JM FINANCIAL

June 30, 2022

BSE Limited	**National Stock Exchange of India Limited**
Department of Corporate Services	Exchange Plaza
Phiroze Jeejeebhoy Towers	Plot No.C-1, G Block
Dalal Street, Fort,	Bandra Kurla Complex, Bandra (East)
Mumbai - 400 001	Mumbai- 400 051

Dear Sirs,

Sub: **Annual Report for the financial year 2021-22**

Ref: JM Financial Asset Reconstruction Company Limited (the "**Company**")

Pursuant to Regulation 53(2) and 50(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of the Company's Annual Report for the financial year 2021-22, inter alia, containing the notice convening the fifteenth annual general meeting, directors' report, standalone and consolidated financial statements together with the auditors report thereon.

The said report is also uploaded on the Company's website and can be accessed at www.jmfinancialarc.com.

We request you to take the above on your record and acknowledge receipt.

Thank you.

Yours faithfully,
for **JM Financial Asset Reconstruction Company Limited**

Vineet Singh
KS Company Secretary

Encl: as above

JM FINANCIAL

Actualising **Possibilities.** Accelerating **Progress.**

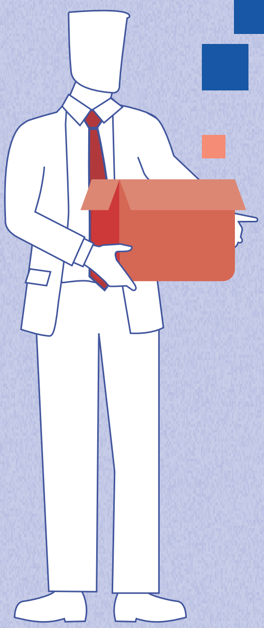
JM Financial Asset Reconstruction Company Limited
Annual Report 2021-22

Actualising Possibilities. Accelerating Progress.

It is the prospect of realising the possibility that keeps one to stay invested on the path to progress. Despite economic activities facing interruptions due to pandemic, the strong liquidity in the system led to a recovery in FY 2021-22. The strong long term outlook, structural changes within the financial services landscape and policy framework has set the stage for long term growth. At JM Financial, our activities in the year gone by were guided by this unfolding reality and overarching theme.

Our efforts in FY 2021-22 were channelled towards building resilience, scale and creating sustainable value for our stakeholders. We reported the highest ever annual net profit in FY 2021-22. We also ended FY 2021-22 with strong recoveries which was second highest since inception.

Though we are entering a phase of geo-political disturbances, supply chain concerns, increasing inflation, tightening of accommodative policies across central banks and volatile capital markets, we are confident of the strong long term economic outlook in India.



The red tie man realising growth aspirations

As developments in the industry indicate a positive and promising outlook, the red tie man is eager to make the most of new and emerging opportunities with greater digital prowess, deep understanding of its diverse client base and new growth categories that are propelling sustained success.

Corporate Information

BOARD OF DIRECTORS

NON EXECUTIVE CHAIRMAN
Mr. V P Shetty

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

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

CHIEF EXECUTIVE OFFICER
Mr. Anil Bhatia

CHIEF OPERATING OFFICER
Mr. Vivek Grover

CHIEF FINANCIAL OFFICER
Mr. Sabyasachi Ray

COMPANY SECRETARY
Mr. Vineet Singh

REGISTERED OFFICE
JM Financial Asset Reconstruction Company Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Tel: 91 22 66303030; Fax: 91 22 66303223
Email ID: vineet.singh@jmfl.com
Website: www.jmfinancialarc.com

CIN: U67190MH2007PLC174287

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

STATUTORY AUDITORS
M/s. Sharp & Tannan Associates
(Appointed with effect from December 10, 2021)

REGISTRAR & SHARE TRANSFER AGENTS
KFin Technologies Limited
Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad - 500 032
Telephone: + 91 040 6716 2222
Fax: (040) 2343 1551
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

DEBENTURE TRUSTEE
SBICAP Trustee Company Limited
4th Floor, Mistry Bhavan,
122, Dinshaw Vachha Road,
Churchgate, Mumbai - 400 020.
Tel: + 91 22 4302 5555; Fax No: + 91 22 22040465
Email ID: corporate@sbicaptrustee.com

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
Email ID: vihang.chavan@vistra.com

OUR OFFICES

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

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

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

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

Notice

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH (15^{TH}) ANNUAL GENERAL MEETING (THE "AGM") OF THE MEMBERS OF JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED (THE "COMPANY") WILL BE HELD ON FRIDAY, JULY 22, 2022 AT 5.15 P.M. AT 7^{TH} FLOOR, CNERGY, APPASAHEB MARATHE MARG, PRABHADEVI, MUMBAI 400025 TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business

1. To receive, consider and adopt the audited standalone financial statements of the Company consisting of the balance sheet as at March 31, 2022, the statement of profit and loss, cash flow statement and statement of changes in equity for the year ended on that date and the explanatory notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors thereon.

2. To receive, consider and adopt the audited consolidated financial statements of the Company consisting of the balance sheet as at March 31, 2022, the statement of profit and loss, cash flow statement and statement of changes in equity for the year ended on that date and the explanatory notes annexed to, and forming part of, any of the said documents together with the Auditors Report thereon.

3. To appoint a director in place of Mr. Pulkit Sekhsaria (DIN: 00046409), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

4. To appoint M/s. Sharp & Tannan Associates, Chartered Accountants (Firm registration no. 109983W), Mumbai, as the Statutory Auditors of the Company, for a period of five (5) consecutive years with effect from the conclusion of the 15^{th} Annual General Meeting until the conclusion of the 20^{th} Annual General Meeting to be held in the financial year 2027–28 and to authorise the Board of Directors to fix their remuneration.

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), read with the Companies (Audit and Auditors) Rules, 2014 (the "**Rules**") including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, and based on the recommendation of the Audit Committee and the Board of Directors (the "**Board**") of the Company, the consent of the members of the Company be and is hereby accorded for the appointment of M/s. Sharp & Tannan Associates, Chartered Accountants (Firm registration no. 109983W), Mumbai, as the Statutory Auditors of the Company, to hold office for a period of five (5) consecutive years with effect from the conclusion of the 15^{th} Annual General Meeting (the "**AGM**") until the conclusion of the 20^{th} AGM of the Company, at such remuneration as is decided by the Board."

   "**RESOLVED FURTHER THAT** the Board (which term shall be deemed to include any committees thereof), be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, desirable or expedient to give effect to the above resolution and matters connected therewith or incidental thereto."

Special Business

5. **Continuation of directorship of Mr. V P Shetty (DIN: 00021773)**

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

   "**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby granted to Mr. V P Shetty (DIN: 00021773), for continuing to hold the directorship as a Non-Executive Director of the Company notwithstanding he attaining the age of seventy-five (75) years on June 12, 2022."

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

6. **Continuation of directorship of Dr. Vijay Kelkar (DIN: 00011991)**

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

   "**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions, if any, of the Companies

Act, 2013 and the applicable rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the consent of the members of the Company be and is hereby granted to Dr. Vijay Kelkar (DIN: 00011991), who has attained the age of seventy-five (75) years, to continue to hold the directorship as a Non-Executive Independent Director of 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, desirable or expedient to give effect to the above resolution and matters connected therewith or incidental thereto."

7. Approval for issuance of non-convertible debentures

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

"**RESOLVED THAT** pursuant to Sections 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (the "**Act**") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014 and pursuant to the applicable provisions of the Securities and Exchange Board of India (the "**SEBI**") (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations and guidelines issued by SEBI and the Reserve Bank of India together with the applicable circulars and clarifications issued by them from time to time and to the extent applicable to the Company including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and subject to the provisions of the Company's Memorandum and Articles of Association, consent of the members of the Company be and is hereby accorded to the Board of Directors (the "**Board**", which term shall include any committees thereof) to offer, issue and allot secured/unsecured, listed/unlisted, rated/unrated redeemable Non-Convertible Debentures (the "**NCDs**"), in one or more series/tranches, aggregating up to ₹ 7,000 Crore (Rupees Seven Thousand Crore only), on private placement basis and/or through public offer on such terms and conditions as the Board 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, desirable or expedient to give effect to the above resolution and matters connected therewith or incidental thereto."

By Order of the Board

Vineet Singh
Company Secretary

Place: Mumbai
Date: May 12, 2022

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

Notice (Contd.)

Notes:

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DULY FILLED IN ALL RESPECTS AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

1. Pursuant to the provisions of the Companies Act, 2013 (the "**Act**") and the rules made thereunder, a person can act as proxy on behalf of the members not exceeding 50 (fifty) in number and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Proxies submitted on behalf of the Companies, must be supported by an appropriate resolution/authority, as applicable. A member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. The relevant statement to be annexed to the Notice pursuant to Section 102 of the Act which sets out details concerning the special business under item nos. 5 to 7 is annexed hereto and forms part of the Notice. Additionally, the material facts concerning the business under item no. 4 is also forming part of this statement.

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

4. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the AGM. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the AGM.

5. In compliance with the applicable Circulars, Notice of the AGM along with the Annual Report for the financial year 2021-22 is being sent by the Company in electronic mode to those members whose email addresses are registered with their respective Depository Participants ("**DPs**")/Depositories, the Company or its Registrar and Transfer Agents ("**RTA**"), viz., KFin Technologies Limited. members who wish to change their email addresses, are requested to promptly intimate the same to their respective DPs or to the Company/its RTA, as the case may be.

6. During the period beginning 24 hours before the time fixed for the commencement of AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company.

7. Notice convening the 15th AGM along with the Annual Report for the financial year 2021-22 will also be available on the Company's website at www.jmfinancialarc.com and on the website of the stock exchanges i.e., BSE Limited (the "**BSE**") at www.bseindia.com and National Stock Exchange of India Limited (the "**NSE**") at www.nseindia.com.

8. The Company has paid the annual listing fees for the financial year 2022-23 to BSE and NSE.

9. Any document in connection with any of the items to be transacted in the Notice are open for inspection at the registered office of the Company on any working day (Monday to Friday) between 2:00 p.m. and 4:00 p.m. upto the date of the AGM and at the venue of the AGM and any member interested in obtaining a copy of the same may write to the Company Secretary at vineet.singh@jmfl.com.

10. The relevant details as required under clause 1.2.5 of Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking re-appointment/ continuation of term as director is given in annexure forming part of this Notice.

11. The route map showing directions to reach the venue of the 15th AGM forms part of this Notice.

ANNEXURE TO NOTICE

Information/explanation pertaining to the following

Item no. 4

M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No. 109983W), Mumbai, ("**Sharp & Tannan**") were appointed as the Statutory Auditors of the Company, vide the resolution passed by the members of the Company at the Extraordinary General Meeting held on December 10, 2021. The appointment was made to fill in the casual vacancy caused by the resignation of Deloitte Haskins & Sells LLP, (the "**Deloitte**") as the Statutory Auditors in view of the RBI Guidelines issued vide Circular No. RBI/2021-22/25, Reference No. DoS. CO.ARG/ SEC.01/08.91.001/2021-22 dated April 27, 2021 (the "**RBI Guidelines**"). Sharp & Tannan holds office up to the conclusion of the 15th Annual General Meeting (AGM) of the Company.

After considering the competency of the audit team, independence, audit fees, etc., the Audit Committee and the Board at their respective meetings held on May 12, 2022, have approved the appointment of Sharp & Tannan as the Statutory Auditors of the Company for a period of five (5) consecutive years with effect from the conclusion of the 15th AGM until the conclusion of the 20th AGM of the Company to be held in the financial year 2027-28 and have recommended their appointment for approval of the members of the Company.

Additionally, approval of the members has also been sought to give authority to the Board to decide on the amount of remuneration to be paid to the Statutory Auditors.

Brief Profile of Sharp & Tannan

Sharp & Tannan is headquartered at Mumbai and has a pan India presence through the offices of its ICAI registered network "Sharp and Tannan and Affiliates" with offices at Ahmedabad, Bengaluru, Chennai, Coimbatore, Goa, New Delhi, Pune and Vadodara and in an approved transnational audit firm of its independent International Network 'Russell Bedford International' headquartered in London with representative members across 100 countries with 350 offices worldwide. The Affiliate is serving over 85 years and has extensive experience in audit, assurance, tax, governance and risk advisory services serving a varied clients from various sectors like infrastructure, industrials, capital goods, chemical, pharma, power, technology, banking and finance, real estate, media, entertainment and hospitality. The Firm currently enjoys relationships with more than 25 listed entities within its clientele. The Firm has eleven (11) partners and more than 160 professionals.

Sharp & Tannan has provided its consent for appointment as the Statutory Auditors of the Company along with a confirmation that their appointment, if made, would be within the limits prescribed under the Act. They have also confirmed that they fulfill all the criteria under Section 141 of the Act and they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

In view of the above, approval of the members is sought for appointment Sharp & Tannan, as the Statutory Auditors of the Company and authorise the Board to fix their remuneration. The Board commends passing of the ordinary resolution set out at item no. 4 of said Notice.

None of the directors, key managerial personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the ordinary resolution set out at item no. 4 of the Notice.

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

Item nos. 5 & 6

The Non-Convertible Debentures (**NCDs**) issued by the Company are listed on BSE Limited and National Stock Exchange of India Limited. Securities and Exchange Board of India ("**SEBI**") on September 7, 2021 has notified amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") wherein it has, inter alia, introduced concept of "**High Value Debt Listed Entities**" which means a listed entity that has an outstanding listed Non-Convertible Debt Securities ("**NCDs**") of ₹ 500 Crore and above as on March 31, 2021. Pursuant to the above amendment, Regulation 16 to Regulation 27 of the Listing Regulations are now made applicable to High Value Debt Listed Entities on a 'comply or explain' basis until March 31, 2023 and mandatory thereafter. Accordingly, the Company is required to comply with the provisions of Regulation 17(1A) of the Listing Regulations.

Regulation 17(1A) of the Listing Regulations states that "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five (75) years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person".

Mr. V P Shetty, is a non-executive director of the Company and the Chairman of the Board of Directors (the "**Board**"). Mr. Shetty has been a director of the Company since 2007 and shall be attaining the age of seventy-five (75) years on June 12, 2022. Hence, pursuant to the above regulation of the Listing Regulations, it is necessary to seek approval of the members of the Company through special resolution for continuation of his directorship as a non-executive director of the Company.

Profile of Mr. V P Shetty and justification for continuation of his directorship beyond the age of seventy-five (75) years is stated below:

Mr. V P Shetty has had an illustrious Banking career spanning almost four decades. He has worked in various positions in

Notice (Contd.)

four major nationalized banks. He has worked as Chairman and Managing Director in UCO Bank, Canara Bank and IDBI Bank. He was also the Chairman of Indian Banks Association.

Mr. Shetty is an authority in Commercial Banking, Mergers & Acquisitions in Banking, Corporate Governance and Turnaround Management especially in Public Sector. Mr. Shetty was also the Recipient of "Banker of the Year – 2003" Award from the Business Standard Group in recognition of successful turnaround of UCO Bank.

Mr. Shetty has also served on the Boards of Life Insurance Corporation of India, Export-Import Bank of India, Infrastructure Development Finance Company Limited, National Insurance Company Limited, and General Insurance Corporation of India. He was a Member of the Governing Council of Banking Codes & Standards Board of India (BCSBI) and was on Board of LIC Golden Jubilee Foundation.

Mr. Shetty is a Commerce Graduate and holds a CAIIB. He is also the Chairman of JM Financial Asset Management Limited, JM Financial Products Limited and JM Financial Home Loans Limited.

Mr. Shetty has been an active member of the Board and committees of which he is a member. Mr. Shetty leads from the front and brings the cohesiveness amongst the Board members. As the Non-Executive Chairman of the Board, Mr. Shetty provides valuable inputs and advice in all important and critical matters of the agenda. His innovative ideas and suggestions are very helpful in the business strategy. Mr. Shetty's leadership qualities are noteworthy. Over the years, Mr. Shetty has demonstrated that he is the ideal Chairman of the Board. The Company has progressed very well under his leadership and guidance and his continued association will be valuable and positive.

Details of Mr. Shetty's attendance at the following meetings of the Company held during the last three financial years are given below:

Financial year	Board meeting	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Issue and Allotment Committee	AGM	EGM
2021-22	4 out of 4	6 out of 6	1 out of 1	2 out of 2	7 out of 7	Yes	Yes
2020-21	4 out of 4	4 out of 4	1 out of 1	2 out of 2	3 out of 3	Yes	Yes
2019-20	5 out of 5	4 out of 4	3 out of 3	1 out of 1	3 out of 12	Yes	-

Considering his rich experience, expertise and immense contribution in the growth of the Company, his specific skills in helping the Board and the Company in attaining its objectives, his participation in the Board/committee deliberations, summary of his performance evaluation, time devoted by him and based on the recommendation of Nomination and Remuneration Committee, the Board unanimously commends passing of the special resolution as proposed at item no. 5 of the Notice for continuation of the directorship of Mr. Shetty as a non-executive director notwithstanding he attaining the age of seventy-five (75) years on June 12, 2022.

Dr. Vijay Kelkar was appointed as an Independent Director of the Company with effect from September 21, 2018 and has already attained the age of seventy-five (75) years. Hence, pursuant to Regulation 17(1A) of the Listing Regulations, it is necessary to seek approval of the members of the Company through special resolution for continuation of his directorship as a Non-Executive Independent Director of the Company.

Profile of Dr. Vijay Kelkar and justification for continuation of his directorship beyond the age of seventy-five (75) years is stated below:

Dr. Vijay Kelkar, born on May 15, 1942, is a Non-Executive Independent Director of the Company. He has completed his B.E., from College of Engineering Pune, M.S., from University of Minnesota US, and Ph.D. in economics from University of California Berkeley, US.

Dr. Kelkar is the former Finance Secretary to the Government of India. He has held many senior level positions in the Government of India including the most recent position as the Chairman of the Finance Commission, Advisor to Minister of Finance, Secretary of Ministry of Petroleum & Natural Gas and Chairman of the Tariff Commission. In January 2011, the President of India awarded "PADMA VIBHUSHAN" to Dr. Kelkar, the second highest Civilian Award for distinguished and exceptional service to the nation.

Besides, Dr. Kelkar has also served in several key posts in international organisations such as Director and Coordinator of International Trade Division, UNCTAD, Switzerland and Executive Director for India, Sri Lanka, Bangladesh and Bhutan at the International Monetary Fund, USA.

He is the former Chairman of the National Institute of Public Finance and Policy (NIPFP), New Delhi. He is the former President of Indian Statistical Institute, Kolkata. He was the Chairman of the committee constituted on Revisiting & Revitalization of the PPP Model of Infrastructure Development, the Chairman, Forum of Federations, Ottawa from January 2010 to March 2013 and the Chairman of the

Finance Commission in the rank of a Union Cabinet Minister until January, 2010.

Dr. Kelkar also serves on the Boards of JM Financial Limited and Go Airlines (India) Limited.

Dr. Kelkar has been an active member of the Board and the committee of which he is a member. He has extensive knowledge in the Finance sector. He has been advising and providing valuable suggestions to the Company's management. With his in-depth knowledge, he ensures the contribution of his pluralistic viewpoints to debate on various items discussed in the meetings of the Board and the committee.

Details of Dr. Kelkar's attendance at the following meetings of the Company held during the last three financial years are given below:

Financial year	Board meeting	Corporate Social Responsibility Committee	AGM	EGM
2021-22	4 out of 4	2 out of 2	No	No
2020-21	3 out of 4	2 out of 2	Yes	No
2019-20	4 out of 5	0 out of 1	No	-

Considering his rich experience, expertise and immense contribution in the growth of the Company, his specific skills in helping the Board and the Company in attaining its objectives, his participation in the Board/committee deliberations, summary of his performance evaluation, time devoted by him and based on the recommendation of Nomination and Remuneration Committee, the Board unanimously commends passing of the special resolution as proposed at item no. 6 of the Notice for continuation of the directorship of Dr. Kelkar who has attained the age of seventy-five (75) years as an Non-Executive Independent Director of the Company.

Except Mr. V P Shetty and Dr. Vijay Kelkar, none of the other directors, key managerial personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the special resolutions set out at item nos. 5 and 6 of the Notice.

Item no. 7

Pursuant to Section 23, 42, 71 and other applicable provisions of the Companies Act, 2013 (the "**Act**"), if any, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and pursuant to the applicable provisions of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Company shall not make private placement or public issue of its securities unless the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the members of a Company by a special resolution.

As at March 31, 2022, the Company had outstanding Non-Convertible Debentures ("**NCDs**") aggregating ₹ 523 Crore issued by way of private placement. Keeping in mind the further requirement of funds, it is proposed to seek enabling approval from the members to offer, issue and allot secured/ unsecured, listed/unlisted, rated/unrated redeemable NCDs, in one or more series/tranches, aggregating up to ₹ 7,000 Crore (Rupees Seven Thousand Crore Only), on private placement basis and/or through public offer, on such terms and conditions as the Board may, from time to time, determine.

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

The Board commends passing of the special resolution set out at item no. 7 of the Notice.

None of the directors, key managerial personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise (except to the extent of the NCDs that may be subscribed and alloted to them, if any), in the special resolution set out at item no. 7 of the Notice.

By Order of the Board

Vineet Singh
Company Secretary

Place: Mumbai
Date: May 12, 2022

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

Notice (Contd.)

