{@#} (Face value ₹ 224/- each, Previous year ₹ 257/- each)	135,500	3.03	135,500	5.38
34	JMFARC-Petro UCO 2014-Trust ^{@#} (Face value ₹ 224/- each, Previous year ₹ 257/-each)	140,000	3.13	140,000	5.56
35	JMFARC-Petro CBOI 2014-Trust ^{@#} (Face value ₹ 224/- each, Previous year ₹ 257/- each)	51,500	1.15	51,500	2.04
36	JMFARC-OBC March 2014 II -Trust (Face value ₹ 897/- each, Previous year ₹ 920/- each)	4,760	0.43	4,760	0.44
37	JMFARC-BOI March 2014 II-Trust [#]	215,750	21.58	215,750	21.58
38	JMFARC-UBOI March 2014-Trust [#]	66,750	6.68	66,750	6.68
39	JMFARC-OBC June 2014-Trust	8,915	0.89	8,915	0.89
40	JMFARC-Hotels June 2014-Trust ^{@#} (Face value - Class A 44,56,592 SRs ₹ 85/-, Class B 20,71,631 SRs ₹ 1000/-, Previous year Class A ₹ 207/-, Class B ₹ 1000/- each)	6,528,223	244.85	6,528,223	299.41
41	JMFARC-Vijaya Bank June 2014-Trust	25,360	2.54	25,360	2.54
42	JMFARC-Indian Bank June 2014-Trust [#]	32,200	3.22	32,200	3.22
43	JMFARC-SBI Ceramics June 2014-Trust [#] (Face value ₹ 984/- each, Previous year ₹ 984/- each)	156,000	15.35	156,000	15.35
44	JMFARC-Central Bank of India June 2014-Trust [*] (Face value ₹ 757/- each, Previous year ₹ 846/- each)	32,000	2.42	32,000	3.20
45	JMFARC-UBOI June 2014-Trust [#]	59,915	5.99	59,915	5.99
46	JMFARC - ICICI Bank July 2014 -Trust [@] (Face value ₹ 1/- each, Previous year ₹ 270/- each)	20,000	0.00	20,000	0.54
47	JMFARC - LVB Ceramics September 2014-Trust [#]	27,900	2.79	27,900	2.79
48	JMFARC - CSB Ceramics September 2014-Trust [@]	32,625	3.26	32,625	3.26
49	JMFARC - Karnataka Bank December 2014-Trust ^{**} (Face value ₹ 837/- each, Previous year ₹ 856/- each)	172,500	14.44	172,500	16.26
50	JMFARC - SBOP Ceramics December 2014-Trust ^{#@}	11,850	1.19	11,850	1.19
51	JMFARC - SBH Ceramics December 2014-Trust ^{@#}	60,000	6.00	60,000	6.00
52	JMFARC - SBT Ceramics March 2015-Trust [*]	23,250	2.33	23,250	2.33
53	JMFARC - SBI Steel March 2015-Trust ^{**}	93,150	9.32	93,150	9.32
54	JMFARC - Axis Bank Cement March 2015-Trust [@]	230,000	23.00	230,000	23.00

Notes (Contd.)