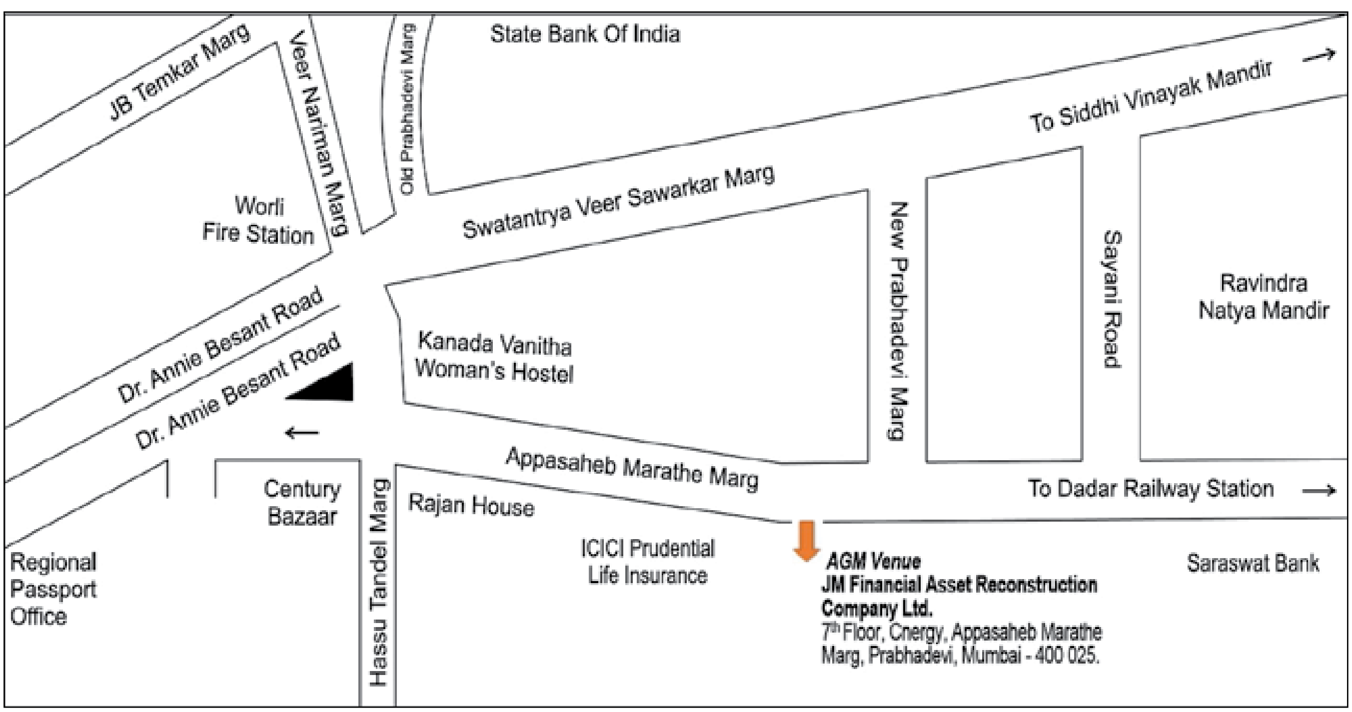
ADDITIONAL INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT/CONTINUATION OF TERM AT THE 15TH ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 1.2.5 OF SECRETARIAL STANDARD - 2 ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (INFORMATION AS ON THE DATE OF THIS NOTICE).

Name of the Director	Mr. Pulkit Sekhsaria (DIN: 00046409)	Mr. V P Shetty (DIN: 00021773)	Dr. Vijay Kelkar (DIN: 00011991)
Date of birth	December 12, 1971 (Age: 50 years)	June 12, 1947 (Age: 74 years)	May 15, 1942 (Age: 79 years)
Date of original appointment on the Board	November 26, 2014	November 28, 2007	September 21, 2018
Qualification(s)	B.com, Management courses from Wharton, Indian School of Business, London Business School and INSEAD.	Commerce Graduate and holds a CAIIB.	B.E. from College of Engineering, Pune, M.S. from University of Minnesota and Ph.D in Economics from University of California, Berkeley.
Brief profile	• Mr. Pulkit Sekhsaria was instrumental in execution and management of three terminals Mumbai, Surat and Muldwarka (import and export terminal) and the Shipping Division of Ambuja Cements Limited. • He is actively involved in the investments of family wealth in various fields and manages the Family Office.	Please refer to item no. 5 and 6 of the explanatory statement.	Please refer to item no. 5 and 6 of the explanatory statement.
Terms and conditions of re-appointment	Re-appointment as a Non-Executive Director of the Company liable to retire by rotation in accordance with the provisions of Section 152 of the Act.	Continuation of his directorship as a Non-Executive Director of the Company in compliance with Regulation 17(1A) of the Listing Regulations.	Continuation of his directorship as a Non-Executive Independent Director of the Company in compliance with Regulation 17(1A) of the Listing Regulations.
Shareholding in the Company	Nil	Nil	Nil
Relationship with other directors, manager and key managerial personnel (KMP)	Mr. Pulkit Sekhsaria, Non-Executive Director of the Company is relative (son) of Mr. Narotam Sekhsaria.	None	None
No. of Board meetings attended during the year	Mr. Pulkit Sekhsaria has attended 4 (four) Board meetings held during the financial year 2021-22.	Mr. V P Shetty has attended 4 (four) Board meetings held during the financial year 2021-22.	Dr. Vijay Kelkar has attended 4 (four) Board meetings held during the financial year 2021-22.
Directorships held in other bodies corporate	• Satyanarayan Sekhsaria Private Limited • Indus Securities Private Limited	• JM Financial Products Limited • JM Financial Asset Management Limited • JM Financial Credit Solutions Limited • JM Financial Home Loans Limited • Sunteck Realty Limited	• JM Financial Limited • Go Airlines (India) Limited • Avanti Finance Private Limited • Avanti Microfinance Private Limited • Sentient Labs Private Limited • Indian Institutes for Human Settlements

Name of the Director	Mr. Pulkit Sekhsaria (DIN: 00046409)	Mr. V P Shetty (DIN: 00021773)	Dr. Vijay Kelkar (DIN: 00011991)
Membership/ Chairmanships of Committees in other companies*	None	**Memberships** **Audit Committee** • JM Financial Asset Management Limited • JM Financial Home Loans Limited **Chairmanships** **Stakeholders' Relationship Committee** • JM Financial Products Limited	**Memberships** **Audit Committee** • JM Financial Limited • Go Airlines (India) Limited **Chairmanships** **Stakeholders' Relationship Committee** • JM Financial Limited
Details of remuneration paid during the financial year 2021-22	Sitting Fees: ₹ 2,00,000 Commission: ₹ 6,00,000	Sitting Fees: ₹ 4,50,000 Commission: ₹ 10,00,000	Sitting Fees: ₹ 2,70,000 Commission: ₹ 7,50,000
Remuneration sought to be paid	He shall be paid remuneration by way of sitting fees for attending meetings of the Board or committees thereof, if any, as may be decided by the Board, reimbursement of expenses, if any, incurred by him for attending the Board/committee meetings and profit related commission subject to the limits prescribed under the applicable provisions of the Act and the Listing Regulations.	He shall be paid remuneration by way of sitting fees for attending meetings of the Board or committees thereof, if any, as may be decided by the Board, reimbursement of expenses, if any, incurred by him for attending the Board/committee meetings and profit related commission subject to the limits prescribed under the applicable provisions of the Act and the Listing Regulations.	He shall be paid remuneration by way of sitting fees for attending meetings of the Board or committees thereof, if any, as may be decided by the Board, reimbursement of expenses, if any, incurred by him for attending the Board/committee meetings and profit related commission subject to the limits prescribed under the applicable provisions of the Act and the Listing Regulations.

* only audit committee and stakeholders' relationship committee membership/chairmanships have been considered.

ROUTE MAP FOR ANNUAL GENERAL MEETING VENUE



Directors' Report

Dear Members,

The Board of Directors (the "**Board**") is pleased to present the Company's 15th Annual Report together with the audited consolidated and standalone financial statements for the financial year ended March 31, 2022.

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

Financial Performance

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

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Gross Income	519.43	384.60	511.01	373.25
Expenses	289.12	300.31	280.81	290.22
Profit before tax	**230.31**	**84.29**	**230.20**	**83.03**
Tax Expenses				
Current Tax	85.04	24.63	85.04	24.63
Deferred tax	(26.72)	(4.79)	(26.74)	(5.10)
Earlier year tax adjustments	-	-	-	-
Profit after tax	**171.99**	**64.45**	**171.90**	**63.50**
Other Comprehensive Income	0.04	0.09	0.04	0.09
Total Comprehensive Income	**172.03**	**64.54**	**171.94**	**63.59**
Net Profit attributable to				
Owners of the Parent	171.99	63.66	-	-
Non-Controlling Interest	-	0.79	-	-
Other Comprehensive Income Attributable to owners of parent	0.04	0.09	-	-
Total Comprehensive Income attributable to			**-**	**-**
Owners of the Parent	172.03	63.75	-	-
Non-Controlling Interest	-	0.79	-	-

Key highlights of Consolidated Financial Performance

- Gross income of the Company for the financial year ended March 31, 2022 is ₹ 519.43 Crore as compared to ₹ 384.60 Crore in the previous year; and
- The total comprehensive income attributable to parent during the said year is ₹ 172.03 Crore as compared to ₹ 63.75 Crore in the previous year.

Consolidated financial statements for the financial year ended March 31, 2022 have been prepared in accordance with Section 133 of the Companies Act, 2013 (the "**Act**") read with the rules made thereunder and Indian Accounting Standards (the "**Ind AS**") 110. The consolidated financials reflect the cumulative performance of the Company and the Trusts where the Company has a controlling interest.

Key highlights of Standalone Financial Performance

- Gross income of the Company for the financial year ended March 31, 2022 is ₹ 511.01 Crore as compared to ₹ 373.25 Crore in the previous year; and
- The total comprehensive income during the said year is ₹ 171.94 Crore as compared to ₹ 63.59 Crore in the previous year.

COVID-19

During the financial year 2021-22, the country succeeded in managing the challenges posed by the first wave of Covid-19 pandemic, however, it was still combatting the second wave of Covid-19. Impact of the pandemic has been largely disruptive in terms of economic activity as well as loss of human lives. With most sectors adversely affected, the economy witnessed a contraction of 7.3% during 2020-21.

With the situation slowly easing down, the Company continued to ensure smooth functioning of operations by adopting hybrid mode of working for its employees in a calibrated manner. All precautionary measures were duly followed by the Company and all its employees who started resuming the office in person. JM Financial Group continued to issue multiple advisories to employees and the crisis management team was active for health-related assistance required during this period. A few other initiatives like vaccination drive, medical assistance and doctor on call were also undertaken to ensure well being of our employees. Several precautionary measures like fumigation of office premises, temperature checks, supplying and wearing of masks and use of sanitizers, among others continued and has now become a regular operational practice.

Dividend

The Board is of the view that it is prudent to conserve the cash for the Company's future capital requirement to deal with the uncertain economic environment and hence has not recommended any dividend for the financial year ended March 31, 2022.

Material Changes and Commitments affecting the financial position of the Company

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

Share Capital

During the year under review, there is no change in the paid-up share capital of the Company. As on March 31, 2022, the issued, subscribed and paid-up equity share capital of the Company stood at ₹ 344.64 Crore divided into 34,46,42,857 (Thirty Four Crore Forty Six Lakh Forty Two Thousand Eight Hundred Fifty Seven) equity shares of ₹ 10/- (Rupees Ten only) each fully paid up.

Employees Stock Option Scheme

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

The Nomination and Remuneration Committee of the Board, at its meeting held on May 4, 2022, has granted an aggregate of 19,60,749 stock options to the eligible employees of the Company under Employees' Stock Option Scheme – Series 3.

The disclosure of information as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the financial year ended March 31, 2022 is appended to this Report as **Annexure I**.

Deposits

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

Credit Rating

ICRA Limited ("**ICRA**") and CRISIL Limited ("**CRISIL**") have reaffirmed the following credit ratings to the debt instruments/ facilities of the Company:

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

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

Overview of the Indian Economy

The Indian economy continued to be impacted in FY 2021-22 with resurgent waves of Covid-19 pandemic. As per Reserve Bank of India's (**RBI**) Financial Stability Report dated December 29, 2021, GNPA ratio of all Scheduled Commercial Banks (SCBs) may increase from 6.9% in September 2021 to 8.1% by September 2022 under the baseline scenario and may deteriorate to 9.5% under a severe stress scenario. Thus, indicating increase of NPAs in the banking system.

Given the situation and the need to augment economic recovery, the Government introduced slew of measures during FY 2021-22 which inter alia, included provisions for public health care, loan guarantee scheme for Covid-19 affected sectors, expansion of Emergency Credit Line Guarantee Scheme (ECLGS), Credit Guarantee Scheme for Micro Finance Institutions, Scheme for tourism sector workers, Production Linked Incentive (PLI) schemes in 14 key sectors designed to attract investments etc. The above measures absorbed the pandemic shocks and ensured economy remained resilient.

The latest GDP estimates and movement in key economic activity indicators confirm strengthened momentum of India's economic recovery and the economy is now in a better position to meet the credit demands as recovery takes hold and investment activity picks up. However, the risk of future pandemic waves, supply chain disruptions because of the Ukraine- Russia war, increasing cost of critical raw materials and other commodity prices may cloud the growth outlook and impact the demand and profitability.

Amidst persisting challenges impacting the ARC sector, RBI announced committee for Asset Reconstruction Companies (ARCs) to undertake a comprehensive review of the working of

Directors' Report (Contd.)

ARCs and recommend suitable measures to meet the growing requirements of the financial sector. The recommendations made by the committee in its report is a welcome step towards strengthening and streamlining of the ARC framework in India. RBI had invited comments from the stakeholders/public on the report and final guidelines is expected to be issued shortly. The key recommendations of the committee inter alia, are as follows:

i. Acquisition of NPAs from all the regulated entities;

ii. Minimum requirement for SR holding by ARCs to be the higher of 15% of the lenders' investment in SRs or 2.5% of the total SRs issued;

iii. Removing obstacles of debt aggregation, if 66% of lenders (by value) decide to accept an offer by an ARC, the same may be binding on the remaining lenders and it must be implemented within 60 days of approval; and

iv. Allowing ARCs to use SEBI registered Alternative Investment Funds (AIFs) as an additional vehicle for facilitating additional funding and restructuring of debt acquired by them.

These recommendations, if implemented, will be instrumental in improving the positioning of the ARCs as an important tool for resolving the NPA situation.

The opportunity for ARCs and other distressed asset investors shall improve as Ministry of Finance has notified Housing Finance Companies (HFCs) registered under the National Housing Bank Act, 1987 and having assets worth ₹ 100 Crore and above as Financial Institution under the SARFAESI Act, 2002. This will allow ARCs to purchase NPAs from HFCs. With the recent RBI's circular for NBFCs (effective from October 1, 2022), it is stipulated to implement tighter NPAs norms which may lead to spike in NPAs for NBFCs. This will result in bigger market for the ARCs.

Further, to increase investment in stressed assets, SEBI amended the AIF Regulations, to introduce Special Situation Funds (SSF), a sub-category under Category I AIF, which shall invest only in defined 'stressed assets' which includes SRs issued by ARCs.

The Government while recognizing the role of MSMEs and the challenges faced by them due to the pandemic, introduced Pre-packaged Insolvency Resolution Process for MSMEs with minimum threshold of ₹ 10 Lakh up to Maximum ₹ 1 Crore. It is expected that this will facilitate speedy resolution process for the smaller NPAs as the entire process is likely to be completed within a period of 120 (one hundred and twenty) days from the commencement date.

Overview of Business Performance of the Company

We have a proven track record as one of the consistent top performers in the industry in terms of recovery, resolution and profitability. The focus on resolutions over growth in the FY 2021-22 yielded significant recoveries of ₹ 2,041 Crore through settlement, enforcement of security and CIRP process. These recoveries helped us to prudently manage our ALM by pre-paying external liabilities and deleveraging the balance sheet. Despite the challenges in funding ARCs, the Company raised an amount of ₹ 792 Crore through external borrowings.

We have a team of professionals from diverse backgrounds who are experienced in banking, corporate debt restructuring and bankruptcy. We closely work with diverse sector-specific professionals and sector-specialised firms for revival of the acquired units.

During the year, we acquired dues of ₹ 2,092 Crore including aggregation of debt of one large account. Our investment strategy is to acquire quality assets at the right price and limiting the downside risk by ensuring sufficient underlying security value. Our investment approach is based on a disciplined due diligence process that evaluates risks while also identifying various measures to increase value from our investments.

Till March 31, 2022, we have acquired total outstanding dues of ₹ 63,757 Crore at a gross consideration of ₹ 18,138 Crore. Security Receipts worth ₹ 760 Crore were redeemed during the year. The outstanding Security Receipts stood at ₹ 10,936 Crore as on March 31, 2022. The outstanding contribution of JM Financial Asset Reconstruction Company Limited stood at ₹ 3,160 Crore as on March 31, 2022. We have had 65 exits (trusts) spread across sectors which we believe has helped us in developing strong expertise in resolving distressed assets.

With normalcy approaching, we look forward to evaluate opportunities to grow our business and enter FY 2023 with a positive outlook. Our acquisition strategy has primarily been towards full cash acquisitions and going forward too, the focus will be on similar lines. However, the future acquisition focus will be more on a co-investment model with financial investors and strategic partners to ensure growth and at the same time ensuring sustainable and moderate level of debt leverage. In the coming years, we shall also focus on acquiring retail portfolios of optimal sizes at right prices.

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 2021-22	FY 2020-21
Dues acquired	2,092	1,303
Investment by the Company	242	354
Issue of Security Receipts to other investors	470	3
Total acquisition cost	712	358

(₹ in Crore)

Details of Financial Assets acquired by the Company	FY 2021-22	FY 2020-21
Security Receipts buyout by the Company	-	261
Total outstanding dues acquired (Cumulative as on March 31)	63,757	61,666
Total gross acquisition cost (Cumulative as on March 31)	18,138	17,427

Resolution and Recovery activities

The Company continued to focus on resolution of assets during 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 2021-22	FY 2020-21
Redemption of face value of Security Receipts	760	769
Total Recovery	**2,041**	**1,192**

Assets under management

The synopsis of the category of the assets under the management as on March 31, 2022 compared to previous financial year is given below:

(₹ in Crore)

Comparison of assets under management	As on March 31, 2022	As on March 31, 2021
Corporate Accounts	8,575	8,419
Portfolio Accounts	2,315	2,594
Retail Accounts	46	47
Total	**10,936**	**11,060**

Security Receipts issued and outstanding

The summary of Security Receipts issued and outstanding as on March 31, 2022 as compared to previous financial year is given below:

(₹ in Crore)

SRs issued, redeemed and outstanding	As on March 31, 2022	As on March 31, 2021
Security Receipts issued during the year	712	358
Security Receipts redeemed during the year	760	769
Security Receipts outstanding as at the end of the year	10,936	11,060

Note: SRs were written off due to the trust closure amounting to ₹ 75 Crore during the FY 2021-22 and ₹ 18 Crore during FY 2020-21.

Additional Priority Loan book

The Company provides additional priority financing/loans to borrowers for their business growth and working capital requirements. The loans disbursed by the Company and outstanding as on March 31, 2022 is ₹ 512 Crore as against ₹ 551 Crore in the previous year.

Borrowings

The Borrowings of the Company for the financial year ended March 31, 2022 is ₹ 2,295 Crore as against ₹ 2,375 Crore in the previous year.

Non-Convertible Debentures

During the financial year 2021-22, the Company raised an amount of ₹ 250 Crore through issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("**NCDs**") on private placement basis. The NCDs issued by the Company are listed on the Wholesale Debt Market Segment of BSE Limited and National Stock Exchange of India Limited.

During the year under review, the Company has duly made timely payment of the redemption amount (principal and interest) on the NCDs.

Commercial papers (CPs)

During the financial year 2021-22, the Company had issued Commercial Papers (CPs) for an amount aggregating up to ₹ 300 Crore. The Commercial Papers issued by the Company are listed on the Wholesale Debt Market Segment of BSE Limited.

Debt Equity

The Debt Equity Ratio as on March 31, 2022 is 1.41 times as compared to 1.70 times as on March 31, 2021.

Capital Adequacy Ratio

The Capital Adequacy Ratio of the Company as on March 31, 2022 is 38.56% as compared to 36.45% in the previous financial year ended March 31, 2021, which is well above the RBI stipulated norm of 15%.

Net Worth

The Net Worth of the Company as on March 31, 2022 is ₹ 1,688 Crore as compared to ₹ 1,515 Crore in the previous financial year ended March 31, 2021.

Board of Directors

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

The Board comprises of total 9 (nine) directors, of which 4 (four) are independent directors including 1 (one) woman director. The remaining 5 (five) are non-independent directors, including Chairman of the Board. The Board of the Company is diverse in terms of qualification, competence, knowledge and experience required in the financial industry.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Pulkit Sekhsaria (DIN: 00046409), a non-executive director of the Company, retires by rotation at the forthcoming Annual General Meeting (the "**AGM**") of the Company. Being eligible, Mr. Sekhsaria has offered himself for re-appointment as a director.

Brief particulars of Mr. Sekhsaria as required under Secretarial Standard on General Meetings (the "**SS-2**") is provided in the Notice convening the AGM of the Company.

Additionally, in accordance with the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**"), the Board on the recommendation of the Nomination and Remuneration Committee has unanimously decided to commend to the members of the Company, passing of the special resolution approving the continuation of directorship of Mr. V P Shetty and Dr. Vijay Kelkar as Non-Executive Directors of the Company notwithstanding them attaining the age of seventy-five (75) years. Brief details of Mr. Shetty and Dr. Kelkar along with justification for the above recommendation is provided in the Notice convening the 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.

Key Managerial Personnel

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

Declarations given by Independent Directors

All the independent directors of the Company have submitted their declarations that each of them meets the criteria of independence as provided under Section 149 of the Act read with the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as independent directors.

The independent directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the independent directors of their registration on the independent directors database maintained by the Indian Institute of Corporate Affairs, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Basis the declarations received from the independent directors and the disclosures made by them, the Board, acknowledging the veracity of the same, has concluded that the independent directors are the persons of integrity and qualify as such and that they are independent of the Management of the Company.

Board Meetings

During the financial year 2021-22, 4 (four) Board meetings were held. The maximum gap between any 2 (two) Board meetings was not more than one hundred and twenty (120) days.

The details of the Board meetings held during the financial year 2021-22 are given below:

Board meeting	Number of directors present
April 28, 2021	9
July 17, 2021	9
October 23, 2021	9
January 20, 2022	8

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 meets at least once in a quarter to review financial results and operations of the Company. The notice of all the meetings are given well in advance to all the directors. The agenda, setting out the business to be transacted at the meeting, with well-structured and comprehensive notes on agenda, is circulated in advance to the Board members, to enable them to go through the same and take informed decisions. Agenda papers are circulated at least seven (7) days prior to the date of meeting 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. Additional items are taken up with the permission of the Chairman and requisite consent of the majority of the directors present in the meeting.

Policy on Appointment of Directors and their Remuneration

The Company has adopted policies on selection and appointment of directors and also on performance evaluation and remuneration of directors, pursuant to Section 178(3) of the Act and Regulation 19(4) of the Listing Regulations.

In accordance with the applicable provisions of the Act and the Listing Regulations, these policies are uploaded on the website of the Company at www.jmfinancialarc.com/Home/Policies.

Performance Evaluation of the Board, its Committees and individual Directors

The Board has carried out an annual evaluation of its own performance, the Board committees and individual directors pursuant to the Act and the Listing Regulations. Through a digital structured questionnaire, feedback from directors was obtained as a part of performance evaluation. This questionnaire and criteria of performance was broadly based on the Company's policy on performance evaluation and guidance note on the board evaluation issued by SEBI on January 5, 2017.

Basis the feedback received from the directors, the Board and the Nomination and Remuneration Committee of the Board reviewed the performance of the individual directors, the Chairman and various committees established by the Board at their respective meetings.

The performance evaluation of individual directors including the Chairman, inter alia, was done based on the criteria such as professional conduct, roles and functions, discharge of duties, their contribution to Board/committee/senior management, preparedness on the issues to be discussed, contribution to the decision making, etc.

The performance evaluation of the Board as a whole and its committees was made after seeking inputs from the directors/committee members on various aspects such as structure and composition, effectiveness of the board process, information, roles and responsibilities, professional development, 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 performance evaluation of the non-independent directors viz., the Chairman and the Board as a whole was also carried out by the independent directors at their separate meeting held on March 25, 2022, considering the views of the executive and the non-executive directors.

Separate Meeting of Independent Directors

During the financial year 2021-22, a separate meeting of the independent directors of the Company was held on March 25, 2022 without the presence of the non-executive directors and the management team of the Company. The meeting was attended by all the independent directors.

The matters considered and discussed thereat, inter alia, included those prescribed under schedule IV to the Act and Regulation 25 of the Listing Regulations.

Committees of the Board

The Board has established various committees, the names of which along with its members are given below. The members of these committees have specialised functional knowledge and expertise to efficiently and effectively manage its affairs. These committees monitor the activities as per the scope defined in their respective charters and terms of reference, which are reviewed annually.

The particulars of the committees is provided below.

Committees Overview

Committee	Members
Audit Committee	1. Ms. Rupa Vora 2. Mr. V P Shetty 3. Mr. Ameet Desai
Nomination and Remuneration Committee	1. Mr. Satish Chand Mathur 2. Mr. V P Shetty 3. Ms. Rupa Vora
Corporate Social Responsibility Committee	1. Mr. V P Shetty 2. Dr. Vijay Kelkar 3. Mr. Vishal Kampani
Stakeholders' Relationship Committee	1. Mr. V P Shetty 2. Mr. Adi Patel 3. Mr. Satish Chand Mathur
Risk Management Committee	1. Mr. Vishal Kampani 2. Mr. Adi Patel 3. Mr. Ameet Desai 4. Mr. Anil Bhatia 5. Mr. Vivek Grover
Issue and Allotment Committee	1. Mr. V P Shetty 2. Mr. Adi Patel 3. Mr. Satish Chand Mathur 4. Mr. Vishal Kampani
Committee Constituted for Conversion of Debt into Shares	1. Mr. V P Shetty 2. Ms. Rupa Vora 3. Mr. Adi Patel 4. Mr. Ameet Desai 5. Mr. Satish Chand Mathur
Asset Acquisition Committee	1. Mr. Vishal Kampani 2. Mr. Adi Patel 3. Mr. Anil Bhatia 4. Mr. Vivek Grover 5. Mr. Harish Lalchandani
Asset Resolution Committee	1. Mr. Vishal Kampani 2. Mr. Adi Patel 3. Mr. Anil Bhatia 4. Mr. Vivek Grover 5. Mr. Mahesh Mimani 6. Mr. Harish Lalchandani
Asset Liability Management Committee	1. Mr. Vishal Kampani 2. Mr. Anil Bhatia 3. Mr. Vivek Grover 4. Mr. Sabyasachi Ray
Wilful Defaulter - Identification Committee	1. Mr. Anil Bhatia 2. Mr. Vivek Grover
Wilful Defaulter - Review Committee	1. Mr. V P Shetty 2. Ms. Rupa Vora 3. Mr. Ameet Desai

Audit Committee

The Audit Committee comprises of 3 (three) members, who are non-executive and independent directors thereby meeting the requirements of Section 177 of the Act read with rules made thereunder and Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and possess thorough knowledge of the financial services industry.

The members of the Audit Committee are Ms. Rupa Vora, Mr. V P Shetty and Mr. Ameet Desai. Ms. Vora, independent director and a qualified chartered accountant is the Chairperson of the Committee.

During the financial year 2021-22, 6 (six) Audit Committee meetings were held on the following dates:

Audit Committee meeting	Number of members present
April 28, 2021	3
July 17, 2021	3
September 24, 2021	3
October 23, 2021	3
January 20, 2022	3
March 22, 2022	3

Corporate Social Responsibility Committee

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

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

During the financial year 2021-22, 2 (two) CSR committee meetings were held on the following dates:

CSR Committee meeting	Number of members present
June 11, 2021	2
March 25, 2022	2

Nomination & Remuneration Committee

The Nomination and Remuneration Committee (the "**NRC**") comprises of 3 (three) members of which 2 (two) are independent directors thereby meeting the requirements of Section 178 of the Act read with rules thereunder and Regulation 19 of the Listing Regulations.

The NRC comprises of 3 (three) members viz., Mr. Satish Chand Mathur, Mr. V P Shetty and Ms. Rupa Vora. Mr. Mathur, an independent director, is the Chairman of the NRC.

During the financial year 2021-22, 1 (one) NRC meeting was held on the following date:

NRC meeting	Number of members present
April 19, 2021	3

Issue and Allotment Committee

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

During the financial year 2021-22, 7 (seven) Issue and Allotment Committee meetings were held on the following dates:

Issue and Allotment Committee meeting	Number of members present
August 31, 2021	4
September 1, 2021	4
September 3, 2021	3
November 11, 2021	4
November 12, 2021	4
February 9, 2022	4
February 11, 2022	4

Committee Constituted for Conversion of Debt into Shares

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

During the financial year 2021-22, no meeting of the above Committee was held.

Asset Acquisition Committee

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

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

Asset Resolution Committee

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

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

Stakeholders' Relationship Committee

The Board, at its meeting held on May 12, 2022, has constituted Stakeholders' Relationship Committee (the "**SRC**") as per Regulation 20 of the Listing Regulations to specifically look into various aspects of interest of shareholders, debenture holders and other security holders.

The SRC comprises of 3 (three) members viz., Mr. V P Shetty, Chairman of the Committee, Mr. Adi Patel and Mr. Satish Chand Mathur.

Risk Management Committee

The Risk Management Committee (the "**RMC**") of the Board periodically reviews the processes on risk assessment, risk mitigation and risk management.

The Board, at its meeting held on May 12, 2022, has inducted Mr. Ameet Desai, independent director as the member of the RMC thereby meeting the requirements of Regulation 21 of the Listing Regulations.

The RMC comprises of 5 (five) members viz., Mr. Vishal Kampani, Chairman of the Committee, Mr. Adi Patel, director, Mr. Ameet Desai, independent director, Mr. Anil Bhatia, Chief Executive Officer and Mr. Vivek Grover, Chief Operating Officer of the Company.

During the financial year 2021-22, 1 (one) RMC meeting was held on the following date:

RMC meeting	Number of members present
April 26, 2021	4

Asset Liability Management Committee

The Asset Liability Management Committee ("**ALM Committee**") comprises of directors and key managerial personnel of the Company who are responsible for deciding the ALM related elements of business strategy, in line with budget and risk management objectives.

The ALM Committee comprises of 4 (four) members viz., Mr. Vishal Kampani, Chairman of the Committee, Mr. Anil Bhatia, Chief Executive Officer, Mr. Vivek Grover, Chief Operating Officer and Mr. Sabyasachi Ray, Chief Financial Officer of the Company.

Wilful Defaulter – Identification Committee and Wilful Defaulter – Review Committee

The Wilful Defaulter - Identification Committee comprises of Mr. Anil Bhatia, the Chief Executive Officer and Mr. Vivek Grover, the Chief Operating Officer of the Company.

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

During the financial year 2021-22, 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/reviewed the following policies in accordance with the SARFAESI Act, the RBI guidelines for ARCs and the Act.

Financial Asset Acquisition Policy

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

Financial Asset Resolution Policy

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

Investment Policy

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

Resource Planning/Borrowing Policy

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

Policy for Issue of Security Receipts

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

Credit Information policy

The Company, being a member of credit information companies 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. The CSR policy of the Company lists out the activities that can be undertaken or supported by the Company within the applicable provisions of the Act. Apart from the composition requirements of the CSR committee, the CSR Policy, inter alia, lays down the criteria for selection of projects and areas, annual allocation, modalities of execution/ implementation of activities, monitoring mechanism of CSR activities/projects as well as the formulation of annual action plan.

The CSR Policy is uploaded on the website of the Company at https://www.jmfinancialarc.com/Home/Policies.

Whistle Blower Policy

The Company has adopted a 'Whistle Blower Policy/Vigil Mechanism' inter alia to provide a mechanism for directors and employees of the Company to approach the audit committee of the Company and to report genuine concerns related to the Company and provide for adequate safeguards against victimisation of director(s) or employee(s) who report genuine concerns under the mechanism.

Grievance Redressal Policy

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

Policy on Insurance of Collateral

The Company has adopted a policy on Insurance of Collateral laying down parameters and guidelines for insuring physical assets comprising the underlying security of non-performing financial assets acquired by the Company.

Policy on conversion of debt into shares

The Company has adopted a policy on conversion of debt into shares laying down the broad parameters for conversion of debt into shares of a borrower company.

Outsourcing Policy

The Company has adopted an outsourcing policy, inter-alia containing the selection of outsourcing activities as well as service providers, delegation of authority depending on risks and materiality and systems to monitor and review the operations of these activities.

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code")

The Company has adopted the Fair Disclosure Code to formulate a framework and policy for fair disclosure of events and occurrences as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.

Code for Prevention of Insider Trading

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

Policy on Expected Credit Loss

Pursuant to RBI guidelines on implementation of Ind AS, the Company has adopted a policy for computation of expected credit loss to cover the procedures and controls for assessing and measuring credit risk on additional loans, management fees receivables and advances to trusts.

Fair Practices Code

Pursuant to RBI guidelines on Fair Practices Code for Asset Reconstruction Companies, the Company has formulated the Fair Practices Code to ensure transparency and fairness in its operations.

Management Fees Policy

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

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

Familiarisation programme

The Company has adopted the familiarisation programme in accordance with Regulation 25(7) of the Listing Regulations to familiarise the independent directors through various programmes about the Company, including the following: (a) nature of the industry in which the Company operates; (b) business model of the Company; (c) roles, rights, responsibilities of independent directors; and (d) any other relevant information. The familiarisation programme for independent directors is available on the website of the Company at https://www.jmfinancialarc.com/Home/Policies.

Policy on Related Party Transactions

The Company has adopted the policy on related party transactions in accordance with Regulation 23 of the Listing Regulations which inter alia, sets out process and manner of approval of transactions with related parties. In terms of the above policy of the Company, any transaction with any related parties shall be considered to be appropriate only if it is in the best interests of the Company and its shareholders. The policy on related party transactions is available on the website of the Company at www.jmfinancialarc.com/Home/Policies.

Policy on Succession Planning

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

Policy for Preservation of Documents

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

Policy on selection and appointment of Directors

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

Policy on Performance Evaluation and Remuneration of Directors

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

Policy on Performance Evaluation and Remuneration Framework for the Key Managerial Personnel and other employees

The Company has adopted the policy to define the process for evaluation and determination of remuneration of key managerial personnel and senior executives of the Company.

Policy on Fit and Proper criteria for Directors

The Company has adopted a policy on Fit and Proper to lay down the fit and proper criteria to be considered for appointment of directors including qualifications, positive attributes, fit and proper person status and independence criteria for Independent Directors. It is prepared for ascertaining the fit and proper criteria for newly appointed directors as well as for those directors who are continuing on the Board of the Company.

Code of Conduct for Directors & Senior Management Personnel

With effect from April 1, 2022, the Company has adopted the Code of Conduct for directors & senior management personnel in accordance with Regulation 17(5) of the Listing Regulations to serve as a guide to the directors and senior management personnel on the principles of integrity, transparency and business ethics and to set up standards for compliance of Corporate Governance. The Code of Conduct for directors & senior management personnel is available on the website of the Company at www.jmfinancialarc.com/Home/Policies.

Directors' Responsibility Statement

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

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

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

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

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

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

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors

During the financial year 2021-22, the Company had appointed M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No: 109983W) (the "**Sharp & Tannan**"), as the Statutory Auditors of the Company in place of Deloitte Haskins & Sells LLP, Chartered Accountants, (the "**DHS**") to fill in the casual vacancy caused due to the resignation of DHS following the guidelines issued by Reserve Bank of India (the "**RBI**") vide its Circular No. RBI/2021-22/25 Reference No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021.

Directors' Report (Contd.)

Sharp & Tannan holds the office as Statutory Auditors till the conclusion of the Fifteenth (15th) AGM of the Company.

The above appointment of Sharp & Tannan was also approved by the Members at the Extraordinary General Meeting of the Company held on December 10, 2021.

As the term of the office of Sharp & Tannan will complete post conclusion of the 15th AGM of the Company, the Board, on the basis of recommendation of the Audit Committee, has approved the appointment of Sharp & Tannan as the Statutory Auditors of the Company for a period of five (5) years from the conclusion of the 15th AGM of the Company to 20th AGM to be held in the financial year 2027-28. This appointment is subject to the approval of the members at the general meeting.

The necessary resolution seeking members' approval for the appointment of Sharp & Tannan as the Statutory Auditors is included in the Notice convening the Fifteenth (15th) AGM of the Company.

Auditors' Report

The Statutory Auditors have issued their unmodified opinion, both on standalone and consolidated financial statements for the year ended March 31, 2022. 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 2021-22. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation and comments.

Secretarial Audit

M/s. Naren Shroff & Associates, Company Secretaries in Practice, have conducted the Secretarial Audit of the Company for the financial year 2021-22 pursuant to the provisions of Section 204 of the Act.

The appointment of the Secretarial Auditor as above has been made in terms of Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year ended March 31, 2022 is appended to this Report as **Annexure II**.

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

Secretarial Standards

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

SEBI Regulations

SEBI on September 7, 2021 has notified amendments to the Listing Regulations wherein it has, inter alia, introduced concept of "High Value Debt Listed Entities" which means a listed entity that has an outstanding listed Non-Convertible Debt Securities ("**NCDs**") of ₹ 500 Crore and above as on March 31, 2021. Pursuant to the above amendment, SEBI has placed High Value Debt Listed Entities at par with equity listed entities and certain regulations that were applicable only to equity listed entities i.e., Regulation 16 to Regulation 27 of SEBI LODR are now made applicable to High Value Debt Listed Entities on a 'comply or explain' basis untill March 31, 2023 and mandatory thereafter.

The Company being high value debt listed entity is in the process of ensuring compliance with the new requirements to the extent applicable to the Company.

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.

Registrar and Share Transfer Agent

KFin Technologies Limited acts as the Registrar and Share Transfer Agent of the Company.

Corporate Social Responsibility

As mentioned earlier, the Corporate Social Responsibility Committee (the "**CSR Committee**") is established by the Board in accordance with section 135 of the Act.

The Committee has approved and adopted the Corporate Social Responsibility policy (the "**CSR policy**") in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, (the "**CSR Rules**").

The CSR policy outlines the activities that can be undertaken or supported by the Company within the applicable provisions of the Act and alignment of such activities as per sustainable development goals principles. Apart from the composition requirements of the CSR committee, the CSR policy, inter alia, lays down the criteria for selection of projects & areas, annual allocation, modalities of execution/implementation of activities, monitoring mechanism of CSR activities/projects including the formulation of annual action plan.

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

Risk Management

Risk management forms an integral part of the Company's business operations and monitoring activities. The Company is exposed to a variety of risks, including liquidity risk, interest rate risk, market risk, credit risk, technology risk, operational risk, regulatory and compliance risk, reputational risk, business continuity risk, legal risk, competition risk and risks pertaining to Covid-19 pandemic. The Company has formulated comprehensive risk management policies and processes to identify, assess, evaluate, manage and mitigate the risks that are encountered during the conduct of business activities and which may pose significant loss or threat to the Company.

The Risk Management Committee as established by the Board frames, implements and monitors the risk management plan including functions relating to cyber security, assessment of various risks, formulation of measures to mitigate such risks. The Board reviews the effectiveness of risk management systems in place and ensures that the risks are effectively managed. The Audit Committee has additional oversight in the area of financial risks and controls.

Internal Financial Control Systems and its Adequacy

The Board has adopted accounting policies which are in accordance with Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. It provides reasonable assurance in respect of financial and operational information, compliance with applicable statues, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and also ensuring compliance with the Company's policies. The Audit Committee monitors this system and ensures adequacy of the same. The Statutory Auditors and the Internal Auditors of the Company also provide their opinion on the internal financial control framework of the Company.

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

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

Outlook and Strategy

We look forward to evaluate opportunities to grow our business with a positive outlook. We will continue to focus on resolutions and recoveries. Our acquisition strategy has primarily been towards full cash acquisitions and going forward too, the focus will be on similar lines. However, the future acquisition focus will be more on a co-investment model with financial investors and strategic partners to ensure growth and at the same time ensuring sustainable and moderate level of debt leverage.

Opportunities and Threats

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

The key threats to the business includes;

- Short term and long term impact of Covid-19 on the entire business segment;
- Macro-economic factors such as abnormal monsoon, geopolitical tensions, global economic threats impacting the business, economic situation, liquidity situation in the market, cost effective availability of funding;
- Business specific threats such as increased intensity of competition from players across the industry creating downward pressure on yields, fees, amongst others; and
- Regulatory changes, delays and adverse sector changes affecting the acquisition and resolution of assets.

Human Capital

We attribute our growth and success to our human capital. We believe in investing in our employees, nurturing their personal and professional growth, empowering them to make work better and most importantly, trusting their abilities and valuing their contributions. The Company has 52 personnel, as on March 31, 2022. 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 4 months to maximum experience of 36 years. The average age of the employees of the Company is 37.8 years. Of the total number of employees, 38 employees, constituting approximately 73% of the total number have been with the Company for more than 4 years. In terms of gender diversity, there are 11 female employees and 41 male employees.

Particulars of Contracts or Arrangements with Related Parties

During the financial year 2021-22, 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. All transactions with related party are placed before the Audit Committee for its review and approved on a quarterly basis. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature.

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.

Annual Return

In accordance with the requirements under Section 92(3) and Section 134(3)(a) of the Act and the applicable rules, the annual return as on March 31, 2022 is available on the website of the Company at www.jmfinancialarc.com/Home/FinancialInformation.

Directors' Report (Contd.)

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 and has taken adequate measures for conservation of energy and usage of alternative source of energy, wherever required.

During the financial year 2021-22, the Company has not earned foreign exchange from any of the transactions nor spent any amount in foreign exchange.