to the Financial Statements

Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
55	JMFARC - SBM Ceramics March 2015-Trust*	12,750	1.28	12,750	1.28
56	JMFARC - Karnataka Bank Cement March 2015-Trust*	49,500	4.95	49,500	4.95
57	JMFARC - Vijaya Bank Ceramics March 2015-Trust*	27,000	2.70	27,000	2.70
58	JMFARC -ICICI Bank Cement June 2015-Trust*	170,500	17.05	170,500	17.05
59	JMFARC - SBH Cement June 2015-Trust**	66,000	6.60	66,000	6.60
60	JMFARC - United Bank Textile September 2015-Trust#	27,075	2.71	27,075	2.71
61	JMFARC - United Bank Cement September 2015-Trust#	180,000	18.00	180,000	18.00
62	JMFARC - CSB September 2015-Trust@# (Face value ₹837/- each, Previous year ₹848/- each)	63,000	5.27	63,000	5.86
63	JMFARC - Corp Bank Ceramics September 2015-Trust@#	46,065	4.61	46,065	4.61
64	JMFARC - PNB Ceramics November 2015-Trust@#	401,640	40.16	401,640	40.16
65	JMFARC - PNB December 2015-Trust#	24,765	2.48	24,765	2.48
66	JMFARC - SBOP Geometric-Trust@#	61,560	6.16	61,560	6.16
67	JMFARC - SBH December 2015-Trust#	73,380	7.34	73,380	7.34
68	JMFARC - Dena Ceramics January 2016-Trust#	15,750	1.58	15,750	1.58
69	JMFARC - ICICI Geometric-Trust@#	61,500	6.15	61,500	6.15
70	JMFARC - Axis Bank February 2016-Trust@# (Face value ₹ 715/- each, Previous year ₹ 801/- each)	87,500	6.26	87,500	8.75
71	JMFARC- OBC March 2016-Trust#	72,000	7.20	72,000	7.20
72	JMFARC- OBC Cement 2016-Trust@#	49,700	4.97	49,700	4.97
73	JMFARC - IDBI Ceramics March 2016-Trust*	57,180	5.72	57,180	5.72
74	JMFARC - Exim Ceramics March 2016-Trust#	17,101	1.71	17,101	1.71
75	JMFARC - UCO Geometric March 2016-Trust#	88,965	8.90	88,965	8.90
76	JMFARC - UBOI Steel March 2016-Trust#	63,000	6.30	63,000	6.30
77	JMFARC - KVB March 2016-Trust@#	355,095	35.51	355,095	35.51
78	JMFARC - KVB Iris II March 2016 Trust	37,500	3.75	37,500	3.75
79	JMFARC - Indian Bank March 2016-Trust@# (Face value ₹ 449/- each, Previous year ₹ 999/- each)	97,515	4.37	97,515	9.75
80	JMFARC- Indian Bank I March 2016 Trust@# (Face value ₹ 142/- each, Previous year ₹392/- each)	16,010	0.23	16,010	1.16
81	JMFARC- IOB March 2016 Trust@#	50,250	5.03	50,250	5.03
82	JMFARC- Federal Bank March 2016-Trust@# (Face value ₹ 908/- each, Previous year ₹ 937/- each)	73,350	6.66	73,350	7.31
83	JMFARC- Iris March 2016 Trust# (Face value ₹ 985/- each, Previous year ₹ 1000/- each)	1,000,165	98.44	1,000,165	100.02
84	JMFARC - Exim Iris March 2016-Trust#	60,000	6.00	60,000	6.00
85	JMFARC - Axis Iris March 2016-Trust#	150,000	15.00	150,000	15.00
86	JMFARC- Axis Iris II March 2016-Trust#	60,000	6.00	60,000	6.00
87	JMFARC - KB Metals September 2016-Trust#	22,500	2.25	22,500	2.25
88	JMFARC - Andhra Resin September 2016-Trust (Face value ₹ 1/- each, Previous year ₹ 1,000/- each)	37,605	0.00	37,605	3.76
89	JMFARC - Dena SEZ September 2016-Trust	7,335	0.73	7,335	0.73
90	JMFARC - ICICI Bank September 2016-Trust@#	855,495	85.55	855,495	85.55
91	JMFARC - SBI Geometric October 2016-Trust	453,000	45.30	453,000	45.30
92	JMFARC - PAN India 2016 Trust*	1,546,908	154.69	1,546,908	154.69
93	JMFARC - IDBI Geometric December 2016-Trust#	41,250	4.13	41,250	4.13
94	JMFARC - IRIS December 2016-Trust	31,110	3.11	31,110	3.11
95	JMFARC - IRIS Cash 2016-Trust (Face value ₹ 979/- each, Previous year ₹ 983/- each)	426,200	41.72	426,200	42.62
96	JMFARC - IRIS UBOI December 2016-Trust	16,005	1.60	16,005	1.60
97	JMFARC - Tata Capital December 2016-Trust (Face value ₹506/- each, Previous year ₹540/- each)	130,000	6.58	130,000	8.69

Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
98	JMFARC - Iris PNB January 2017 Trust (Face value ₹992/- each, Previous year ₹1,000/- each)	41,550	4.12	41,550	4.16
99	JMFARC PNB March 2017 Trust (Face value ₹603/- each, Previous year ₹1,000/- each)	222,075	13.39	222,075	22.21
100	JMFARC IOB CHN March 2017 Trust	37,500	3.75	37,500	3.75
101	JMFARC IDBI March 2017 Trust	30,000	3.00	30,000	3.00
102	JMFARC IOB Ceramics March 2017 Trust	33,000	3.30	33,000	3.30
103	JMFARC Iris United March 2017 Trust (Face value ₹972/- each, Previous year ₹1,000/-each)	66,900	6.50	66,900	6.69
104	JMFARC SBP March 2017 Trust	31,665	3.17	31,665	3.17
105	JMFARC SBT March 2017 Trust@	55,875	5.59	55,875	5.59
106	JMFARC Iris Uco March 2017 Trust (Face value ₹994/- each, Previous year ₹1,000/-each)	38,310	3.81	38,310	3.83
107	JMFARC SBP Retreat March 2017 Trust	77,600	7.76	77,600	7.76
108	JMFARC Retreat II March 2017 Trust* (Face value ₹963/- each, Previous year ₹ 1,000/-each)	394,000	37.94	394,000	39.40
109	JMFARC SBI Retreat March 2017 Trust	166,800	16.68	166,800	16.68
110	JMFARC SBI Tollways March 2017 Trust (Face value ₹875/- each, Previous year ₹ 912/-each)	153,000	13.39	153,000	15.30
111	JMFARC IRIS IIFL May 2017 Trust	27,500	2.75	-	-
112	JMFARC Allahabad Bank Textile June 2017 Trust (Face value at ₹956/- each)	69,000	6.60	-	-
113	JMFARC Allahabad Bank June 2017 Trust (Face value at ₹754/- each)	36,000	2.71	-	-
114	JMFARC Federal Bank June 2017 Trust (Includes 13,26,000 no. of SRs of outstanding value of ₹ 131.71 crore purchased at ₹ 90 crore)	246,000	111.85	-	-
115	JMFARC LTF June 2017 Trust@ (Face value at ₹985/- each)	600,000	59.09	-	-
116	JMFARC IRIS Cash July 2017 Trust@ (Face value at ₹960/- each)	264,000	25.36	-	-
117	JMFARC Karnataka Bank September 2017 Trust	20,310	2.03	-	-
118	JMFARC Syndicate Bank Ceramics September 2017 Trust	125,250	12.53	-	-
119	JMFARC Woods October 2017 Trust* (Face value at ₹841/- each)	187,500	15.78	-	-
120	JMFARC Allahabad Bank December 2017- Trust*	76,275	7.63	-	-
121	JMFARC Motors December 2017- Trust*	94,500	9.45	-	-
122	JMFARC IOB Metallica February 2018 Trust	360,000	36.00	-	-
123	JMFARC Township February 2018- Trust	480,000	48.00	-	-
124	JMFARC Metallica February 2018- Trust (Face value at ₹996/- each)	1,322,500	131.71	-	-
125	JMFARC IRIS Cash March 2018- Trust (Face value at ₹999/- each)	78,500	7.84	-	-
126	JMFARC IRIS Canara March 2018- Trust	18,225	1.82	-	-
127	JMFARC IDBI March 2018- Trust	60,000	6.00	-	-
128	JMFARC - BOB 2008 - Trust (Face value NIL, Previous year ₹1/- each)	111,600	-	111,600	-
129	JMFARC-BOI 2009 - Trust# (Face value NIL, Previous year ₹1,000/- each)	48,600	-	48,600	4.86
130	JMFARC-BOI 2009 I - Trust	36,000	-	36,000	3.60

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Sr. No.	Investment	As at March 31, 2018		As at March 31, 2017	
		Nos. of SR	Amount ₹ in crore	Nos. of SR	Amount ₹ in crore
	(Face value Nil, Previous year ₹ 1000/- each)				
131	JMFARC - DB - ICICI-Trust	115,000	-	115,000	11.50
	(Face value Nil, Previous year ₹ 1000/- each)				
132	JMFARC - DB - DCB-Trust	7,500	-	7,500	0.75
	(Face value Nil, Previous year ₹ 1000/- each)				
133	JMFARC - DB - SBI-Trust	61,000	-	61,000	6.10
	(Face value Nil, Previous year ₹ 1000/- each)				
134	JMFARC - Jord - SUUTI-Trust	8,000	-	8,000	0.80
	(Face value Nil, Previous year ₹ 1000/- each)				
135	JMFARC - Pasupati - SAS -Trust	250,000	-	250,000	4.00
	(Face value Nil, Previous year ₹ 160/- each)				
136	JMFARC -Central bank - Tube - Trust	50,000	-	50,000	5.00
	(Face value Nil, Previous year ₹ 1 000/- each)				
137	JMFARC -UTI - Tube-Trust	6,000	-	6,000	0.60
	(Face value Nil, Previous year ₹ 1000/- each)				
138	JMFARC-Synthetic Rubber 2012-Trust	-	-	14,962	0.00
	(Face value Nil, Previous year ₹ 1/- each)				
139	JMFARC-Kruti 2012-Trust	-	-	564,587	0.06
	(Face value Nil, Previous year ₹ 1/- each)				
140	JMFARC-Media 2013-Trust	-	-	12,500	1.10
	(Face value Nil, Previous year ₹ 690/- each)				
141	JMFARC-Kruti II 2013-Trust	-	-	686,600	33.72
	(Face value Nil, Previous year ₹ 491/- each)				
142	JMFARC-Media II 2013-Trust	-	-	34,030	3.40
	(Face value Nil, Previous year ₹ 1,000/- each)				
			1,986.99		1,635.40
	Less: Provisions		5.68		-
	Total		1,981.31		1,635.40

(₹ in Crore)

Note:	As at March 31, 2018	As at March 31, 2017
Aggregate value of		
Unquoted Investments	1,981.31	1,635.40

* Pledged with banks as security for bank overdraft / cash credit/ short term loan limits