Vigil Mechanism/Whistle Blower Policy

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

During the financial year 2021-22, no cases under this mechanism have been reported. The Policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This mechanism protects such directors and employees from any unfair or prejudicial treatment by anyone within the Company. The Whistle Blower Policy is available on the website of the Company at www.jmfinancialarc.com/Home/Policies.

Safe Harbour

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

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

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

During the financial year 2021-22, no complaints were received from any of the employees.

Acknowledgements

The Board of the Company takes this opportunity to place on record its gratitude for the guidance and support extended, from time to time, by the Reserve Bank of India, Ministry of Finance, Government of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies, Maharashtra, BSE Limited, National Stock Exchange of India Limited, National Securities Depository Limited and Central Depository Services (India) Limited and all other governmental and regulatory authorities for the support and co-operation extended by them to the Company.

Your directors place on record their gratitude for the continued 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 and by the bankers, financial institutions, lenders and stakeholders and the trust reposed by them in the Company.

Recognising the challenging work environment, in general and particularly during the unprecedented time of Covid-19 pandemic, the directors sincerely acknowledge the all-round efforts and commitment displayed by all the employees.

For and on behalf of the Board of Directors

V P Shetty
Chairman
DIN: 00021773

Place: Mumbai
Date: May 12, 2022

Annexure I

Details of the Employees' Stock Option Scheme pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 for the financial year ended March 31, 2022

1.	Options granted during the financial year 2021-22	:	9,09,549
2.	Options vested during the financial year 2021-22	:	NIL
3.	Options exercised during the financial year 2021-22	:	NIL
4.	Total number of shares arising as a result of exercise of options during the financial year 2021-22	:	Not Applicable
5.	Options lapsed	:	4,82,174
6.	The exercise price		₹ 29.69/- (Rupees Twenty Nine and paise Sixty Nine only)
7.	Variation of terms of options	:	None
8.	Money realised from the Employees by exercise of options during the financial year 2021-22	:	NIL
9.	Total number of options in force	:	20,08,819
10.	Employee wise details of options granted to:		
	(i) Key managerial personnel	:	1,01,061 stock options have been granted to Key Managerial Personnel of the Company.
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more options granted during that year	:	Nine (9) employees were granted options aggregating 6,97,518 which amounted to 5% or more options granted during the FY 2021-22.
	(iii) identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	:	Not Applicable

Annexure II

FORM MR 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
JM Financial Asset Reconstruction Company Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

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

Based on our verification of the Company's books, papers, minute books, registers, forms and returns filed, and made available to us and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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, 2022, complied with the statutory provisions listed hereunder, to the extent applicable to the Company, and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined, on test check basis, the secretarial compliance based on the books, papers, minute books, registers, forms and returns filed, and other records maintained by the Company, and made available to us for audit purpose, for the financial year ended on March 31, 2022 according to the provisions of:

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

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

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

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

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and to the extent applicable to the Company;

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

   (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto August 15, 2021) and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended and to the extent applicable to the Company;

   (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**this regulation**"), as amended and to the extent applicable to the Company. The Company, being a high value debt listed entity, the provisions of regulations 15 to 27 of chapter IV of the this regulation became applicable with effect from September 7, 2021. However, the Company shall have to comply with such provisions on 'comply or explain' basis until March 31, 2023 and on mandatory basis thereafter.

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

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of relevant documents and record, produced for our verification, in pursuance thereof, the Company has complied with the following Act, Law and Rules applicable specifically to the Company, in respect of submission/filing of various documents, returns, forms, information and other particulars with the prescribed authority;

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

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

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

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

(b) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (upto August 12, 2021) and The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

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

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto June 9, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended;

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended.

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

We further report that:

- The Board of Directors of the Company was duly constituted with proper balance of Non-Executive Directors/Independent Directors with one woman Director, during the financial year under report. There were no changes in the composition of the Board of Directors took place during the year under review.

- Adequate notice was given to all directors to schedule the Board Meetings through video conferencing and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no instances where dissenting views of any member of the Board of Directors were required to be captured and recorded in the minutes, during the year under review.

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

We further report that during the audit period:

(a) In the Annual General Meeting of the Company held on July 17, 2021, through video conferencing, the Board of Directors, including any committee thereof, were authorised to offer, issue and allot secured/unsecured redeemable, Non-Convertible Debentures (the "**NCDs**"), in one or more series/tranches, aggregating up to ₹ 7,000 Crore (Seven Thousand Crore only), on private placement basis and/or through public offer.

(b) In the Annual General Meeting of the Company held on July 17, 2021, through video conferencing, Ms. Rupa Vora was re-appointed as an Independent Director, for the second term of not exceeding five (5) consecutive years with effect from October 1, 2021.

(c) The Company issued and allotted 2,500 Secured, Rated, Listed, Redeemable, Principal Protected Market Linked NCDs of ₹ 10 Lakh each, aggregating up to ₹ 250 Crore on private placement basis under various tranches on various dates.

(d) In the Extra Ordinary General Meeting of the Company held on December 10, 2021, through video conferencing, the consent was accorded to the appointment of M/s. Sharp & Tannan Associates, Chartered Accountants, as the Statutory Auditors of the Company, to fill the casual vacancy caused in the said office by the resignation of Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company, with effect from October 23, 2021, on account of regulatory changes made by the Reserve Bank of India.

(e) The Company redeemed 4,830 NCDs of ₹ 10 Lakh each and 5,000 NCDs of ₹ 2 Lakh each, aggregating up to ₹ 583 Crore on various dates.

(f) The Company issued 6,000 Commercial Papers (CPs) of ₹ 5 Lakh each aggregating up to ₹ 300 Crore and redeemed 4,600 CPs of ₹ 5 Lakh each, aggregating up to ₹ 230 Crore.

(g) The Company made investment of ₹ 241 Crore in security receipts.

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

For **Naren Shroff & Associates**
Company Secretaries

Naren S. Shroff
Proprietor
FCS-2414, CP-1563
UDIN: F002414D000306421
Unique Code: S1989MH005700
Peer Review Certificate No.: 1137/2021

Place: Mumbai
Date: May 12, 2022

Annexure A

(To the Secretarial Audit Report of
JM Financial Asset Reconstruction Company Limited
for the financial year ended March 31, 2022)

To,
The Members,
JM Financial Asset Reconstruction Company Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

Our report for the financial year ended March 31, 2022 of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records and devise proper systems to ensure the compliance with the provisions of all the applicable laws, rules, regulations, Notifications, standards, directions and guidelines and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of records and procedure on test basis.

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances based on our audit.

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

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we obtained management representation about the compliance of applicable laws, rules, regulations, standards, directions and guidelines and happening of events.

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

7. We have conducted our audit remotely based on the records and information made available to us through electronic platform by the Company due to the Covid-19 pandemic induced restrictions.

For **Naren Shroff & Associates**
Company Secretaries

Naren S. Shroff
Proprietor
FCS-2414, CP-1563
UDIN: F002414D000306421
Unique Code: S1989MH005700
Peer Review Certificate No.: 1137/2021

Place: Mumbai
Date: May 12, 2022

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

Corporate Social Responsibility (the "**CSR**") at JM Financial is implemented to create and support sustainable, equitable opportunities for the growth of the underserved with an intent to create long-term impact.

In accordance with Section 135 of the Companies Act, 2013 (the "**Act**") and Schedule VII thereto read with the Company's CSR policy, the CSR obligation of the Company for the financial year 2021-22 was ₹ 3.99 Crore. During the year, the CSR Committee and the Board of the Company have approved the CSR project viz., *JM Financial Shiksha Samarthan* in the manner as stated in point no. 8 (b) of this Report.

2. Composition of the CSR committee as on March 31, 2022:

Sr. No.	Name of Member	Designation/Nature of directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. V P Shetty	Chairman – Non-Executive Director	2	2
2.	Dr. Vijay Kelkar	Member	2	2
3.	Mr. Vishal Kampani	Member	2	-

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Details of composition of CSR committee	https://www.jmfinancialarc.com/Home/Management
CSR policy	https://www.jmfinancialarc.com/Home/Policies
CSR projects	https://www.jmfinancialarc.com/Home/CsrProjects

4. **Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) –** Not applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any -** Not applicable since no amount is available for set off.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not applicable			

6. **Average net profit of the Company as per Section 135(5):** ₹ 199.47 Crore

7. (a) **Two percent of average net profit of the company as per section 135(5):** ₹ 3.99 Crore
   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** None
   (c) **Amount required to be set off for the financial year, if any:** None
   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 3.99 Crore

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

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 0.75 Crore	₹ 3.24 Crore	April 26, 2022 and April 29, 2022	Not applicable		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Project duration***	**Amount allocated for the project (in ₹)**	**Amount spent in the current financial Year (in ₹)**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)**	**Mode of Implemen-tation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**						**Name**	**CSR Registration number**
1	JM Financial Shiksha Samarthan	Item no. (ii)	No	Pan-India		3 years	3.99 Crore	0.75 Crore	3.24 Crore	No	JM Financial Foundation	CSR Registration No: CSR00005269

* The alteration in the annual action plan for spending the monies for the financial year 2021-22 was duly approved by the Board through the circular resolution passed on April 5, 2022.

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not applicable since none

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (in ₹)**	**Mode of Implemen-tation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR Registration number**
Not applicable									

(d) Amount spent in Administrative Overheads: None

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

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 0.75 Crore

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

Sr. No	Particular	Amount (in ₹)
i.	Two percent of average net profit of the Company as per section 135(5)	3.99 Crore
ii.	Total amount spent for the financial year	0.75 Crore
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of unspent CSR amount for the preceding three financial years:

Sr. No	Preceding financial year.	Amount transferred to unspent CSR account under section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1.	2020-21	4.10 Crore	1.55 Crore	Not Applicable			2.55 Crore

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration*	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project - completed/ ongoing
1.	FY31.03.2021_1	JM Financial Scholars Programme	2020-21	3 years	1.70 Crore	0.75 Crore	0.95 Crore	Ongoing
2.	FY31.03.2021_2	JM Financial Sports Project	2020-21	3 years	2.70 Crore	0.80 Crore	0.90 Crore	Ongoing

* The alteration in the annual action plan for spending the monies for the financial year 2020-21 was duly approved by the Board through the circular resolution passed on April 5, 2022.

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

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

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

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

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

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

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

Anil Bhatia
Chief Executive Officer

V P Shetty
Chairman of the CSR Committee
DIN: 00021773

Place: Mumbai
Date: May 12, 2022

Independent Auditor's Report

To,

The Members of JM Financial Asset Reconstruction Company Limited

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the consolidated financial statements of **JM Financial Asset Reconstruction Company Limited** ("the Parent Company") and its subsidiaries constituted as Trusts, (the Parent Company and its subsidiaries constituted as Trusts together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, including a summary of significant accounting policies and other explanatory information (the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the consolidated financial position of the Company as at March 31, 2022, and its consolidated profit including consolidated other comprehensive income, the consolidated changes in equity and its consolidated cash flows for the period ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to note 37 of the accompanying consolidated financial statements, which describes that the potential impact of COVID-19 pandemic on the Group's consolidated financial statements and the fair value of the financial assets and impairment provision on loans carried at amortised cost, are dependent on future development, which are highly uncertain.

Our opinion is not modified in respect of this matter of emphasis.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Fair Valuation of Group's financial instruments	**Principal Audit Procedures Performed:**
The valuation of the financial instruments is based on a recovery range provided by the External Rating Agency and other unobservable inputs. These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded. The fair values of the said financial instruments can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flows, collateral values, discount rate used and other assumptions. Further, the Group has applied judgements in estimating the cash flows considering the current uncertain economic environment with the range of possible effects unknown to the Group arising out of the COVID-19 Pandemic.	- We have tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments and financial assets including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates etc; - Analysed reasonableness of the determination of the appropriate recovery rate and estimated cash flows and the other relevant judgments and estimates, if any; and we assessed the information used to determine the key assumptions;

Independent Auditor's Report (Contd.)

Key Audit Matter	Auditor's Response
The financial instruments carried at fair value of the Group are: - Investments in security receipts in Trusts formed under distressed credit business aggregating to ₹ 956.17 Crore as at March 31, 2022; - Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating ₹ 2,293.41 Crore as at March 31, 2022. (Refer note 8 & 9 to the consolidated financial statements) In view of the complexities and significant judgements involved we have considered the valuation of these financial instruments as a key audit matter.	- Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; - Compared the management's assumption of discount rate with the supporting internal/ external evidence; - We assessed the reasonableness of the judgements in estimating the cash flows in response to Covid-19 related economic uncertainty and corroborated the assumptions based on the information used by the Group; - Read and assessed the disclosure made in the consolidated financial statements for assessing the compliance with respect to the disclosure requirements.

Information Other than the Consolidated financial statements and Auditor's Report Thereon

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

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

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

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

Management's 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 the consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements.

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

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

Auditor's Responsibilities for the Audit of the Consolidated financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtained sufficient appropriate audit evidence regarding the financial information on the entities within the Group to express an opinion on the consolidated financial statements.

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

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

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

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

Other Matter

The consolidated financial statements of the Group for the year ended March 31, 2021 were audited by the predecessor auditor and has issued unmodified report on the same.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

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

   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors of the Parent Company, none of the directors is disqualified as on March 31, 2022 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 Auditor's Report of the Parent Company. Our report expresses and unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies

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

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

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

      i. There are no pending litigation which would impact the consolidated financial position of the Group;

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

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

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

      (b) The management of the Parent Company, has represented, to us that, to the best of their knowledge and belief note no 51 (vi) (B), no funds (which are material either individually or in the aggregate) have been received by the Parent Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. During the year Parent Company as not declared / paid any dividend hence reporting under rule 11 f is not applicable to that extent.

2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" / "CARO"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, to be included in Auditor's report, according to information and explanation given to us, and based on the CARO report issued by us for the parent company included in the consolidated financial statements, we report that there are no qualifications or adverse remarks in this CARO report.

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

Parthiv S. Desai
Partner
Membership No.: (F) 042624
UDIN: 22042624AIVRCI7125

Mumbai, May 12, 2022

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)

We have audited the internal financial controls over financial reporting of **JM Financial Asset Reconstruction Company Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Parent Company's 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 ('ICAI').

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Parthiv S. Desai
Partner
Membership No.: (F) 042624
UDIN: 22042624AIVRCI7125

Mumbai, May 12, 2022

Consolidated Balance Sheet
as at March 31, 2022

₹ in Crore

Sr. No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
(I)	**Financial assets**			
A	Cash and cash equivalents	4	69.56	132.49
B	Bank balance other than (A) above	5	3.46	0.91
C	Trade receivables	6	206.83	171.47
D	Loans	7	598.20	625.33
E	Investments	8	972.29	1,039.53
F	Other financial assets	9	2,330.74	2,253.88
	Total Financial Assets (I)		**4,181.08**	**4,223.61**
(II)	**Non-financial assets**			
A	Current tax assets (net)	10	40.34	28.34
B	Deferred tax assets (net)	11	41.90	15.19
C	Property, Plant and Equipment	12	17.45	20.30
D	Other intangible assets	12	0.05	0.08
E	Other non-financial assets	13	2.62	4.37
	Total Non-Financial Assets (II)		**102.36**	**68.28**
	Total Assets (I+II)		**4,283.44**	**4,291.89**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(I)	**Financial liabilities**			
A	Trade Payables	14		
	(i) total outstanding dues of micro and small enterprises		0.16	0.15
	(ii) total outstanding dues of creditors other than micro and small enterprises		1.12	2.00
B	Debt securities	15	785.91	1,197.24
C	Borrowings (Other than Debt Securities)	16	1,599.03	1,378.96
D	Lease liabilities	17	19.49	21.11
E	Other financial liabilities	18	39.11	88.28
	Total financial liabilities (I)		**2,444.82**	**2,687.74**
(II)	**Non-financial liabilities**			
A	Provisions	19	2.01	2.23
B	Other non-financial liabilities	20	28.49	15.67
	Total non-financial liabilities (II)		**30.50**	**17.90**
(III)	**EQUITY**			
A	Equity share capital	21	344.64	344.64
B	Other equity	22	1,343.62	1,170.28
	Equity attributable to owners of the Company		**1,688.26**	**1,514.92**
C	Non-Controlling interest		119.86	71.33
	Total equity (III)		**1,808.12**	**1,586.25**
	Total liabilities and equity (I+II+III)		**4,283.44**	**4,291.89**

The accompanying notes form an integral part of the consolidated financial statements 1 to 53

In terms of our report attached
For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No.: 109983W

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

Place: Mumbai
Date: May 12, 2022

For and on behalf of the Board of Directors

V P Shetty
Chairman
(DIN - 00021773)

Vishal Kampani
Director
(DIN - 00009079)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Consolidated Statement of Profit and Loss
for the year ended March 31, 2022

₹ in Crore

Sr. No.	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
(I)	**Income**			
	Revenue from operations			
	Interest income	23	124.58	148.19
	Fees and Incentives	24	139.24	182.72
	Net gain on fair value changes	25	255.36	52.10
	Total Revenue from operations		**519.18**	**383.01**
(II)	**Other income**	26	0.25	1.59
(III)	**Total income (I+II)**		**519.43**	**384.60**
(IV)	**Expenses**			
	Finance costs	27	232.51	265.81
	Impairment of financial instruments	28	10.72	(6.57)
	Employee Benefits Expenses	29	22.40	20.52
	Depreciation and amortisation	12	2.88	3.00
	Operating and other expenses	30	20.61	17.55
	Total expenses		**289.12**	**300.31**
(V)	**Profit before Tax (III-IV)**		**230.31**	**84.29**
(VI)	**Less: Tax expense**	31		
	Current tax		85.04	24.63
	Deferred tax		(26.72)	(4.79)
	Total tax expenses		**58.32**	**19.84**
(VII)	**Profit for the year (V-VI)**		**171.99**	**64.45**
(VIII)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Actuarial gain/(losses) on post-retirement benefit plans		0.05	0.12
	- Income tax on the above		0.01	0.03
	Total other comprehensive income		**0.04**	**0.09**
(IX)	**Total comprehensive income (VII+VIII)**		**172.03**	**64.54**
(X)	**Net profit for the year attributable to**			
	Owners of parent company		171.99	63.66
	Non-controlling interests		-	0.79
(XI)	**Other comprehensive Income attributable to**			
	Owners of parent company		0.04	0.09
	Non-controlling interests		-	-
(XII)	**Total comprehensive Income attributable to**			
	Owners of parent company		**172.03**	**63.75**
	Non-controlling interests		**-**	**0.79**
(XIII)	**Earnings per equity share** (Face value of ₹ 10/- each)	32		
	Basic Earning Per Share (in ₹)		4.32	1.60
	Diluted Earning Per Share (in ₹)		4.32	1.60

The accompanying notes form an integral part of the consolidated financial statements 1 to 53

In terms of our report attached
For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No.: 109983W

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

Place: Mumbai
Date: May 12, 2022

For and on behalf of the Board of Directors

V P Shetty
Chairman
(DIN - 00021773)

Vishal Kampani
Director
(DIN - 00009079)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A Equity share capital

₹ in Crore

Particulars	Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
Equity share capital	**344.64**	**-**	**344.64**	**-**	**344.64**

B Other equity

₹ in Crore

Particulars	Securities Premium	Retained earning	Capital reserves on change in interest without loss of control	Equity component of Compulsory convertible debentures	Initial Corpus	Impairment Reserve	Stock Option Outstanding	Attributed to owners of the Company	Non Controlling Interest	Total
Balance at April 1, 2020	**194.34**	**740.35**	**28.15**	**142.52**	**0.01**	**-**	**-**	**1,105.37**	**88.77**	**1,194.14**
Profit for the year	-	63.66	-	-	-	-	-	63.66	0.79	64.45
Redemption of security receipts	-	-	-	-	-	-	-	-	(37.63)	(37.63)
Initial Corpus	-	-	-	-	#	-	-	#	-	#
Share of distribution of income	-	-	-	-	-	-	-	-	(1.78)	(1.78)
Change of controlling interest	-	-	-	-	-	-	-	-	21.18	21.18
ESOP Grant During the year	-	-	-	-	-	-	3.40	3.40	-	3.40
ESOP Deferred employee compensation	-	-	-	-	-	-	(2.24)	(2.24)	-	(2.24)
Appropriation for Impairment reserve (refer note 22.2)	-	(14.43)	-	-	-	14.43	-	-	-	-
Re-measurement of defined benefit plans	-	0.09	-	-	-	-	-	0.09	-	0.09
Balance at March 31, 2021	**194.34**	**789.67**	**28.15**	**142.52**	**0.01**	**14.43**	**1.16**	**1,170.28**	**71.33**	**1,241.61**
Profit for the year	-	171.99	-	-	-	-	-	171.99	-	171.99
Addition during the year	-	-	-	-	-	-	0.78	0.78	48.53	49.31
Initial Corpus	-	-	-	-	#	-	-	#	-	#
ESOP Grant During the year	-	-	-	-	-	-	1.58	1.58	-	1.58
ESOP Deferred employee compensation	-	-	-	-	-	-	(1.05)	(1.05)	-	(1.05)
Appropriation for Impairment reserve (refer note 22.2)	-	(93.67)	-	-	-	93.67	-	-	-	-
Re-measurement of defined benefit plans	-	0.04	-	-	-	-	-	0.04	-	0.04
Balance as at March 31, 2022	**194.34**	**868.03**	**28.15**	**142.52**	**0.01**	**108.10**	**2.47**	**1,343.62**	**119.86**	**1,463.48**