® Partly pledged as security for bank overdraft/cash credit/short term loan limits

Hypothecated in favour of debenture trustee as security of NCDs issued

	As at March 31, 2018	(₹ in Crore) As at March 31, 2017
2.15 Trade Receivables		
(Unsecured, considered good)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	3.67	12.40
Others	40.64	51.35
Total	44.31	63.75
2.16 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
In Current Accounts	13.51	17.12
Other bank balances		
In Current Accounts	0.76	0.76
Total	14.27	17.88
2.17 Short-Term Loans and Advances		
Secured, considered good:		
Loan Funds	61.72	60.33
Unsecured considered good:		
Advances recoverable in cash or in kind or for value to be received	5.51	12.66
Others (Prepaid expenses, etc.)	0.88	0.23
	68.11	73.22
Less: Provisions for loans	1.70	-
Total	66.41	73.22

Notes (Contd.)

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	For the year ended March 31, 2018	For the year ended March 31, 2017
		(₹ in Crore)
2.18 Revenue from Operations		
Operating revenue		
Management and advisory fees (Net of reversals as per RBI guidelines)	256.00	144.36
Recovery incentive fees	15.72	2.10
Interest income on restructuring	18.57	32.05
Interest income on loans	20.35	10.16
Profit on redemption of security receipts	26.25	16.31
Other operating revenue		
Interest income on funded expenses & management fees	13.26	1.03
Earlier year reversal of fees/interest w/back	24.75	16.05
Earlier year provision on receivables/advances w/back	12.02	1.68
Total	386.92	223.74
2.19 Other Income		
Interest income on fixed deposit	0.65	0.08
Other non-operating income	0.02	0.04
Total	0.67	0.12
2.20 Employee Benefits Expense		
Salaries, bonus and allowances	29.26	21.64
Contribution to provident fund and other funds	0.77	0.66
Staff Welfare	0.06	0.07
Total	30.09	22.37
2.21 Finance Costs		
Interest expense	115.51	91.03
Other borrowing costs	3.60	0.84
Total	119.11	91.87
2.22 Provision/Write off for Receivables, Loans & Investments		
Provision for receivables and advances	9.21	13.23
Investment written off	39.04	-
Provision for current investments	5.68	-
Provision for loans	1.70	-
Total	55.63	13.23

	(₹ in Crore)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
2.23 Other Expenses		
Space and other related cost	3.12	2.84
Rates & taxes	1.02	0.79
Insurance premium	0.15	0.20
Communication expenses	0.09	0.11
Repairs and maintenance	0.07	0.04
Professional fees	1.95	0.72
Auditors Remuneration:		
- as auditor	0.07	0.06
- for management services (limited review)	0.02	0.01
Support service charges	2.12	1.93
Membership & subscription	0.05	0.04
Manpower expenses	0.27	0.28
Travelling expenses	0.48	0.18
Electricity	0.24	0.34
Printing and stationery	0.14	0.15
Information technology expenses	0.45	0.35
Director's fees and commission	1.63	0.65
Donation	2.42	2.30
Miscellaneous expenses	0.42	0.41
Total	14.71	11.40
2.24 Expenditure in Foreign Currency		
Travelling expenses	0.01	-

2.25 The Company has been sanctioned credit limits of ₹ 745 crore by scheduled banks secured against pledge / hypothecation of certain identified investments in security receipts. The Company has issued outstanding Listed Non-Convertible Debentures of ₹ 693.20 crore which are fully secured against first charge on land and hypothecation of security receipts.

2.26 Maturity profile and rate of interest of Non-Convertible Debentures (NCD) face value of ₹ 10,00,000/- each.

Particulars	(₹ in Crore)			
	Non-Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
9.10 % Tranche XI NCD redeemable in year 2020-21 [#]	185.00	-	-	-
9.50% Tranche V NCD redeemable in the year 2020-21	150.00	150.00	-	-
9.10% Tranche XIII NCD redeemable in year 2019-20	75.00	-	-	-
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	-	-	-
8.60% Tranche X NCD redeemable in year 2019-20	35.00	-	-	-
9.30% Tranche IX NCD redeemable in year 2020-21	28.50	-	-	-
8.75 %Tranche VIII NCD redeemable in year 2019-20	15.00	-	-	-
9.15 % Tranche XII NCD redeemable in year 2020-21	14.96	-	-	-
12.00% Tranche II NCD redeemable in the year 2017-18	-	-	-	100.00
13.00% NCD redeemable in the year 2019-20	-	100.00	-	-
12.00% Tranche III NCD redeemable in the year 2017-18	-	-	-	100.00
11.50% Tranche IV NCD redeemable in the year 2018- 19	-	50.00	50.00	-
9.40% Tranche VI NCD redeemable in year 2018-19	-	40.00	40.00	-
Total	603.46	340.00	90.00	200.00

[#] Call option to the Company in March 2019

Notes (Contd.)