Denote amount below ₹ 50,000

The accompanying notes form an integral part of the consolidated financial statements 1 to 53

In terms of our report attached
For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No.: 109983W

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

Place: Mumbai
Date: May 12, 2022

For and on behalf of the Board of Directors

V P Shetty
Chairman
(DIN - 00021773)

Vishal Kampani
Director
(DIN - 00009079)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2022

₹ in Crore

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from operating activities**		
	Profit before income tax	230.31	84.29
	Adjustment for		
	Depreciation and amortisation of expenses	2.88	3.00
	Interest income on fixed deposits	(0.09)	(1.44)
	Interest on debt component of compulsory convertible debenture	3.60	5.79
	Net (gain)/loss on fair value changes	(255.36)	(52.10)
	Interest on lease liability	1.95	2.09
	Amortisation of deferred employee compensation (ESOP)	1.31	1.16
	Impairment of financial instruments	10.72	(6.57)
	Operating (loss)/profit before working capital changes	**(4.68)**	**36.22**
	Change in operating assets and liabilities		
	(Increase)/Decrease in security receipts and financial assets of trusts	300.54	(99.36)
	(Increase)/Decrease in trade receivables	(45.69)	(18.45)
	(Increase)/Decrease in long term loans and advances	27.59	(98.35)
	(Increase)/Decrease in other financial assets	(7.12)	26.18
	(Increase)/Decrease in non-financial assets	1.75	(2.55)
	(Increase)/Decrease in other bank balances	(2.55)	(0.15)
	Increase /(Decrease) in trade payables	(0.87)	(0.65)
	Increase/(Decrease) in financial liabilities	(49.12)	45.96
	Increase/(Decrease) in non- financial liabilities	10.47	5.29
	Increase/(Decrease) in provisions	(0.22)	0.23
	Cash generated from/(used in) operations	**230.10**	**(105.63)**
	Income tax paid (net)	(97.04)	(32.43)
	Net cash generated from/(used in) operating activities	**133.06**	**(138.06)**
B	**Cash flow from investing activities**		
	Payments for purchase of PPE and Intangible assets	-	(0.11)
	Interest Income	0.09	1.44
	Net cash generated from investment activities	**0.09**	**1.33**
C	**Cash flow from financing activities**		
	Repayment of debt component of Compulsory Convertible Debenture (including interest)	(21.98)	(21.92)
	Proceeds from debt securities	531.63	213.07
	Repayment of debt securities	(922.23)	(1,056.15)
	Repayment of lease liabilities (including interest)	(3.57)	(3.40)
	Proceeds from borrowing	1,024.82	2,233.10
	Repayment of borrowing	(804.75)	(1,362.15)
	Net cash generated from financing activities	**(196.08)**	**2.55**
	Net (decrease)/ increase in cash and cash equivalents	**(62.93)**	**(134.18)**
	Cash and cash equivalents at the beginning of the financial year	132.49	266.67
	Cash and cash equivalents at the end of the financial year	**69.56**	**132.49**

The accompanying notes form an integral part of the consolidated financial statements 1 to 53

In terms of our report attached

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

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

Place: Mumbai
Date: May 12, 2022

For and on behalf of the Board of Directors

V P Shetty
Chairman
(DIN - 00021773)

Vishal Kampani
Director
(DIN - 00009079)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Notes
forming part of the Consolidated Financial Statements

1. Corporate Information

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

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

2. Significant Accounting Policies

2.1 Statement of Compliance

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

2.2 Basis of Preparation and presentation

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

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

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

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

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

Presentation of financial statements

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

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

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

The principal accounting policies are set out below.

2.3 Basis of Consolidation

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

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

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

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

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

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

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

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

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

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

2.4 Associates

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

2.5 Property, Plant and Equipment and Intangible Assets

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

Notes
forming part of the Consolidated Financial Statements

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

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

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

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

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

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

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

Tangible assets	Useful life
Vehicles	8 years or lease period whichever is lower
Computers	3 years
Servers and networks	6 years
Office equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	10 years or lease period whichever is lower
Intangible assets	**Useful life**
Computer software	5 years

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

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

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

Intangible assets

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

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

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

Impairment losses on non-financial assets

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

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

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

2.6 Revenue Recognition

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

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

(b) The consideration to be exchanged; and

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

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

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

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

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

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

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

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

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

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

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

The Group as a lessor

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

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

2.8 Foreign currency translation

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

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

2.9 Borrowing costs

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

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

2.10 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

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

Defined Benefit Obligation

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

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

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

Short-term employee benefits

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

Other long-term employee benefits

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

2.11 Income Tax

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

Current Tax

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

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.

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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;
- 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; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

2.15 Statement of Cash Flows

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

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

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

2.16 Cash and Cash Equivalents

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

2.17 Financial Instruments

Recognition of Financial Instruments

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

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

Initial Measurement of Financial Instruments

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

Subsequent Measurement of Financial Assets

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

Interest income

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

Classification of Financial Assets:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost; and

- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

Debt instruments at amortised cost or at FVTOCI

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

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

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

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

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

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously 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

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arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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

Reclassifications

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

Impairment of financial assets

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

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

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

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

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

- Stage 3 - Under-performing assets with overdue more than 90 DPD including non-performing assets.

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

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

De-recognition of financial assets

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

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

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

Write off

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

Financial liabilities subsequently measured at amortised cost

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

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

De-recognition of financial liabilities

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

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financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognized in profit or loss.

2.18 Earnings Per Share

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

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

2.19 Share-based payment arrangements

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

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

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

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the consolidated financial statements that are not readily apparent from other sources. The 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 Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement and valuation processes

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

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

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

Consolidation of trusts under distressed credit business

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

4. Cash and cash equivalents

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
- In current accounts	68.58	114.32
- In deposit accounts	0.98	18.17
Total	**69.56**	**132.49**

5. Other bank balances

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balance with banks		
- In current account (refer note 5.1)	3.31	0.76
- In deposit account (refer note 5.2)	0.15	0.15
Total	**3.46**	**0.91**

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

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

6. Trade Receivables

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured, considered good: Trade receivables	230.46	184.77
Less: Impairment loss allowance (refer note 43)	(23.63)	(13.30)
Total	**206.83**	**171.47**

6.1 Trade receivable ageing schedule

₹ in Crore

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

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
For the year 2020-21						
Undisputed trade receivable - Considered good	47.35	34.86	51.44	40.53	10.59	184.77
Less : Impairment loss allowance	0.54	(1.26)	(7.32)	(2.74)	(2.52)	(13.30)
Net total	**47.89**	**33.60**	**44.12**	**37.79**	**8.07**	**171.47**

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

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7. Loans

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Loans secured by tangible assets	511.85	550.85
Interest accrued	108.84	97.43
Total	**620.69**	**648.28**
Less: Impairment loss allowance (refer note 43)	(22.49)	(22.95)
Total	**598.20**	**625.33**

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

8. Investments (At FVTPL)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Quoted		
Equity instruments:		
70,07,709 of equity shares of Nitco Limited of ₹ 10/- each fully paid up	16.12	13.35
Unquoted		
Security receipts of trusts held in distressed credit business (refer notes below)	956.17	1,026.18
Total	**972.29**	**1,039.53**

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

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

8.3 Commitments:

In respect of two trust, the Group has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts on or before September 29, 2022 (Commitment of outstanding face value of security receipts as at March 31, 2022 is ₹ 66.29 crore (Previous year : ₹ 66.29 crore)).

9. Other Financial assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets under Distressed Credit Business (carried at FVTPL)	2,293.41	2,222.82
Recoverable from trusts	44.79	34.00
Interest receivable	0.01	#
Security deposits		
- To Related parties	1.47	1.34
- To Others	0.39	4.20
Total	**2,340.07**	**2,262.36**
Less: Impairment loss allowance on recoverable from trusts (refer note 43)	(9.33)	(8.48)
Total	**2,330.74**	**2,253.88**

Denote amount less than ₹ 50,000

10. Current Tax Assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax (net of provision for taxes)	40.34	28.34
Total	**40.34**	**28.34**

11. Deferred tax (asset)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Measurement of Financial instruments at fair value	(25.24)	(1.04)
Impairment of financial instruments	(14.04)	(11.34)
Difference between books and tax Written down value of PPE	(0.36)	(0.38)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(2.26)	(2.43)
Total	**(41.90)**	**(15.19)**

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

For the year ended March 31, 2022

₹ 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	(1.04)	(24.20)	-	-	(25.24)
b) Impairment on financial instruments	(11.34)	(2.70)	-	-	(14.04)
c) Difference between books and tax WDV of PPE	(0.38)	0.02	-	-	(0.36)
d) Others (43B, 35D, etc. allowances)	(2.43)	0.16	-	0.01	(2.26)
Total- DTL/ (DTA)	**(15.19)**	**(26.72)**	**-**	**0.01**	**(41.90)**

For the year ended March 31, 2021

₹ in Crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in Other Equity*	Recognised in OCI	Closing balance
a) Measurement of financial instruments at fair value	5.66	(6.44)	(0.26)	-	(1.04)
b) Impairment on financial instruments	(12.49)	1.15	-	-	(11.34)
c) Difference between books and tax WDV of PPE	(0.39)	0.01	-	-	(0.38)
d) Others (43B, 35D, etc. allowances)	(2.95)	0.49	-	0.03	(2.43)
Total- DTL/ (DTA)	**(10.17)**	**(4.79)**	**(0.26)**	**0.03**	**(15.19)**

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

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12. Property, Plant and Equipment and intangible assets

As at March 31, 2022:

Property, Plant and Equipment

₹ in Crore

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Addition	Deductions	As at March 31, 2022	As at March 31, 2022
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	-	0.02	#
Office equipment	0.11	-	-	0.11	0.09	0.01	-	0.10	0.01
Computers	0.60	-	-	0.60	0.56	0.01	-	0.57	0.03
Leasehold improvements	1.84	-	-	1.84	1.34	0.10	-	1.44	0.40
Leased Assets (ROU):									
Office premises (refer note 33)	24.81	-	-	24.81	5.24	2.65	-	7.89	16.92
Vehicles (refer note 12.2)	0.47	-	(0.19)	0.28	0.34	0.07	(0.19)	0.22	0.06
Total	**27.88**	**-**	**(0.19)**	**27.69**	**7.58**	**2.85**	**(0.19)**	**10.24**	**17.45**

Denote amount below ₹ 50,000

Intangible Assets

₹ in Crore

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Addition	Deductions	As at March 31, 2022	As at March 31, 2022
Software (refer note 12.3)	0.44	-	-	0.44	0.36	0.03	-	0.39	0.05
Total	**0.44**	**-**	**-**	**0.44**	**0.36**	**0.03**	**-**	**0.39**	**0.05**

As at March 31, 2021:

Property, Plant and Equipment

₹ in Crore

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Addition	Deductions	As at March 31, 2021	As at March 31, 2021
Owned Assets:									
Freehold Land (refer note 12.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and fixtures	0.02	-	-	0.02	0.01	#	-	0.01	0.01
Office equipment	0.11	-	-	0.11	0.08	0.01	-	0.09	0.02
Computers	0.55	0.05	-	0.60	0.45	0.11	-	0.56	0.04
Leasehold improvements	1.84	-	-	1.84	1.24	0.10	-	1.34	0.50
Leased Assets (ROU):									
Office premises (refer note 33)	24.81	-	-	24.81	2.59	2.65	-	5.24	19.57
Vehicles (refer note 12.2)	0.47	-	-	0.47	0.26	0.08	-	0.34	0.13
Total	**27.83**	**0.05**	**-**	**27.88**	**4.63**	**2.95**	**-**	**7.58**	**20.30**

Denote amount below ₹ 50,000

Intangible Assets

₹ in Crore

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Addition	Deductions	As at March 31, 2021	As at March 31, 2021
Software (refer note 12.3)	0.38	0.06	-	0.44	0.31	0.05	-	0.36	0.08
Total	**0.38**	**0.06**	**-**	**0.44**	**0.31**	**0.05**	**-**	**0.36**	**0.08**

Notes:

12.1 Mortgaged as security against secured non-convertible debentures.

12.2 Vendor have a lien over assets taken on lease.

12.3 The Intangible assets are other than internally generated.

13. Other Non-financial Assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	2.08	2.84
Balances with Government Authorities	0.44	1.48
Other non-financial Assets	0.10	0.05
Total	**2.62**	**4.37**

14. Trade Payables

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 14.1)	0.16	0.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.12	2.00
Total	**1.28**	**2.15**

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, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	0.16	0.15
(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	**0.16**	**0.15**

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

14.2 Trade payable ageing schedule:

For the year 2021-22

₹ in Crore

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME - Undisputed	0.16	-	-	-	0.16
(ii) Others – Undisputed	1.12	-	-	-	1.12
Total	**1.28**	**-**	**-**	**-**	**1.28**

For the year 2020-21

₹ in Crore

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME – Undisputed	0.15	-	-	-	0.15
(ii) Others – Undisputed	2.00	-	-	-	2.00
Total	**2.15**	**-**	**-**	**-**	**2.15**

Notes

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15. Debt Securities (Within India)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Non Convertible Debentures (refer note 15.1,15.2 and 15.5)	515.58	849.84
Add: Premium/ interest accrued	42.94	165.97
Total Secured	**558.52**	**1,015.81**
Unsecured		
Compulsory Convertible Debentures* (refer note 22.1(g))	20.17	39.63
Add: Interest accrued	1.43	2.70
Total	**21.60**	**42.33**
Commercial papers (refer note 15.3 and 15.4)	220.00	150.00
Less: Unamortised interest	(14.21)	(10.90)
Total	**205.79**	**139.10**
Total Unsecured	**227.39**	**181.43**
Total	**785.91**	**1,197.24**

* Liability component of compulsory convertible debentures.

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

15.2 Maturity profile and rate of interest of NCDs:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
9.35% Tranche XIV - Option B redeemable in the year 2021-22*	-	14.00
9.5% Tranche XVI redeemable in the year 2021-22*	-	21.00
9.75% Tranche XVII redeemable in the year 2021-22*	-	5.00
9.8% Tranche XVIII redeemable in the year 2021-22*	-	28.00
9.8% Tranche XIX redeemable in the year 2021-22*	-	19.00
10.25% Tranche XX - Option A redeemable in the year 2021-22*	-	50.00
10.2% Tranche XX - Option B redeemable in the year 2021-22*	-	10.00
10.25% Tranche XXI - Option B redeemable in the year 2021-22*	-	130.00
10.25% Tranche XXI - Option C redeemable in the year 2021-22*	-	11.50
10.25% Tranche XXII - Option A redeemable in the year 2021-22*	-	20.00
10.25% Tranche XXII - Option B redeemable in the year 2021-22	-	25.00
10.25% Tranche XXII - Option C redeemable in the year 2021-22*	-	19.50
10.25% Tranche XXII - Option D redeemable in the year 2021-22*	-	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
10.38% Tranche XXIV - Option B redeemable in the year 2021-22*	-	10.00
11.5% Tranche XXVI - Option B redeemable in the year 2022-23^	148.00	148.00
10% Tranche XXX redeemable in the year 2021-22@	-	100.00
8.5% Tranche XXXI redeemable in the year 2022-23@	75.00	75.00
8% Tranche XXXII redeemable in the year 2023-24@	75.00	-
8.5% Tranche XXXIII redeemable in the year 2023-24@	50.00	-
8% Tranche XXXIV redeemable in the year 2023-24@	55.00	-
8.25% Tranche XXXV redeemable in the year 2024-25@	70.00	-
Total	**523.00**	**856.00**

Note:

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

* Redeemable at premium

^ fully or partly redeemed during the period ended March 31, 2021
Maturity profile above is disclosed at face value which excludes cumulative premium amounting to ₹ 0.84 crore (As at March 31, 2021: ₹ 0.33 crore), cumulative discount of ₹ 4.39 crore (As at March 31, 2021: ₹ 3.99 crore) and cumulative impact of effective interest rate adjustment amounting to ₹ 3.87 crore (As at March 31, 2021: ₹ 2.50 crore).

15.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 300 crore (Previous year: ₹ 150 crore).

15.4 Interest rate of commercial paper is range between 4.92% - 7.88% p.a. (Previous year: interest rate 7.88% p.a.).

15.5 The Group has utilized money obtained by way of Non-convertible debentures during the year for the purpose for which they were obtained.

16. Borrowings (other than debt securities)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortized cost		
Secured		
Term loans from (refer note 16.1,16.2 and 16.5)		
(a) Banks	193.95	220.00
(b) Others	256.00	150.00
Add: Interest accrued	1.80	0.15
	451.75	**370.15**
Other loans from banks as (refer note 16.3)		
(a) Working capital demand loans	81.00	36.00
(b) Cash credit facilities	80.66	138.12
Add: Interest accrued	0.02	0.18
	161.68	**174.30**
Unsecured		
Inter corporate deposits (refer note 16.4)		
(a) From related party (refer note 40)	439.70	431.10
(b) From others	500.50	394.00
Add: Interest accrued but not due	45.40	9.41
	985.60	**834.51**
Total	**1,599.03**	**1,378.96**

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, 2022:				
Up to one year (April- 22 to March- 23)	33.33	60.18	25.00	-
Up to 1-3 years (April- 23 to March- 25)	50.00	91.13	125.00	-
3 years and above (April- 25 onwards)	-	5.30	60.00	-
Total	**83.33**	**156.61**	**210.00**	**-**

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₹ in Crore

Residual Maturities	Interest range from			
	8% to 9%	9% to 10%	10% to 11%	12% to 13%
As at March 31, 2021:				
Up to one year (April- 21 to March- 22)	-	51.05	-	-
Up to 1-3 years (April- 22 to March- 24)	-	138.00	150.00	-
3 years and above (April- 24 onwards)	-	30.95	-	-
Total	**-**	**220.00**	**150.00**	**-**

Notes:

i) Maturity profile shown excluding effective interest rate impact amounting to ₹ 1.80 crore (As at March 31, 2022: ₹ 0.15 crore)

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

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

16.4 Inter corporate deposits taken from related party are repayable on call and taken from others are for 365 -1095 days.

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

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

16.7 All borrowings are made within India.

17. Lease Liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
On Office Premises (refer note 33)	19.42	20.97
On Vehicle (refer note 17.1 and note 33)	0.07	0.14
Total	**19.49**	**21.11**

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

18. Other Financial Liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Employee Benefits payable	10.25	10.50
Amount collected on behalf of trust	20.47	29.05
Provision for CSR Expenditure (refer note 35)	5.79	4.10
Undistributed collection in trusts	2.60	44.12
Other	-	0.51
Total	**39.11**	**88.28**

19. Provisions

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits:		
- Gratuity (refer note 39)	1.37	1.50
- Compensated absence (refer note 39)	0.64	0.73
Total	**2.01**	**2.23**

20. Other Non-Financial Liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	24.25	12.17
Other	4.24	3.50
Total	**28.49**	**15.67**

21. Share Capital

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
1,85,00,00,000 (Previous year 1,85,00,00,000) Equity Shares of ₹ 10/- each	1,850.00	1,850.00
15,00,00,000 (Previous year 15,00,00,000) Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
Total	**2,000.00**	**2,000.00**
Issued, Subscribed and Paid-up		
34,46,42,857 (Previous year 34,46,42,857) Equity Shares of ₹ 10/- each fully paid-up	344.64	344.64
Total	**344.64**	**344.64**

21.1 Terms and rights

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

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

21.2 Reconciliation of number of shares

Particulars	Equity Shares	
	As at March 31, 2022	As at March 31, 2021
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**

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21.3 Details of shareholders holding more than 5%

Particulars	As at March 31, 2022		As at March 31, 2021	
	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 Mauritius Partners FDI Ltd	2,90,28,911	8.42%	2,90,28,911	8.42%

21.4 Details of shareholding of promoters

Sr. No.	Promoter Name	No. of Shares	Percentage of total shares	Percentage of change during the year
1	JM Financial Limited	20,41,97,279	59.25%	Nil

22. Other Equity

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium Reserve	194.34	194.34
Capital reserve on change in interest without loss of control	28.15	28.15
Retained earnings	868.03	789.67
Equity component of Compulsory convertible debenture (refer note 22.1(g))	142.52	142.52
Employee Stock option outstanding	2.47	1.16
Impairment reserve (Refer note 22.2)	108.10	14.43
Initial Corpus	0.01	0.01
Total	**1,343.62**	**1,170.28**

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 in accordance with the provisions of the Act, 2013 for specified purposes.

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

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

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

e) Stock options outstanding account (net of deferred stock option expenses) relates to the stock options granted by the Group to employees under an Employee Stock Option Plan (refer note 38.2).

f) Impairment allowance reserve represents reserve created in accordance with the Reserve Bank of India (RBI) circular no. RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March, 2020 on implementation of Indian Accounting Standard. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

g) The Company has issued 53,68,268, 12% unlisted and unsecured Compulsory Convertible Debentures (CCD) having face value of ₹ 373 each on September 11, 2019. Each CCD shall be converted into 5,36,82,680 equity share of ₹ 10 each on or before September 11, 2022.

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

The Honorable Supreme Court vide orders dated October 30, 2017, November 20, 2017, April 09, 2018 and January 20, 2020 has directed that "No Coercive Action" can be taken against one of the borrower group of company, until further directions are being issued in this regard. As per recent judicial precedence, classification of an account as Non-Performing Account can also be considered as a "Coercive Action".

As at March 31, 2022, two loan accounts belonging to the same borrower group have outstanding interest which has not been serviced for more than 180 days.

In consideration to the aforesaid orders issued by the Honorable Supreme Court of India, the said accounts are classified as Standard Assets. However, the provision as required under the extant RBI guidelines for Non - Performing Advances amounting to ₹ 113.59 crore is carried for these borrower accounts. Of the provisions made ₹ 108.10 crore is made by transfer to the impairment reserve.

23. Interest Income

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On loans (at amortized cost)	114.33	128.79
On others (at FVTPL)	10.25	19.40
Total	**124.58**	**148.19**

24. Fees and Incentives

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Management and restructuring fees	129.78	172.49
Recovery Incentives Fees	9.46	10.23
Total	**139.24**	**182.72**

25. Net Gain on fair value changes

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial instruments designated at FVTPL:		
Equity instruments	2.77	4.52
Security Receipts and Financial assets (refer note 25.1 and 25.2)	252.59	47.58
Total	**255.36**	**52.10**

25.1 Investment in security receipts of face value of ₹ 4.24 crore (Previous year: ₹ 1.59 crore) for three trusts written off during the year.

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

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Realised Gain	331.37	83.71
Unrealised Loss	(76.01)	(31.61)
Total	**255.36**	**52.10**

26. Other Income

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on fixed deposit (at amortised cost)	0.09	1.44
Other interest income	0.13	0.12
Miscellaneous income	0.03	0.03
Total	**0.25**	**1.59**

27. Finance Costs

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At amortized cost:		
Debt Securities	89.98	176.46
Borrowings (Other than Debt Securities)	138.72	84.81
Others	3.81	4.54
Total	**232.51**	**265.81**

27.1 Above interest on debt securities includes interest on compulsory convertible debentures of ₹ 3.60 crore (Previous year: ₹ 5.79 crore).

27.2 Interest on others includes interest on lease obligations of ₹ 1.95 crore (Previous year: ₹ 2.09 crore).

28. Impairment of Financial Instruments

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At amortized cost:		
Loans	(0.46)	(1.05)
Trade receivables	10.33	0.72
Advances	0.85	(6.24)
Total	**10.72**	**(6.57)**

29. Employee Benefits Expenses

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus and other allowances	21.34	19.45
Contribution to provident and other funds (Refer note 39)	0.79	0.79
Gratuity (refer note 39)	0.27	0.28
Staff welfare expenses	#	#
Total	**22.40**	**20.52**

Denote amount below ₹ 50,000

30. Other Expenses

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rate & Taxes	4.12	1.22
Legal and professional fees	3.59	5.70
Lease rentals	0.11	0.08
Corporate social responsibility (refer note 35)	3.99	4.40
Support service charges	5.45	2.16
Donation	0.25	0.25
Manpower expenses	0.24	0.49
Director's commission & sitting fees	0.80	0.69
Travelling expenses	0.16	0.07
Repairs & Maintenance	0.08	0.04
Auditors remuneration (refer note 30.1)	0.19	0.16
Insurance expenses	0.25	0.18
Electricity expenses	0.18	0.15
Demat charges	0.36	0.20
Conveyance expense	0.03	0.05
Car hire charges	#	#
Miscellaneous expenses	0.81	1.71
Total	**20.61**	**17.55**

Denote amount below ₹ 50,000

30.1 Auditors remuneration (Excluding goods & service tax):

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Audit fees	0.15	0.12
- In any other matters (certification, limited reviews, etc.)	0.04	0.04
Total	**0.19**	**0.16**

Notes
forming part of the Consolidated Financial Statements

31. Income Tax

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	85.04	24.63
Deferred tax	(26.72)	(4.79)
Total income tax expenses recognised in the current year	**58.32**	**19.84**
Income tax expense recognised in other comprehensive income	0.01	0.03
Total income tax expenses	**58.33**	**19.87**

31.1 Reconciliation of total tax charge

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year	230.31	84.29
Income tax rate	25.17%	25.17%
Income tax expense	57.95	21.22
Tax Effect of:		
Effect of non-deductible expenses	1.07	1.11
Effect of unrecognised deferred tax (net)	(0.70)	(1.14)
Deferred tax on Re-measurement of employee defined benefit obligation	0.01	0.03
Others	-	(1.35)
Income tax expense recognised in profit and loss	**58.33**	**19.87**

32. 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 during the year as under:

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Profit for the year attributable to equity shareholders-Basic EPS (₹ in Cr.)	171.99	63.66
(b)	Profit for the year attributable to equity shareholders-Diluted EPS (₹ in Cr.)	171.99	63.66
(c)	Weighted average number of equity shares outstanding (Nos.)	34,46,42,857	34,46,42,857
(d)	Add: Conversion of compulsory convertible debenture (Nos.)	5,36,82,680	5,36,82,680
(e)	Weighted average number of equity shares outstanding (Nos.) for Basic EPS	39,83,25,537	39,83,25,537
(f)	Add : Effect of stock option scheme **	2,37,064	-
(g)	Weighted average number of equity shares outstanding (Nos.) for Diluted EPS	39,85,62,601	39,83,25,537
	Basic earnings per share (₹) (a/e)	4.32	1.60
	Dilutive earning per share (₹) (b/g)	4.32	1.60
	Nominal value per share (₹)	10	10

** One of the ESOS is anti-dilutive and therefore considered as Nil for the current year and previous year.

33. Leasing

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2022:

₹ in Crore

Category of ROU asset	Gross Block				Accumulated depreciation				Net block
Particulars	As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at April 1, 2021	Addition	Deductions	As at March 31, 2022	As at March 31, 2022
Premises	24.81	-	-	24.81	5.24	2.65	-	7.89	16.92
Vehicle	0.47	-	(0.19)	0.28	0.34	0.07	(0.19)	0.22	0.06

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

₹ in Crore

Category of ROU asset	Gross Block				Accumulated depreciation				Net Block
Particulars	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	Addition	Deductions	As at March 31, 2021	As at March 31, 2021
Premises	24.81	-	-	24.81	2.59	2.65	-	5.24	19.57
Vehicle	0.47	-	-	0.47	0.26	0.08	-	0.34	0.13

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021:

On Office Premises

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	20.97	22.21
Finance cost during the year	1.92	2.04
Payment of lease liabilities	(3.47)	(3.28)
Closing balance	**19.42**	**20.97**

On Motor Vehicle

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	0.14	0.20
Finance cost during the year	0.03	0.05
Payment of lease liabilities	(0.10)	(0.11)
Closing balance	**0.07**	**0.14**

Table showing contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

On Office Premises

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	3.56	3.45
Later than one year and not later than five years	15.33	14.87
Later than five years	7.86	11.88
Total	**26.75**	**30.20**

On Motor Vehicle

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	0.07	0.09
Later than one year and not later than five years	-	0.07
Later than five years	-	-
Total Finance lease commitment (on an undiscounted basis)	**0.07**	**0.16**

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.

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34. Foreign Currency Exposure and Un-hedged Foreign Currency Exposure

Sr. No.	Particulars	Amount in foreign Currency (Equivalent to USD in Million)	Amount in INR (₹ in crore)
I.	**Details of Foreign Currency Exposure**		
	(A) Receivables	NIL	NIL
	(i) Export of goods		
	(ii) Services Rendered / Other Income		
	(B) Payables	NIL	NIL
	(i) Import of Goods		
	(ii) Services utilised / Other Expenses		
	(C) Non-Trade Items	NIL	NIL
	(i) Foreign Currency Loans (ECBs, FCTLs, etc.)		
	(a) Principal Payments		
	(b) Interest		
	(ii) Foreign Currency Investments		
	Total Foreign Currency Exposure	**NIL**	**NIL**
II.	**Details of Hedgings**		
	(A) Natural Hedges	NIL	NIL
	(B) Financial Hedges	NIL	NIL
	(i) Forward Contracts Booked:		
	(a) For Export and other Receivables		
	(b) For Import and other Payables		
	(ii) Swaps		
	(a) Principal amount Swaps		
	(b) Interest Rate Swaps		
	(iii) Other Financial Derivative Hedging Instruments		
	Total Hedging of Foreign Currency Exposure	**NIL**	**NIL**
III.	**Amount of Unhedged Foreign Currency Exposure**	NIL	NIL
IV.	**Realised/ Recognised Amount of Foreign Currency Loss / Gain**	NIL	NIL
V.	**EBID**		407.49
VI.	**Total Banking Exposure of the company**		
	(i) Term Loans Exposure (Outstanding amounts + Undisbursed)		193.95
	(ii) Working Capital Exposure (Limit sanctioned and accepted)		175.00

Notes:

i) EBID is computed as per the definition contained in footnote 3 to paragraph 2 (c) of the RBI Circular No. RBI/ 2013-14/ 448 DBOD.No.BP.BC. 85 /21.06.200/2013-14 dated January 15, 2014 i.e. Profit After Tax + Depreciation + Interest on Debt + Lease Rentals, if any.

ii) Total banking exposure of the company excludes sanction facilities against fixed deposits.

35. Corporate Social Responsibility

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

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the Group during the year	3.99	4.40
b) Amount spent	0.75	0.30
Amount provided for on-going projects	3.24	4.10
Total	**3.99**	**4.40**
c) Short fall at the end of the year	-	-
d) Total Previous years shortfall	-	-
e) Reason for shortfall	-	-
f) Amount contributed to a trust controlled by the Group	-	-
g) Nature of CSR Activities	-	-
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.99	4.40
Total	**3.99**	**4.40**

36. Segment Reporting

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

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

37. Impact of COVID-19 pandemic

Given the uncertainty due to Covid-19 over the potential macro-economic impact and external developments, the management has considered internal and external information up to the date of approval of financial results for the year. The Group, based on the available information, has estimated an impact on the future cash flows in respect of the financial assets and has also applied management overlays basis the policies for the purpose of determination of:

- the provision for impairment of financial assets carried at amortised cost; and

- the fair value of certain financial assets carried at fair value through profit or loss (FVTPL).

Accordingly, the fair value of the financial assets and provision for expected credit loss on loans given to entities covered under the resolution plan recognized as at March 31, 2022 is after considering the potential impact on account the pandemic. Based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these financial assets.

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

The extent to which the pandemic will continue to impact the future results which are highly uncertain including, among other things, any new information concerning the severity of the Covid-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition, the impact of the Covid-19 pandemic may be different from the ones estimated as at the date of approval of these consolidated financial results. The Group will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future periods.

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38. Employee Stock Option Scheme

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

May 16, 2016	1,22,397	Stock Options
April 12, 2018	88,236	Stock Options

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

Vesting/ Grant Date	Options series	No. of Stock Options	Status	Exercise Period	Exercise Price in ₹
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, 2022	As at March 31, 2021
Outstanding at the beginning of the year	58,824	58,824
Granted during the year	-	-
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/forfeited during the year	-	-
Exercised during the year	(58,824)	-
Outstanding at the end of the year	-	58,824
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ # crore (Previous year: ₹ 0.13 crore). Since the options are granted by JM Financial Limited (the Ultimate Holding Company), basic and diluted earnings per share of the Group would remain unchanged.

38.2 The Employee Stock Option Scheme (the "Scheme") provides for grant of stock options to the eligible employees and/ or directors ("the Employees") of the Group. The Stock Options are granted at an exercise price, which is either equal to the fair market price or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee of the Board of the Company.

During the financial year 2021-22, the Nomination and Remuneration Committee has granted 9,09,549 options (Previous year: 15,81,444 options) at an exercise price of ₹ 29.69 per option (Previous year: ₹ 28.46 per option) to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

Particulars	Number of outstanding options	
	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	15,81,444	-
Add: Granted during the year	9,09,549	15,81,444
Less: Exercised and shares allotted during the year	-	-
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	(4,82,174)	-
Less: Lapsed during the year	-	-
Outstanding at end of the year	20,08,819	15,81,444
Exercisable at end of the year	-	-

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

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

Tranches	% of Options to be vested	No. of options granted		Vesting date		Fair value per option (₹)	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche 1	33.33%	3,03,183	5,27,148	19/04/2023	16/04/2022	20.33	19.79
Tranche 2	33.33%	3,03,183	5,27,148	19/04/2024	16/04/2023	21.96	21.58
Tranche 3	33.34%	3,03,183	5,27,148	19/04/2025	16/04/2024	23.77	23.08

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

Tranches	Life of the Option (in years)		Risk-free interest rate		Volatility		Dividend Yield*	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche 1	3.50	3.50	5.79%	5.59%	0.5160	0.5160	-	-
Tranche 2	4.50	4.50	5.69%	6.16%	0.5052	0.5005	-	-
Tranche 3	5.50	5.50	6.41%	6.51%	0.4954	0.4870	-	-

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

Details of options granted

Particulars	Options
Grant date	19-04-2021
Options granted	9,09,549
Options exercised till March 31, 2022	-
Options forfeited/cancelled till March 31, 2022	1,92,243
Options lapsed till March 31, 2022	-
Outstanding at end of year	7,17,306
Exercisable at end of year	-
Vesting of options	1/3rd Options each on completion of first, second and third year from the date of grant of options
Exercise period	Within 3 years from the date of vesting
Exercise price	₹ 29.69
Pricing formula	As was determined by the Nomination and Remuneration Committee

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 1.31 crore (Previous year: ₹ 1.16 crore).

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39. Employee Benefits

a) Defined contribution plans

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

The Group's contribution to Provident Fund aggregating ₹ 0.68 crore (Previous year: ₹ 0.69 crore) has been recognized in the Statement of Profit and Loss under the head Employee Benefits Expense.

b) Defined benefit obligation

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

Interest Rate Risk:

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

Longevity Risks:

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

Salary Risks:

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.20%	6.90%
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, 2022	For the year ended March 31, 2021
Current service cost	0.17	0.19
Past service cost	-	-
Net interest cost	0.10	0.09
Components of defined benefits recognised in profit or loss	**0.27**	**0.28**
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	(0.04)	(0.01)
- Actuarial (gain)/loss from change in experience adjustments	(0.01)	(0.11)
Total amount recognised in OCI	**(0.05)**	**(0.12)**
Total	**0.22**	**0.16**

The current service cost and the net interest expense for the year are included in the 'Employee benefits 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, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	1.37	1.50
Fair value of plan assets	-	-
Net asset arising from defined benefit obligation	**1.37**	**1.50**

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

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	1.50	1.34
Current service cost	0.17	0.19
Interest cost	0.10	0.09
Past service cost	-	-
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.04)	(0.01)
- Actuarial (gain)/loss from change in experience adjustments	(0.01)	(0.11)
Benefits paid	(0.17)	-
Liabilities extinguished on settlements	(0.18)	-
Closing defined benefit obligation	**1.37**	**1.50**

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

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	-	-
Employer contribution	0.17	-
Interest on plan assets	-	-
Administrative Expenses	-	-
Re-measurement due to		
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	(0.17)	-
Asset acquired/(settled)	-	-
Asset distributed on settlements	-	-

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

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation (base)	1.37	1.50

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Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.31	1.41	1.43	1.54
Impact of increase in 50 bps on DBO	(4.17%)	2.94%	(4.63%)	3.02%
Defined benefit obligation on decrease in 50 bps	1.43	1.33	1.57	1.45
Impact of decrease in 50 bps on DBO	4.51%	(2.75%)	5.03%	(2.92%)

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

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

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

Projected benefits payable:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Expected benefits for year 1	0.07	0.07
Expected benefits for year 2	0.25	0.07
Expected benefits for year 3	0.24	0.25
Expected benefits for year 4	0.05	0.24
Expected benefits for year 5	0.05	0.06
Expected benefits for year 6	0.21	0.11
Expected benefits for year 7	0.04	0.19
Expected benefits for year 8	0.20	0.05
Expected benefits for year 9	0.06	0.20
Expected benefits for year 10 and above	1.93	2.26

Compensated absences

As per Group's policy, provision of ₹ 0.64 crore (Previous year ₹ 0.73 crore) has been made towards compensated absences, calculated on the basis of unutilized leave as on the last day of the financial year.

c) Code on Social Security, 2020

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

40. Disclosure of related party

a) Name and relationship with related parties:

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

Ultimate holding company

JM Financial Limited

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

A) Ultimate holding company

JM Financial Limited

B) Fellow Subsidiaries

JM Financial Institutional Securities Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

JM Financial Home Loans Limited

JM Financial Services Limited

JM Financial Capital Limited

JM Financial Credit Solutions Limited

JM Financial Asset Management Limited

Astute Investments

CR Retail Malls (India) Limited

C) Key managerial personnel

Mr. Anil Bhatia - Chief Executive Officer

Mr. Atul Mehra - Key managerial personnel of holding company

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

Non-Executive Directors

Mr. V. P. Shetty- Chairman

Mr. Narotam Sekhsaria

Mr. Pulkit Sekhsaria

Mr. Adi Patel

Mr. Vishal Kampani

Independent Directors

Ms. Rupa Vora

Dr. Vijay Kelkar

Mr. Ameet Desai

Mr. Satish Chand Mathur

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

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b) Transactions with related parties:

₹ in Crore

Name of the Related Party	Nature of relationship	As at March 31, 2022	As at March 31, 2021
JM Financial Limited (JMFL)	**(A)**		
Inter Corporate Deposit taken		370.00	515.00
Inter Corporate Deposit paid		282.30	163.00
Interest on Inter Corporate Deposits		42.53	15.92
Rating Support Fees		1.70	2.24
Support Service Charges		2.50	1.98
Recovery of Expense		0.25	0.22
Reimbursement of Expenses		0.06	0.02
ESOP Charges		#	0.13
Interest on Compulsory Convertible Debenture		12.10	22.00
JM Financial Properties and Holdings Limited (JMFPHL)	**(B)**		
Space and other related cost		2.81	2.67
Interest Expenses		-	0.80
Inter Corporate deposit given		-	30.00
Inter Corporate deposit repaid		-	30.00
Reimbursement of Expenses		0.45	0.48
JM Financial Home Loans Limited (JMFHL)	**(B)**		
Reimbursement of Expenses		#	-
JM Financial Products Limited (JMFPL)	**(B)**		
Inter Corporate Deposit taken		80.00	136.00
Inter Corporate Deposit paid		80.00	136.00
Management Fees received		1.42	1.26
Interest on Inter Corporate Deposits paid		0.83	5.40
Support Service Charges		2.50	-
Reimbursement of Expenses		0.06	0.06
JM Financial Services Limited (JMFSL)	**(B)**		
Market linked Non-Convertible Debentures issued		200.84	75.00
Rent and fees paid		-	#
Arranger Fees		2.65	0.89
JM Financial Capital Limited (JMFCL)	**(B)**		
Inter Corporate Deposit taken		-	150.00
Inter Corporate Deposit paid		-	150.00
Interest on Inter Corporate Deposits paid		-	2.94
Market linked Non-Convertible Debentures redemption		-	0.36
Market linked Non-Convertible Debentures issued		22.74	-
JM Financial Credit Solutions Ltd (JMFCSL)	**(B)**		
Inter Corporate Deposit taken		-	104.00
Inter Corporate Deposit paid		-	104.00
Interest on Inter Corporate Deposits paid		-	3.04
Interest on Compulsory Convertible Debenture		9.91	-
Gratuity transfer		0.18	-
Management Fees received		1.40	-
CR Retail Malls (India) Limited			
Interest on Inter Corporate Deposits		2.12	2.38
Inter Corporate Deposit taken		33.00	55.00
Inter Corporate Deposit paid		88.00	-

₹ in Crore

Name of the Related Party	Nature of relationship	As at March 31, 2022	As at March 31, 2021
JM Financial Asset Management Limited	**(B)**		
Interest on Inter Corporate Deposits		0.08	5.31
Inter Corporate Deposit taken		40.00	124.10
Inter Corporate Deposit paid		64.10	100.00
Key Managerial Personnel	**(C)**		
Remuneration (refer note (d) below)		2.92	2.90
Contribution to provident fund		0.09	0.09

c) Closing balances:

₹ in Crore

Name of the Related Party	Nature of relationship	As at March 31, 2022	As at March 31, 2021
Inter Corporate Deposit payable			
JM Financial Limited (JMFL)	**(A)**	439.70	352.00
CR Retail Malls (India) Limited	**(B)**	-	55.00
JM Financial Asset Management Limited	**(B)**	-	24.10
Interest on Compulsory Convertible Debenture			
JM Financial Limited (JMFL)	**(A)**	2.10	11.32
JM Financial Credit Solutions Ltd (JMFCSL)	**(B)**	8.92	-
Security Deposit Recoverable			
JM Financial Properties and Holdings Limited (JMFPHL)	**(B)**	2.75	2.75
Market linked Non-Convertible Debentures			
JM Financial Services Ltd	**(B)**	-	3.02
JM Financial Capital Ltd	**(B)**	23.00	-
Dr. Vijay Kelkar	**(C)**	-	0.20
Mr. V P Shetty	**(C)**	2.00	-
Mrs. Suvidha Mehra	**(C)**	1.10	-
Trade Payable			
JM Financial Limited (JMFL)	**(A)**	0.42	0.61
JM Financial Properties and Holdings Limited (JMFPHL)	**(B)**	#	-
Key Managerial Personnel	**(C)**	2.32	3.63

Denote 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.