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2.27 Maturity profile and rate of interest of Term Loans from Banks

				(₹ in Crore)	
Maturity profile	Rate of interest	Current Year	Previous Year		
2018-19	8.95% to 9.25%	22.50	-		
2019-20	8.95% to 9.25%	107.50	-		
2020-21	8.95% to 9.25%	107.50	-		
2021-22	8.95%	12.50	-		
Total		250.00	-		

2.28 Expenditure towards corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with Schedule VII thereof)

- Gross amount required to be spent by the Company during the year – ₹ 2.17 crore (Previous year ₹ 2.05 crore)
- Amount spent and paid during the year by way of donations to charitable trusts – ₹ 2.17 crore (Previous year ₹ 2.05 crore)

2.29 Sub-Rule 7 of Rule 18 of the Companies (Share Capital and Debenture) Rules 2014 requires companies to create Debenture Redemption Reserve ('DRR') for the purpose of redemption of debentures. The said Rule, *inter alia*, provides that no DRR is required to be created by NBFCs registered with RBI under Section 45-IA in case of privately placed debentures.

The Company, though an NBFC, is also a Securitisation and Reconstruction Company ('SCRC') 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 the provisions of Section 45-IA of RBI Act, 1934 relating to registration shall not apply to an NBFC, which is a SCRC registered with the RBI under Section 3 of SARFAESI Act, 2002. The aforesaid sub-rule, on the similar grounds, also exempts Housing Finance Companies from the requirement of creating DRR. In view of these provisions and background, as per the legal opinion the management of the Company believes that requirement of creating DRR is not applicable to SCRC. Hence no DRR is created by the Company for the outstanding debentures in the financial statements.

Additionally, the Company has written to the Ministry of Corporate Affairs to issue the necessary clarification with regard to the above for which the response is awaited.

2.30 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

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

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (In Rupees)
May 16, 2017	Series – IX	40,799	Vested	Seven years from the date of Grant	1
May 16, 2018	Series – IX	40,799	Vested	Seven years from the date of Grant	1
May 16, 2019	Series – IX	40,799	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	
	Current year	Previous year
Outstanding at the beginning of the year	122,397	-
Granted during the year	-	122,397
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/ forfeited during the year	-	-
Exercised during the year	40,799	-
Outstanding at the end of the year	81,598	122,397
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.17 crore (Previous year ₹ Nil). Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

2.31 Notes pertaining to Accounting Standards

2.31 (a) Earnings per share

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

Particulars	(₹ in Crore)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after tax attributable to the equity shareholders (₹ in crore)	108.08	54.87
Weighted average number of equity shares outstanding during the year	24,66,32,094	24,12,50,000
Basic / Diluted earnings per share (in Rupees)	4.38	2.27
Nominal value per share (in Rupees)	10	10

2.31 (b) Segment Reporting

The Company operates in one business segment, viz. asset reconstruction and one geographical segment, hence there are no reportable segments.

2.31 (c) Leases

(i) Finance Lease

The Company has acquired vehicles under the finance lease agreement. The tenure of lease agreements ranges between 36 to 60 months with an option to prepayments/foreclosure.

The minimum lease rentals outstanding with respect to these assets are as under:

Particulars	(₹ in Crore)			(₹ in Crore)		
	Total minimum lease payment outstanding as at March 31, 2018	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2018	Total minimum lease payment outstanding as at March 31, 2017	Lease finance charges not due	Present value of the minimum lease payment as at March 31, 2017
Not later than 1 year	0.20	0.02	0.18	0.28	0.04	0.24
Later than 1 year but not later than 5 years	0.04	0.01	0.03	0.14	0.02	0.12
Later than 5 years	-	-	-	-	-	-
Total	0.24	0.03	0.21	0.42	0.06	0.36

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(II) Operating Lease

The operating leases for premises are executed for a period ranging from 60 months to 86 months with a renewal clause

Particulars	(₹ in Crore)	
	Total lease payments outstanding as at March 31, 2018	Total lease payments outstanding as at March 31, 2017
Not later than 1 year	2.96	2.58
Later than 1 year but not later than 5 years	7.21	9.25
Later than 5 years	0.05	0.12
Expenditure debited to profit & loss account	3.12	2.84