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41. Capital Management

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

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

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings (Debt securities and borrowing other than debt securities)	2,384.94	2,576.20
Less - Cash and cash equivalents	(69.56)	(132.49)
Net Debt	**2,315.38**	**2,443.71**
Total equity (excluding non-controlling interest)	1,688.26	1,514.92
Debt to equity ratio	1.37	1.61

42. Fair value measurement

a) Fair value hierarchy and method of valuation:

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

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

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

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

b) Categories of Financial Instruments:

As at March 31, 2022:

₹ in Crore

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

As at March 31, 2021:

₹ in Crore

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	132.49	132.49	-	-	-	-
Other bank balances	-	-	0.91	0.91	-	-	-	-
Trade receivables (net)	-	-	171.47	171.47	-	-	-	-
Loans (net)	-	-	625.33	625.33	-	-	-	-
Investments	1,039.53	-	-	1,039.53	13.35	-	1,026.18	1,039.53
Other financial assets (net)	2,222.82	-	31.06	2,253.88	-	-	2,222.82	2,222.82
Total	**3,262.35**	**-**	**961.26**	**4,223.61**	**13.35**	**-**	**3,249.00**	**3,262.35**
Financial liabilities								
Trade payables	-	-	2.15	2.15	-	-	-	-
Debt securities	-	-	1,197.24	1,197.24	-	-	-	-
Borrowing (other than debt securities)	-	-	1,378.96	1,378.96	-	-	-	-
Lease liabilities	-	-	21.11	21.11	-	-	-	-
Other financial liabilities	-	-	88.28	88.28	-	-	-	-
Total	**-**	**-**	**2,687.74**	**2,687.74**	**-**	**-**	**-**	**-**

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, 2022	218.93	221.30
As at March 31, 2021	828.44	829.96

2. Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Group considers that the carrying amounts of financial instruments measured at amortised cost recognized in the financial statements approximate their fair values.

3. For financial assets that are measured at amortized cost, the carrying amounts are equal to the fair values.

c) Valuation techniques used to determine the fair values:

i) For level 1- Listed equity instruments are fair valued using quoted prices;

ii) For level 2- fair value measurements are derived from quoted prices of equity instruments; and

For level 3- fair value measurements are derived on a recovery range provided by the External Rating Agency and other unobservable inputs. The values of financial instruments are estimated using a combination of the recovery range provided by the External Rating Agency and discounting the estimated cash flows based on realization of collateral values, etc. using interest rate on borrowing of the Group.

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

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

The following table presents the changes in level 3 items for the year ended March 31, 2022 and March 31, 2021

₹ in Crore

Particulars	Investment in SRs	Financial assets	Total
As at April 1, 2020	**1,155.39**	**1,965.16**	**3,120.55**
Acquisitions made	0.56	353.51	354.07
(Realisations) made	(63.61)	(492.30)	(555.91)
Impact of change in control	(49.78)	332.49	282.71
Net gain/(loss) on fair value changes	(16.38)	63.96	47.58
As at March 31, 2021	**1,026.18**	**2,222.82**	**3,249.00**
Acquisitions made	74.33	216.01	290.34
(Realisations) made	(275.50)	(266.85)	(542.35)
Net gain/(loss) on fair value changes	131.16	121.43	252.59
As at March 31, 2022	**956.17**	**2,293.41**	**3,249.58**

e) Sensitivity for instruments:

₹ in Crore

Nature of the instrument	Fair Value as at March 31, 2022	Fair Value as at March 31, 2021	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2022*		Sensitivity Impact for the year ended March 31, 2021*	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Investment in Security receipts	956.17	1,026.18	Estimated cash flow based on realisation of collaterals value, etc.	5%	63.25	(63.25)	64.51	(64.51)
Investment in financial assets of structured entities	2,293.41	2,222.82	Estimated cash flow based on realisation of collaterals value, etc.	5%	105.06	(105.06)	99.80	(99.80)

* percentage of outstanding security receipts at cost

f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the 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.

43. Financial Risk Management

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

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

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

a) Credit risk

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

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

Group has classified its receivables in to following categories:

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

b) Other receivables under distress credit business.

Provision for expected credit loss

1. For loans:

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

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

For stage-2 under performing assets- lifetime ECL (on default occurred); and

For stage-3 credit impaired assets-based on expected cash flows.

The Group has made adjustment in ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default has been assessed considering the like hood 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 haircut are applied wherever necessary.

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

As at March 31, 2022

₹ in Crore

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

As at March 31, 2021

₹ in Crore

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

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

As at March 31, 2022

₹ in Crore

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

As at March 31, 2021

₹ in Crore

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

2. For other receivables under distressed credit business:

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

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, 2022

₹ in Crore

Particulars	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	**13.30**	**8.48**	**21.78**
Addition	10.33	0.85	11.18
Utilization/ written back	-	-	-
Closing balance	**23.63**	**9.33**	**32.96**

As at March 31, 2021

₹ in Crore

Particulars	Trade receivables	Other financial assets	Total
ECL allowance - opening balance	**12.58**	**14.72**	**27.30**
Addition	0.72	(6.24)	(5.52)
Utilization/ written back	-	-	-
Closing balance	**13.30**	**8.48**	**21.78**

The ageing of trade receivables:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Past due 1–180 days	39.74	47.35
More than 180 days	190.72	137.42
Total	**230.46**	**184.77**

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. However the Company believes that it has a strong financial position and business is adequately capitalized, have good credit rating and appropriate credit lines available to address liquidity risks.

Ultimate responsibility for liquidity risk rest with the management, which has established by an appropriate liquidity risk framework for the management of the Group's short term, medium-term and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company has undrawn lines of credit of ₹ 13.34 crore and ₹ 1.10 crore as of March 31, 2022 and March 31, 2021 respectively, from its bankers for working capital requirements. The Company also has Bank balances of ₹ 69.56 crore as on March 31, 2022.

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

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₹ in Crore

As at March 31, 2021		Contractual cash flows				
Particulars	**Carrying amount**	**Total**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Financial Liabilities						
Borrowings and debt securities	2,576.20	2,576.20	1,953.11	592.14	30.95	-
Trade payables	2.15	2.15	2.15	-	-	-
Lease liabilities	21.11	21.11	1.63	4.01	5.14	10.33
Other financial liabilities	88.28	88.28	80.94	7.34	-	-
Total	**2,687.74**	**2,687.74**	**2,037.83**	**603.49**	**36.09**	**10.33**
Financial Assets						
Cash and cash equivalents	132.49	132.49	132.49	-	-	-
Other Bank balances	0.91	0.91	-	0.91	-	-
Trade receivables (net)	171.47	171.47	120.04	51.43	-	-
Loans (net)	625.33	625.33	319.01	306.32	-	-
Investment	1,039.53	1,039.53	578.19	204.09	230.29	26.96
Other Financial Assets (net)	2,253.88	2,253.88	394.74	440.92	1,416.69	1.53
Total	**4,223.61**	**4,223.61**	**1,544.47**	**1,003.67**	**1,646.98**	**28.49**

Notes:

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

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

c) 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 exposed to exchange rate fluctuations. Group has not taken derivative contracts during the year.

2. Interest rate risk

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

Exposure to interest rate risk

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

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings:		
Fixed rate borrowings	1,616.34	1,831.17
Floating rate borrowings	677.01	566.62
Total	**2,293.35**	**2,397.79**

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, 2022 would decrease/ increase by ₹ 6.77 crore (Previous year: decrease/ increase by ₹ 5.67 crore).

d) Equity Price Risk

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

Equity Price Sensitivity analysis:

The fair value of equity instruments as at March 31, 2022 aggregate to ₹ 16.12 crore (Previous year: ₹ 13.35 crore). If price of equity instruments decrease/ increase by 5%, the Group's profit for the year ended March 31, 2022 would be decrease/ increase by ₹ 0.81 crore (Previous year: decrease/ increase by ₹ 0.67 crore).

44. A) Entities considered for Consolidation

a) Composition of the Group

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

Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at March 31, 2022	As at March 31, 2021
Subsidiary Trusts in India			**(%)**	**(%)**
JMFARC - BOI 2009 I Trust^	Asset reconstruction	India	-	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%
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%
JMFARC - Corp Textile 2013 Trust*	Asset reconstruction	India	100%	100%
JMFARC - Corp Apparel 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Central India 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Dena Bank March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC - Gelatine March 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC - ICICI Bank July 2014 Trust	Asset reconstruction	India	100%	100%
JMFARC - Axis Bank Cement March 2015 Trust	Asset reconstruction	India	100%	100%
JMFARC - ICICI Bank Cement June 2015 Trust	Asset reconstruction	India	100%	100%
JMFARC - United Bank Cement Sept 2015 Trust	Asset reconstruction	India	100%	100%
JMFARC - ICICI Geometric Trust	Asset reconstruction	India	15%	15%
JMFARC - Axis Bank February 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - OBC Cement March 2016 Trust	Asset reconstruction	India	100%	100%

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Name of the Entity	Principal activity	Country of incorporation	Proportion of ownership interest and voting power held by the group	
			As at March 31, 2022	As at March 31, 2021
JMFARC - Indian Bank I March 2016 Trust^	Asset reconstruction	India	-	100%
JMFARC - Axis Iris II March 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - SBI Geometric October 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - IRIS Cash 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - Tata Capital December 2016 Trust	Asset reconstruction	India	100%	100%
JMFARC - IDBI March 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - BOB 2008 Trust	Asset reconstruction	India	100%	100%
JMFARC - SME Retail 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC - IOB II March 2011 Trust	Asset reconstruction	India	50%	50%
JMFARC - Corp I 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Corp II 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Retail June 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC - Retail Aug 2011 Trust	Asset reconstruction	India	100%	100%
JMFARC - IRIS IIFL May 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - ALHB Bank Textile June 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - ALHB Bank June 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - Federal Bank June 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - IRIS Cash July 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - Woods October 2017 Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics August 2018 I Trust	Asset reconstruction	India	100%	100%
JMFARC - IRIS Cash March 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC - Metallics July 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC - Federal Bank March 2013 Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics March 2019 I	Asset reconstruction	India	100%	100%
JMFARC - Fabrics September 2018 I Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics September 2018 II Trust	Asset reconstruction	India	100%	100%
JMFARC - PNB IRIS II September 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics June 2018 Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics June 2019 II Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics June 2019 III Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics December 2019 I Trust	Asset reconstruction	India	100%	100%
JMFARC - March 2018	Asset reconstruction	India	60%	60%
JMFARC - Fabrics September 2020 Trust	Asset reconstruction	India	100%	100%
JMFARC - Fabrics November 2020 Trust	Asset reconstruction	India	100%	100%
JMFARC - Metallics February 2018 Trust	Asset reconstruction	India	92%	92%
JMFARC - Metallics November 2018 Trust	Asset reconstruction	India	95%	95%
JMFARC - Metallics December 2018 Trust	Asset reconstruction	India	94%	94%
JMFARC - KTK Metallics December 2018 Trust	Asset reconstruction	India	94%	94%
JMFARC - Coated February 2021 Trust	Asset reconstruction	India	89%	100%
JMFARC - Deccan 2021 Trust @	Asset reconstruction	India	100%	-

^ Trusts closed during the financial year 2020-21

* Trusts closed during the year

@ Trusts added during the year

Note:

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

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

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

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated Total comprehensive income
Parent								
JM Financial Asset Reconstruction Company Limited	(370.11)	-20.47%	141.65	82.36%	0.04	100.00%	141.69	82.36%
Subsidiary Trusts in India								
JMFARC - BOI 2009 I Trust	-	-	-	-	-	-	-	-
JMFARC - DB-ICICI Trust	(0.01)	0.00%	5.43	3.16%	-	-	5.43	3.16%
JMFARC - DB SBI Trust	(0.01)	0.00%	3.37	1.96%	-	-	3.37	1.96%
JMFARC - DB DCB Trust	(0.01)	0.00%	-	-	-	-	-	-
JMFARC - Jord SUUTI Trust	(0.01)	0.00%	0.39	0.23%	-	-	0.39	0.23%
JMFARC - Pasupati SASF Trust	(0.09)	0.00%	0.09	0.05%	-	-	0.09	0.05%
JMFARC - Central Bank Tube Trust	(0.01)	0.00%	3.62	2.10%	-	-	3.62	2.10%
JMFARC - UTI Tube Trust	(0.01)	0.00%	0.29	0.17%	-	-	0.29	0.17%
JMFARC - Yarn 2010 Trust	-	-	-	-	-	-	-	-
JMFARC - SASF Tube Trust	(0.01)	0.00%	4.15	2.41%	-	-	4.15	2.41%
JMFARC - UCO Bank March 2011 Trust	0.10	0.01%	(0.02)	(0.01%)	-	-	(0.02)	(0.01%)
JMFARC - Textile 2013 Trust	-	-	-	-	-	-	-	-
JMFARC - Corp Textile 2013 Trust	0.01	0.00%	0.42	0.24%	-	-	0.42	0.24%
JMFARC - Corp Apparel 2013 Trust	0.09	0.00%	-	-	-	-	-	-
JMFARC - Central India 2013 Trust	29.04	1.61%	-	-	-	-	-	-
JMFARC - Dena Bank March 2014 Trust	5.45	0.30%	-	-	-	-	-	-
JMFARC - Gelatine March 2014 Trust	9.07	0.50%	0.02	0.01%	-	-	0.02	0.01%
JMFARC - ICICI Bank July 2014 Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - Indian Bank I March 2016- Trust	-	-	-	-	-	-	-	-
JMFARC - Axis Bank Cement March 2015 Trust	25.32	1.40%	(0.31)	(0.18%)	-	-	(0.31)	(0.18%)
JMFARC - ICICI Bank Cement June 2015 Trust	19.43	1.07%	(0.30)	(0.17%)	-	-	(0.30)	(0.17%)
JMFARC - United Bank Cement Sept 2015 Trust	21.64	1.20%	(0.84)	(0.49%)	-	-	(0.84)	(0.49%)
JMFARC - ICICI Geometric Trust	1.55	0.09%	-	-	-	-	-	-
JMFARC - Axis Bank February 2016 Trust	0.34	0.02%	-	-	-	-	-	-
JMFARC - OBC Cement March 2016 Trust	3.57	0.20%	0.01	0.01%	-	-	0.01	0.01%
JMFARC - Axis Iris II March 2016 Trust	6.00	0.33%	-	-	-	-	-	-
JMFARC - SBI Geometric October 2016 Trust	3.58	0.20%	5.50	3.20%	-	-	5.50	3.20%
JMFARC - IRIS Cash 2016 Trust	76.17	4.21%	-	-	-	-	-	-
JMFARC - Tata Capital December 2016 Trust	9.04	0.50%	-	-	-	-	-	-
JMFARC - IDBI March 2017 Trust	2.37	0.13%	-	-	-	-	-	-
JMFARC - IIFL May 2017 Trust	4.08	0.23%	-	-	-	-	-	-
JMFARC - IRIS Cash July 2017 Trust	21.96	1.21%	-	-	-	-	-	-
JMFARC - Woods October 2017 Trust	13.48	0.75%	-	-	-	-	-	-
JMFARC - IRIS Cash March 2018 Trust	10.38	0.57%	(1.30)	(0.76%)	-	-	(1.30)	(0.76%)
JMFARC - BOB 2008 Trust	-	-	(0.02)	(0.01%)	-	-	(0.02)	(0.01%)
JMFARC - SME Retail 2011 Trust	0.01	0.00%	-	-	-	-	-	-

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Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated Total comprehensive income
JMFARC - IOB II March 2011 Trust	1.89	0.10%	(0.01)	(0.01%)	-	-	(0.01)	(0.01%)
JMFARC - Federal Bank March 2013 Trust	24.17	1.34%	(4.67)	(2.72%)	-	-	(4.67)	(2.71%)
JMFARC - Corp I 2013 Trust	4.05	0.22%	-	-	-	-	-	-
JMFARC - Corp II 2013 Trust	0.27	0.01%	0.01	0.01%	-	-	0.01	0.01%
JMFARC - ALHB Bank June 2017 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - ALHB Bank Textile June 2017 Trust	0.01	0.00%	(2.25)	(1.31%)	-	-	(2.25)	(1.31%)
JMFARC - Federal Bank June 2017 Trust	1.05	0.06%	16.79	9.76%	-	-	16.79	9.76%
JMFARC - Metallics July 2018 Trust	(0.01)	0.00%	-	-	-	-	-	-
JMFARC - Fabrics August 2018 I Trust	848.30	46.92%	-	-	-	-	-	-
JMFARC - Fabrics September 2018 I Trust	80.99	4.48%	-	-	-	-	-	-
JMFARC - Fabrics September 2018 II Trust	57.52	3.18%	-	-	-	-	-	-
JMFARC - PNB IRIS II September 2018 Trust	1.15	0.06%	-	-	-	-	-	-
JMFARC - Fabrics June 2018 Trust	79.56	4.40%	-	-	-	-	-	-
JMFARC - Fabrics March 2019 I	36.31	2.01%	-	-	-	-	-	-
JMFARC - Retail June 2011 Trust	0.01	0.00%	(0.03)	(0.02%)	-	-	(0.03)	(0.02%)
JMFARC - Retail Aug 2011 Trust	0.08	0.00%	-	-	-	-	-	-
JMFARC - Fabrics June 2019 II Trust	76.04	4.21%	-	-	-	-	-	-
JMFARC - Fabrics June 2019 III Trust	19.68	1.09%	-	-	-	-	-	-
JMFARC - Fabrics December 2019 I Trust	5.28	0.29%	-	-	-	-	-	-
JMFARC - March 2018	93.85	5.19%	-	-	-	-	-	-
JMFARC - Fabrics September 2020 Trust	10.85	0.60%	-	-	-	-	-	-
JMFARC - Fabrics November 2020 Trust	54.60	3.02%	-	-	-	-	-	-
JMFARC - Metallics February 2018 Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - Metallics November 2018 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - Metallics December 2018 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - KTK Metallics December 2018 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - Coated February 2021 Trust	390.59	21.60%	-	-	-	-	-	-
JMFARC - Deccan 2021	9.51	0.53%	-	-	-	-	-	-
	1,688.26	**93.37%**	**171.99**	**100.00%**	**0.04**	**100.00%**	**172.03**	**100.00%**
Non Controlling Interests in all subsidiaries	**119.86**	**6.63%**	**-**	**-**	**-**	**-**	**-**	**-**
JMFARC - ICICI Geometric Trust	8.77	0.49%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	-	-	-	-	-	-	-	-
JMFARC - March 2018	62.56	3.46%	-	-	-	-	-	-
JMFARC - Metallics February 2018 Trust	-	-	-	-	-	-	-	-
JMFARC - Metallics November 2018 Trust	-	-	-	-	-	-	-	-
JMFARC - Metallics December 2018 Trust	-	-	-	-	-	-	-	-
JMFARC - KTK Metallics December 2018 Trust	-	-	-	-	-	-	-	-
JMFARC - Coated February 2021 Trust*	48.53	2.68%	-	-	-	-	-	-
Total	**1,808.12**	**100.00%**	**171.99**	**100.00%**	**0.04**	**100.00%**	**172.03**	**100.00%**

* stake acquired by other security receipt holders during the year

Note:

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

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

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated Total comprehensive income
Parent								
JM Financial Asset Reconstruction Company Limited	(578.92)	-36.50%	47.37	73.50%	0.09	100%	47.46	73.54%
Subsidiary Trusts in India								
JMFARC - BOI 2009 I Trust	-	-	9.93	15.41%	-	-	9.93	15.39%
JMFARC - DB-ICICI Trust	(0.03)	0.00%	6.37	9.88%	-	-	6.37	9.87%
JMFARC - DB SBI Trust	(0.02)	0.00%	2.90	4.50%	-	-	2.90	4.49%
JMFARC - DB DCB Trust	(0.01)	0.00%	0.79	1.23%	-	-	0.79	1.22%
JMFARC - Jord SUUTI Trust	(0.01)	0.00%	0.30	0.47%	-	-	0.30	0.46%
JMFARC - Pasupati SASF Trust	(0.18)	(0.01%)	(0.10)	(0.16%)	-	-	(0.10)	(0.15%)
JMFARC - Central Bank Tube Trust	(0.02)	0.00%	1.53	2.37%	-	-	1.53	2.37%
JMFARC - UTI Tube Trust	(0.01)	0.00%	0.24	0.37%	-	-	0.24	0.37%
JMFARC - Yarn 2010 Trust	-	-	(0.14)	(0.22%)	-	-	(0.14)	(0.22%)
JMFARC - SASF Tube Trust	(0.02)	0.00%	2.22	3.44%	-	-	2.22	3.44%
JMFARC - UCO Bank March 2011 Trust	0.12	0.01%	-	-	-	-	-	-
JMFARC - Textile 2013 Trust	-	-	(0.04)	(0.06%)	-	-	(0.04)	(0.06%)
JMFARC - Corp Textile 2013 Trust	0.14	0.01%	0.71	1.10%	-	-	0.71	1.10%
JMFARC - Corp Apparel 2013 Trust	0.09	0.01%	0.02	0.03%	-	-	0.02	0.03%
JMFARC - Central India 2013 Trust	29.04	1.83%	-	-	-	-	-	-
JMFARC - Dena Bank March 2014 Trust	5.45	0.34%	-	-	-	-	-	-
JMFARC - Gelatine March 2014 Trust	48.34	3.05%	-	-	-	-	-	-
JMFARC - ICICI Bank July 2014 Trust	0.03	0.00%	-	-	-	-	-	-
JMFARC - Indian Bank I March 2016- Trust	-	-	(0.02)	(0.03%)	-	-	(0.02)	(0.03%)
JMFARC - Axis Bank Cement March 2015 Trust	27.30	1.72%	-	-	-	-	-	-
JMFARC - ICICI Bank Cement June 2015 Trust	21.01	1.32%	-	-	-	-	-	-
JMFARC - United Bank Cement Sept 2015 Trust	24.73	1.56%	-	-	-	-	-	-
JMFARC - ICICI Geometric Trust	1.55	0.10%	1.42	2.20%	-	-	1.42	2.20%
JMFARC - Axis Bank February 2016 Trust	0.34	0.02%	0.16	0.25%	-	-	0.16	0.25%
JMFARC - OBC Cement March 2016 Trust	3.59	0.23%	-	-	-	-	-	-
JMFARC - Axis Iris II March 2016 Trust	6.00	0.38%	-	-	-	-	-	-
JMFARC - SBI Geometric October 2016 Trust	26.88	1.69%	0.61	0.95%	-	-	0.61	0.95%
JMFARC - IRIS Cash 2016 Trust	76.17	4.80%	-	-	-	-	-	-
JMFARC - Tata Capital December 2016 Trust	9.04	0.57%	-	-	-	-	-	-
JMFARC - IDBI March 2017 Trust	2.37	0.15%	-	-	-	-	-	-
JMFARC - IRIS IIFL May 2017 Trust	4.08	0.26%	-	-	-	-	-	-
JMFARC - IRIS Cash July 2017 Trust	21.96	1.38%	(0.09)	(0.14%)	-	-	(0.09)	(0.14%)
JMFARC - Woods October 2017 Trust	13.48	0.85%	-	-	-	-	-	-
JMFARC - IRIS Cash March 2018 Trust	11.68	0.74%	(0.06)	(0.09%)	-	-	(0.06)	(0.09%)
JMFARC - BOB 2008 Trust	0.02	0.00%	0.02	0.03%	-	-	0.02	0.03%