2.31 (d) Employee benefits

I. Defined benefits plans

a) Gratuity un-funded

Particulars	(₹ in Crore)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Amount recognised in the balance sheet with respect to gratuity		
Present value of the defined benefit obligation at the year end	1.03	0.84
Fair value of plan assets	-	-
Net liability	1.03	0.84
Amount recognised in salary, wages and employee benefits in the Statement of profit and loss with respect to gratuity		
Current service cost	0.10	0.08
Interest on defined benefit obligations	0.06	0.05
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised during the year	0.00	0.09
Past service cost	0.28	-
Net gratuity cost	0.44	0.22
Reconciliation of present value of the obligation and the fair value of the plan assets		
Opening defined benefit obligation	0.84	0.64
Current service cost	0.10	0.08
Interest cost	0.06	0.05
Actuarial (gain)/loss	0.00	0.09
Past service cost	0.27	-
Liability assumed on acquisition/(settled on divestiture)	(0.04)	0.00
Benefits paid	(0.20)	(0.03)
Closing defined benefit obligation	1.03	0.84
Change in fair value of plan assets		
Opening fair value of the plan assets	-	-
Expected return on plan assets	-	-
Actuarial (gain)/loss	-	-
Contributions by the employer	0.20	0.03
Benefits paid	(0.20)	(0.03)
Closing fair value of the plan assets	-	-
Investment details of plan assets		
Investment details of plan assets	-	-

Experience Adjustments	Year Ended				March, 31, 2018
	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	
Defined Benefit Obligation	0.37	0.46	0.64	0.84	1.03
Plan Asset	-	-	-	-	-
Surplus / (Deficit)	(0.37)	(0.46)	(0.64)	(0.84)	(1.03)
Exp. Adj. on Plan Liabilities	0.01	0.04	0.02	0.03	0.08
Exp. Adj. on Plan Assets	-	-	-	-	-

Principal actuarial assumptions at the balance sheet date	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.85%	7.20%
Estimated rate of return on plan assets	-	-
Retirement age	60 years	60 years
Salary escalation	7%	7%

The estimates of future salary increases, takes in account inflation, seniority, promotion and other relevant factors.

The above information is certified by the actuary.

b) Compensated absences

As per Company's policy, provision of ₹ 0.62 crore (previous year ₹ 0.55 crore) has been made towards compensated absences calculated on the basis of unutilised leaves on the last day of the financial year.

II. Defined contribution plans

Amount recognised as an expense and included in the 'Contribution to provident fund & other funds' ₹ 0.77 crore (previous year ₹ 0.65 crore).

Notes (Contd.)

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2.32 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 was acquired from each such bank/financial institutions/NBFCs.

		(₹ in Crore)	
Name of the selling bank/ financial institution/NBFC	Address	Acquisition cost	% to total
Sponsor			
Indian Overseas Bank*	763, Anna Salai, Chennai	827.91	5.61%
Sponsor Total		827.91	5.61%
Non-Sponsors			
State Bank of India	State Bank Bhavan, Corporate Centre, Madame Cama Marg, Mumbai, Maharashtra – 400 021	1,727.07	11.70%
Bank of India	Star House, C-5, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	1,178.41	7.98%
UCO Bank	Biplabi Trailokya Maharaj Sarani, Kolkata - 700 001	1,064.70	7.21%
Syndicate Bank	Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai - 400 005	1,004.27	6.80%
ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051	884.65	5.99%
HDFC Limited	Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020	863.89	5.85%
Union Bank of India	Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai -400 021	764.77	5.18%
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	527.81	3.58%
Federal Bank	Federal Towers, Aluva, Ernakulum, Kerala - 683 101	402.00	2.72%
Central Bank of India	Chandermukhi, Nariman Point, Mumbai 400 021	351.40	2.38%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400 005	325.25	2.20%
Indian Overseas Bank	763, Anna Salai, Chennai	320.50	2.17%
Cosmos Co-operative Bank Ltd	Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411 030	309.00	2.09%
L&T Infrastructure Finance Company Limited	3rd Floor, Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400 098	308.43	2.09%
Karur Vysya Bank	Erode Road, Karur - 639 002	281.00	1.90%
Vijaya Bank	41/2 M. G. Road, Bangalore - 560 001	255.75	1.73%
Diwan Housing Finance	3rd Floor, DHFL House, 19 Sahar Raod, Vile Parle (East), Mumbai - 400 099	240.00	1.63%
State Bank of Mysore	P.B. No. 9727, Kempe Gowda Road, Bangalore - 560 009	239.60	1.62%
Bank of Baroda	Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400 023	226.31	1.53%
Indian Bank	254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600 014	222.30	1.51%
State Bank of Travancore	34, Poojapura, Thiruvananthapuram - 695 012	199.00	1.35%
State Bank of Hyderabad	Head Office- Gunfoundry, Hyderabad - 500 001	192.97	1.31%
Karnataka Bank	Mahavira Circle, Kankanadi, Mangalore - 575 002	179.05	1.21%
Oriental Bank of Commerce	Harsh Bhavan, E- Block, Connaught Place, New Delhi - 110 001	176.92	1.20%
State Bank of Patiala	The Mall, Patiala - 147 105	169.60	1.15%
Axis Bank	Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400 005	151.48	1.03%
IDBI Bank	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	144.49	0.98%

Name of the selling bank/ financial institution/NBFC	Address	Acquisition cost	% to total
L&T Finance Limited	City 2, Plot No. 177, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai 400 098	91.57	0.62%
Corporation Bank	Mangladevi Temple Road, Mangalore - 575 001	84.29	0.57%
Sicom Ltd	Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400 093	84.07	0.57%
Canara Bank	112 J. C. Road, Bangalore	83.70	0.57%
State Bank of Bikaner & Jaipur	Tilaknagar, Jaipur - 302 005	83.35	0.56%
United Bank of India	11, Hemanta Basu Sarani, Kolkata	80.65	0.55%
South Indian Bank	SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680 001	79.33	0.54%
Allahabad Bank	2, Netaji Subhash Road, Kolkata - 700001	75.08	0.51%
JM Financial Products Limited	5th Floor Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	70.85	0.48%
Catholic Syrian Bank	CSB Bhavan, St. Mary's College Road, Thrissur,	63.75	0.43%
Yes Bank	9th floor Nehru Centre, Worli, Mumbai - 400 018	54.45	0.37%
HSBC	52/60, M. G. Road, Fort, Mumbai - 400 001	49.03	0.33%
Lakshmi Vilas Bank	LVB House, 4/1, Sardar Patel Road, Guindy, Chennai - 600 032. Tamil Nadu	34.67	0.23%
Stressed Assets Stabilisation Fund	IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai 400 005	31.20	0.21%
Dena Bank	C -10, G Block, Bandra Kurla Complex, Mumbai - 400 051	31.07	0.21%
Andhra Bank	Dr. Pattabhi Bhawan, 5-9-11, Saifabad, Hyderabad 500 004	25.07	0.17%
Ratnakar Bank	One India Bulls Center, Tower 2 , 6th Floor,841, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013	25.00	0.17%
Tata Capital Financial Services Limited	One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400001	24.50	0.17%
HUDCO	HUDCO Bhawan, Core-7-A,India Habitat Centre,Lodhi Road, New Delhi - 110 003	21.34	0.14%
Bank of Bahrain & Kuwait B.S.C	Jolly Maker Chamber, 2, Ground Floor, Nariman point, Mumbai - 400 021	19.19	0.13%
Deutsche Bank	DB House, Hazarimal Somani Marg, Fort, Mumbai 400 001	18.35	0.12%
Bank of Maharashtra	"Lokmangal" 1501, Shivajinagar, Pune 411005	16.65	0.11%
Kotak Mahindra Bank Limited	27 BKC, Plat No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	7.50	0.05%
Specified Undertaking of UTI	UTI Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	7.30	0.05%
Barclays PLC	801, Ceejay House, Annie Besant Road, Worli, Mumbai 400 018	7.22	0.05%
Standard Chartered Bank	23, Narain Manzil, Barakhamba Road, New Delhi- 110 001	6.84	0.05%
KKR India Financial Services Pvt. Ltd.	Regus CitiCentre, Level 6, 10/11, Dr. Radhakrishna Salai, Tamil Nadu, Chennai 600 004	6.75	0.05%
Rupee Co-operative Bank	2062, Sadashiv Peth, Astang Ayurved Building, Pune- 411030	6.00	0.04%
SBI Global Factors Limited	6th Floor, Metropolitan 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%
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%
SBM Bank (Mauritius) Limited	101, Raheja Centre, Nariman Point, Mumbai 400 021	2.85	0.02%

Notes (Contd.)

to the Financial Statements

Name of the selling bank/ financial institution/NBFC	Address	Acquisition cost	% to total
India Infoline Finance Limited (IIFL)	12A-10, 13th Floor, Parinee Crescenzo, C-38 & C-39, G Block, Behind MCA, Bankdra Kurla Complex, Bandra (East), Mumbai 400 051	2.75	0.02%
IL & FS Financial Services Limited	IL & FS Financial Centre, Plat C-22, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051	2.27	0.02%
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%
The Saraswat Co-op Bank Ltd	Mittal Court 'A' Wing 1st Floor, Nariman Point, Mumbai - 400 004	1.91	0.01%
Dhanalakshmi Bank	Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala - 680 001	1.59	0.01%
The Nashik Road Deolali Vyapari Sahakari Bank Ltd	Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422 101	1.50	0.01%
Life Insurance Corporation of India	Yogakshema, Jeevan Bima Marg, Mumbai - 400 021	1.50	0.01%
L & T Fincorp Limited	Brindavan, Plot no. 177, Vidyanagari Marg, CST Raod, Kalina, Santacruz, Mumbai 400 098	0.81	0.01%
UTI Mutual Fund	UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051	0.60	0.00%
Non Sponsors Total		13,933.41	94.39%
Grand Total		14,761.32	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 acquisitions.

b) Dispersion of various assets industry wise:

Industry	Acquisition Price	(₹ in Crore) % to total
Hospitality	4,676.14	31.68%
Real Estate	1,957.05	13.26%
Pharmaceuticals	1,409.04	9.55%
Textiles	1,095.47	7.42%
Iron & Steel	927.40	6.28%
Ceramics	886.56	6.01%
Infrastructure	338.17	2.29%
Chemicals	297.43	2.01%
Plywood/ laminates	276.51	1.87%
Airlines	238.75	1.62%
Retail	237.21	1.61%
Power	217.40	1.47%
Shipping	195.00	1.32%
Cement	171.52	1.16%
Media	139.71	0.95%
Trading	130.83	0.89%
Information Technology	126.66	0.86%
Metals	125.55	0.85%
Leather	107.15	0.73%
Coal	101.80	0.69%
Plastics	92.79	0.63%
Packaging	92.79	0.63%
Food Products	87.82	0.59%
Healthcare	76.75	0.52%
Gems & Jewellery	72.31	0.49%

Industry	Acquisition Price	% to total
Paper	71.79	0.49%
Engineering	67.53	0.46%
Auto Ancillary	63.00	0.43%
Poultry	59.44	0.40%
Plantation	47.63	0.32%
Education	45.87	0.31%
Transportation	38.74	0.26%
Automobile	37.87	0.26%
Electronic	37.48	0.25%
Others	214.17	1.45%
Total	14,761.32	100.00%

- c) The above table (b) has been prepared by management and the same has been relied upon by the auditors.
- d) The acquisition price in the tables (a) and (b) above includes financial assets acquired till 31.03.2018 including financial assets resolved till date.
- e) Restructuring Loan disbursed to one borrower amounting to ₹ 17 crore, has been reclassified from standard to non- performing asset (sub-standard) during the financial year. A provision of 10%, ₹ 1.70 crore has been made on the same as per the RBI guidelines.
- f) The accounting policies adopted by the Company in preparation and presentation of the financial statements are in conformity with the applicable prudential norms prescribed by the RBI.
- g) 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.
- h) The capital adequacy ratio is well above fifteen percent of its total risk weighted assets, accordingly the Company has complied with the capital adequacy norms as prescribed the RBI.
- i) Additional disclosure as per RBI Notification No. DBNS.PD(SC/RC). 8/ CGM (ASR) dated 21.04.2010.

Particulars	Amount (Face value)
Value of financial assets acquired during the financial year either in its own books or in the books of the trust	1,482.74
Value of financial assets realized during the financial year	789.66
Value of financial assets outstanding for realization as at the end of the financial year	11,894.82
Value of Security Receipts redeemed partly during the financial year	242.15
Value of Security Receipts redeemed fully during the financial year (including write offs)	149.86
Value of Security Receipts pending for redemption as at the end of the financial year	12,964.81
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)	79.78
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	NIL

Notes (Contd.)

to the Financial Statements

- j) Additional disclosure as per RBI Notification No. DNBS (PD) CC. No. 41/SCRC/26.03.001/2014-2015 dated 05.08.2014.
- i) 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).
- ii) 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.
- iii) Trusts where the value of the SRs (i.e. Net Asset Value) have declined more than 20% below the acquisition value.

Name of Trust	SRs issued	SRs outstanding	(₹ in Crore)
			NAV % as on March 31, 2018
JMFARC-PNB Ceramics November 2015-Trust	267.76	267.76	75%
JMFARC- SBI Steel March 2015-Trust	62.10	62.10	50%
JMFARC - UBOI Steel March 2016-Trust	42.00	42.00	50%
JMFARC-SBH Ceramics December 2014-Trust	40.00	40.00	75%
JMFARC - Indian Bank March 2016-Trust	65.01	29.15	50%
JMFARC - IOB Ceramics March 2017-Trust	22.00	22.00	75%
JMFARC- CSB Ceramics September 2014-Trust	21.75	21.75	75%
JMFARC- LVB Ceramics September 2014-Trust	18.60	18.60	75%
JMFARC- SBT Ceramics March 2015-Trust	15.50	15.50	75%
JMFARC- SBM Ceramics March 2015-Trust	8.50	8.50	75%
JMFARC-SBOP Ceramics December 2014-Trust	7.90	7.90	75%

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

For and on behalf of the Board of Directors

VP Shetty
Chairman
(DIN-00021773)

Rupa Vora
Chairperson-
Audit Committee
(DIN - 01831916)

Anil Bhatia
Managing Director &
Chief Executive Officer
(DIN-01310959)

Place: Mumbai
Date: April 27, 2018

Nikhil Bhandary
Company Secretary

Sabyasachi Ray
Chief Financial Officer



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