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Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	₹ in crore	As % of consolidated net assets*	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated Total comprehensive income
JMFARC - SME Retail 2011 Trust	0.01	0.00%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	1.90	0.12%	2.53	3.93%	-	-	2.53	3.92%
JMFARC - Federal Bank March 2013 Trust	33.08	2.09%	15.89	24.65%	-	-	15.89	24.62%
JMFARC - Corp I 2013 Trust	4.05	0.26%	(1.51)	(2.34%)	-	-	(1.51)	(2.34%)
JMFARC - Corp II 2013 Trust	0.27	0.02%	-	-	-	-	-	-
JMFARC - ALHB Bank June 2017 Trust	0.01	0.00%	(0.11)	(0.17%)	-	-	(0.11)	(0.17%)
JMFARC - ALHB Bank Textile June 2017 Trust	8.28	0.52%	-	-	-	-	-	-
JMFARC - Federal Bank June 2017 Trust	56.20	3.54%	(7.73)	(11.99%)	-	-	(7.73)	(11.98%)
JMFARC - Metallics July 2018 Trust	-	-	(1.87)	(2.90%)	-	-	(1.87)	(2.90%)
JMFARC - Fabrics August 2018 I Trust	848.30	53.48%	(3.13)	(4.86%)	-	-	(3.13)	(4.85%)
JMFARC - Fabrics September 2018 I Trust	80.99	5.11%	(0.30)	(0.47%)	-	-	(0.30)	(0.46%)
JMFARC - Fabrics September 2018 II Trust	57.52	3.63%	(0.21)	(0.33%)	-	-	(0.21)	(0.33%)
JMFARC - PNB IRIS II September 2018 Trust	1.15	0.07%	-	-	-	-	-	-
JMFARC - Fabrics June 2018 Trust	79.56	5.02%	(0.29)	(0.45%)	-	-	(0.29)	(0.45%)
JMFARC - Fabrics March 2019 I	36.31	2.29%	(0.14)	(0.22%)	-	-	(0.14)	(0.22%)
JMFARC - Retail June 2011 Trust	0.05	0.00%	-	-	-	-	-	-
JMFARC - Retail Aug 2011 Trust	0.08	0.01%	-	-	-	-	-	-
JMFARC - Fabrics June 2019 II Trust	76.04	4.79%	(0.28)	(0.43%)	-	-	(0.28)	(0.43%)
JMFARC - Fabrics June 2019 III Trust	19.68	1.24%	(0.07)	(0.11%)	-	-	(0.07)	(0.11%)
JMFARC - Fabrics December 2019 I Trust	5.28	0.33%	(0.03)	(0.05%)	-	-	(0.03)	(0.05%)
JMFARC - March 2018	93.85	5.92%	-	-	-	-	-	-
JMFARC - Fabrics September 2020 Trust	10.85	0.68%	0.75	1.16%	-	-	0.75	1.16%
JMFARC - Fabrics November 2020 Trust	54.60	3.44%	3.79	5.88%	-	-	3.79	5.87%
JMFARC - Metallics February 2018 Trust	0.02	0.00%	(1.54)	(2.39%)	-	-	(1.54)	(2.39%)
JMFARC - Metallics November 2018 Trust	0.01	0.00%	(7.13)	(11.06%)	-	-	(7.13)	(11.05%)
JMFARC - Metallics December 2018 Trust	0.01	0.00%	(5.56)	(8.62%)	-	-	(5.56)	(8.61%)
JMFARC - KTK Metallics December 2018 Trust	0.01	0.00%	(3.54)	(5.48%)	-	-	(3.54)	(5.47%)
JMFARC - Coated February 2021 Trust	292.62	18.45%	-	-	-	-	-	-
	1,514.92	**95.52%**	**63.66**	**98.78%**	**0.09**	**100.00%**	**63.75**	**98.78%**
Non Controlling Interests in all subsidiaries	**71.33**	**4.48%**	**0.79**	**1.22%**	**-**	**-**	**0.79**	**1.22%**
JMFARC - BOI 2009 I Trust	-	-	-	-	-	-	-	-
JMFARC - ICICI Geometric Trust	8.77	0.55%	-	-	-	-	-	-
JMFARC - IOB II March 2011 Trust	-	-	-	-	-	-	-	-
JMFARC - March 2018	62.56	3.93%	-	-	-	-	-	-
JMFARC - Metallics February 2018 Trust	-	-	0.37	0.57%	-	-	0.37	0.57%
JMFARC - Metallics November 2018 Trust	-	-	0.15	0.23%	-	-	0.15	0.23%
JMFARC - Metallics December 2018 Trust	-	-	0.18	0.28%	-	-	0.18	0.28%
JMFARC - KTK Metallics December 2018 Trust	-	-	0.09	0.14%	-	-	0.09	0.14%
Total	**1,586.25**	**100.00%**	**64.45**	**100.00%**	**0.09**	**100.00%**	**64.54**	**100.00%**

Note:

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

45. 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
JMFARC BOI 2009 I Trust	India	-	62.62%	-	-	-	-
JMFARC ICICI Geometric Trust	India	85.00%	85.00%	-	-	8.77	8.77
JMFARC IOB II March 2011 Trust	India	50.44%	50.44%	-	-	-	-
JMFARC March 2018	India	40.00%	40.00%	-	-	62.56	62.56
JMFARC Metallics February 2018 Trust*	India	7.61%	7.61%	-	0.37	-	-
JMFARC Metallics November 2018 Trust*	India	5.08%	5.08%	-	0.15	-	-
JMFARC Metallics December 2018 Trust*	India	6.16%	6.16%	-	0.18	-	-
JMFARC KTK Metallics December 2018 Trust*	India	6.16%	6.16%	-	0.09	-	-
JMFARC Coated February 2021 Trust^	India	11.05%	-	-	-	48.53	-
Total				**-**	**0.79**	**119.86**	**71.33**

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

^ stake acquired by other security receipt holders during the year.

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

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets	-	#	0.48	0.43	156.55	156.50
Non-financial assets	-	#	10.32	10.32	-	-
Financial liabilities	-	#	0.48	0.42	0.10	0.08
Non-financial liabilities	-	#	-	0.01	0.04	-
Equity attributable to owners of the Company	-	-	1.55	1.55	93.85	93.86
Non-controlling interests	-	-	8.77	8.77	62.56	62.56
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Revenue	-	-	0.06	0.43	0.05	0.15
Expenses	-	(10.03)	0.06	(1.47)	0.05	0.15

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₹ in Crore

Particulars	JMFARC BOI 2009 I Trust		JMFARC ICICI Geometric Trust		JMFARC – March 2018	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Tax Expenses	-	0.10	-	0.48	-	-
Profit for the year	**-**	**9.93**	**-**	**1.42**	**-**	**-**
Profit attributable to owners of the Company	-	9.93	-	1.42	-	-
Profit attributable to non-controlling interests	-	-	-	-	-	-
Profit for the year	**-**	**9.93**	**-**	**1.42**	**-**	**-**
Other comprehensive income attributable to owners of the Company	-	-	-	-	-	-
Other comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**
Total comp. income attributable to owners of the Co.	-	9.93	-	1.42	-	-
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**9.93**	**-**	**1.42**	**-**	**-**
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	-	2.73	#	#	#	43.58
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	-	(2.73)	-	-	(0.01)	(43.58)
Net cash generated from/(used in)	**-**	**#**	**#**	**#**	**#**	**#**

Denote amount less than ₹ 50,000

₹ in Crore

Particulars	JMFARC IOB II March 2011 Trust		JMFARC Metallics February 2018 Trust		JMFARC Metallics November 2018 Trust	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets	0.03	0.03	1.06	1.13	0.62	0.67
Non-financial assets	1.87	1.87	-	(0.01)	-	-
Financial liabilities	0.01	#	-	0.01	-	-
Non-financial liabilities	-	#	1.04	1.09	0.61	0.65
Equity attributable to owners of the Company	1.89	1.90	0.02	0.02	0.01	0.02
Non-controlling interests	-	-	#	#	#	#
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Revenue	-	-	0.01	7.65	-	4.52
Expenses	0.01	(3.38)	-	1.15	-	0.68
Tax Expenses	-	0.85	-	(0.39)	-	(2.35)
Profit for the year	**(0.01)**	**2.53**	**0.01**	**6.89**	**-**	**6.19**

₹ in Crore

Particulars	JMFARC IOB II March 2011 Trust		JMFARC Metallics February 2018 Trust		JMFARC Metallics November 2018 Trust	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Profit attributable to owners of the Company	(0.01)	2.53	0.01	6.52	-	6.04
Profit attributable to non-controlling interests	-	-	-	0.37	-	0.15
Profit for the year	**(0.01)**	**2.53**	**0.01**	**6.89**	**-**	**6.19**
Other comprehensive income attributable to owners of the Company	-	-	-	-	-	-
Other comprehensive income attributable to non-controlling interests	-	-	-	-	-	-
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income attributable to owners of the Company	(0.01)	2.53	0.01	6.52	-	6.04
Total comprehensive income attributable to non-controlling interests	-	-	-	0.37	-	0.15
Total comprehensive income for the year	**(0.01)**	**2.53**	**0.01**	**6.89**	**-**	**6.19**
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	0.03	3.38	0.06	132.10	0.03	69.81
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	-	(3.35)	(0.01)	(130.97)	(0.01)	(69.15)
Net cash generated from/(used in)	**0.03**	**0.03**	**0.05**	**1.13**	**0.02**	**0.66**

Denote amount less than ₹ 50,000

₹ in Crore

Particulars	JMFARC Metallics December 2018 Trust		JMFARC KTK Metallics December 2018 Trust		JMFARC Coated February 2021 Trust	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets	0.63	0.68	0.33	0.36	456.29	-
Non-financial assets	-	-	-	-	#	-
Financial liabilities	-	#	-	-	16.51	-
Non-financial liabilities	0.62	0.65	0.33	0.35	0.66	-
Equity attributable to owners of the Company	0.01	0.03	-	0.01	390.59	-
Non-controlling interests	-	#	-	#	48.53	-
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Revenue	-	4.58	-	2.42	18.95	-
Expenses	-	0.68	-	0.36	18.95	-
Tax Expenses	-	(1.81)	-	(1.16)	-	-
Profit for the year	**-**	**5.71**	**-**	**3.22**	**-**	**-**

Notes
forming part of the Consolidated Financial Statements

₹ in Crore

Particulars	JMFARC Metallics December 2018 Trust		JMFARC KTK Metallics December 2018 Trust		JMFARC Coated February 2021 Trust	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Profit attributable to owners of the Company	-	5.53	-	3.13	-	-
Profit attributable to non-controlling interests	-	0.18	-	0.09	-	-
Profit for the year	**-**	**5.71**	**-**	**3.22**	**-**	**-**
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	-	5.53	-	3.13	-	-
Total comprehensive income attributable to non-controlling interests	-	0.18	-	0.09	-	-
Total comprehensive income for the year	**-**	**5.71**	**-**	**3.22**	**-**	**-**
Dividend paid to non-controlling interests	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	0.05	72.67	0.03	37.35	(146.50)	-
Net cash generated from/(used in) investing activities	-	-	-	-	-	-
Net cash generated from/(used in) financing activities	(0.02)	(72.00)	(0.01)	(37.00)	146.50	-
Net cash generated from/(used in)	**0.03**	**0.67**	**0.02**	**0.35**	**#**	**-**

Denote amount less than ₹ 50,000

46. Maturity Analysis of Assets and Liabilities

₹ in Crore

	Assets	As at March 31, 2022			As at March 31, 2021		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS						
(1)	**Financial Assets**						
(a)	Cash and cash equivalents	69.56	-	69.56	132.49	-	132.49
(b)	Other bank balances	0.95	2.51	3.46	-	0.91	0.91
(c)	Trade Receivables	150.63	56.20	206.83	120.04	51.43	171.47
(d)	Loans	305.72	292.48	598.20	319.01	306.32	625.33
(e)	Investments	342.11	630.18	972.29	578.19	461.34	1,039.53
(f)	Other Financial assets	951.59	1,379.15	2,330.74	394.74	1,859.14	2,253.88
(2)	**Non-financial Assets**						
(a)	Current tax Assets (Net)	-	40.34	40.34	-	28.34	28.34
(b)	Deferred tax assets (net)	-	41.90	41.90	-	15.19	15.19
(c)	Property, Plant and Equipment	-	17.45	17.45	-	20.30	20.30
(d)	Other Intangible assets	-	0.05	0.05	-	0.08	0.08

₹ in Crore

	Assets	As at March 31, 2022			As at March 31, 2021		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(e)	Other non-financial assets	2.62	-	2.62	4.37	-	4.37
	Total Assets	**1,823.18**	**2,460.26**	**4,283.44**	**1,548.84**	**2,743.05**	**4,291.89**
	LIABILITIES AND EQUITY						
	LIABILITIES						
(1)	**Financial Liabilities**						
(a)	Trade Payables	1.28	-	1.28	2.15	-	2.15
(b)	Debt Securities	529.71	256.20	785.91	894.11	303.13	1,197.24
(c)	Borrowings (Other than Debt Securities)	1,265.97	333.06	1,599.03	1,059.00	319.96	1,378.96
(d)	Lease liabilities	1.88	17.61	19.49	1.63	19.48	21.11
(e)	Other financial liabilities	34.12	4.99	39.11	80.94	7.34	88.28
(2)	**Non-Financial Liabilities**						
(a)	Provisions	0.71	1.30	2.01	0.80	1.43	2.23
(b)	Other non-financial liabilities	28.49	-	28.49	15.67	-	15.67
	Total Liabilities	**1,862.16**	**613.16**	**2,475.32**	**2,054.30**	**651.34**	**2,705.64**

Note : Maturity Analysis of Assets and Liabilities- within 12 months of current year is negative on account of ICDs payables to related parties which are payable on call and working capital demand loans/ cash credit facilities which are annually renewals. The shortfall will be balanced through refinancing/ others modes of borrowings.

47. Schedule of security receipts

Name of Trust	As at March 31, 2022		As at March 31, 2021	
	No. of SRs	Amount (₹ in crore)	No. of SRs	Amount (₹ in crore)
Investment in Trust Security receipts at fair value				
JMFARC - BOI 2009 - Trust	48,600	-	48,600	-
JMFARC - Swarna 2011 - Trust	72,199	0.98	72,199	0.98
JMFARC - Swarna II 2012 - Trust Class A	66,200	1.58	66,200	1.58
JMFARC - Swarna II 2012 - Trust Class B	12,500	0.31	12,500	0.31
JMFARC - Fed Textile 2013 - Trust^	-	-	8,820	-
JMFARC - BOI Textile 2013 –Trust^	-	-	41,000	-
JMFARC - OBC March 2014 – Trust	34,500	1.73	34,500	2.35
JMFARC - Fed Gelatine March 2014 - Trust	17,500	0.27	17,500	0.40
JMFARC - OBC March 2014 II - Trust	4,760	0.29	4,760	0.29
JMFARC - UBOI March 2014 – Trust	66,750	1.72	66,750	3.30
JMFARC - SBI Ceramics June 2014 - Trust	1,56,000	5.53	1,56,000	5.53
JMFARC - Indian Bank June 2014 - Trust	32,200	0.91	32,200	1.57
JMFARC - Vijaya Bank June 2014 - Trust	25,360	0.76	25,360	1.37
JMFARC - Hotels June 2014 - Trust Class A	3,29,099	-	3,29,099	-
JMFARC - Hotels June 2014 - Trust Class B	20,71,631	-	20,71,631	-
JMFARC - Central Bank of India June 2014 - Trust	32,000	-	32,000	-
JMFARC - CSB Ceramics September 2014 - Trust	32,625	2.45	32,625	2.45
JMFARC - LVB Ceramics September 2014 - Trust	27,900	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	-	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	3.61

Notes
forming part of the Consolidated Financial Statements

Name of Trust	As at March 31, 2022		As at March 31, 2021	
	No. of SRs	Amount (₹ in crore)	No. of SRs	Amount (₹ in crore)
JMFARC - Vijaya Bank Ceramics March 2015 - Trust	27,000	2.03	27,000	2.03
JMFARC - SBH Cement June 2015 - Trust	66,000	4.95	66,000	4.95
JMFARC - United Bank Textile September 2015 - Trust	27,075	0.81	27,075	1.30
JMFARC - PNB Ceramics November 2015 - Trust	4,01,640	29.85	4,01,640	29.85
JMFARC - Corp Bank Ceramics September 2015 - Trust	46,065	4.61	46,065	4.61
JMFARC - SBOP Geometric - Trust	61,560	-	61,560	-
JMFARC - Dena Ceramics January 2016 - Trust	15,750	1.58	15,750	1.58
JMFARC - UBOI Steel March 2016 - Trust	63,000	-	63,000	3.97
JMFARC - OBC March 2016 - Trust	72,000	1.32	72,000	3.24
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	5.15	57,180	5.15
JMFARC - EXIM Ceramics March 2016 - Trust	17,101	1.66	17,101	1.66
JMFARC - UCO Geometric March 2016 - Trust	88,965	-	88,965	-
JMFARC - KVB Iris II March 2016 - Trust	37,500	5.63	37,500	5.63
JMFARC - Indian Bank March 2016 - Trust	97,515	0.09	97,515	1.11
JMFARC - IOB March 2016 - Trust	50,250	1.63	50,250	2.55
JMFARC - Iris March 2016 - Trust	10,00,165	104.15	10,00,165	111.03
JMFARC - Exim Iris March 2016 - Trust	60,000	5.22	60,000	8.28
JMFARC - Axis Iris March 2016 - Trust	1,50,000	19.20	1,50,000	22.50
JMFARC - KB Metals September 2016 - Trust	22,500	0.40	22,500	0.55
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	-	41,250	0.19
JMFARC - IRIS December 2016 - Trust	31,110	4.67	31,110	4.67
JMFARC - IRIS UBOI December 2016 - Trust	16,005	2.30	16,005	2.40
JMFARC - IRIS PNB January 2017 - Trust	41,550	5.90	41,550	6.18
JMFARC - IOB CHN March 2017 - Trust	37,500	3.56	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	4.36	66,900	3.51
JMFARC - SBP March 2017 - Trust	31,665	2.28	31,665	2.28
JMFARC - IRIS UCO March 2017 - Trust	38,310	4.61	38,310	5.29
JMFARC - SBP Retreat March 2017 - Trust	77,600	7.76	77,600	7.76
JMFARC - SBI Retreat March 2017 - Trust	1,66,800	16.68	1,66,800	16.68
JMFARC - SBI Tollways March 2017 - Trust	1,53,000	7.57	1,53,000	10.81
JMFARC - Karnataka Bank September 2017 - Trust	20,310	1.52	20,310	2.03
JMFARC - Syndicate Ceramics September 2017 - Trust	1,25,250	8.77	1,25,250	8.77
JMFARC - Allahabad Bank December 2017 - Trust	76,275	7.02	76,275	7.02
JMFARC - Motors December 2017 - Trust	94,500	5.39	94,500	5.39
JMFARC - IOB Metallics February 2018 - Trust	3,60,000	-	3,60,000	-
JMFARC - Township February 2018 - Trust	4,80,000	48.00	4,80,000	48.00
JMFARC - IRIS Canara March 2018 - Trust	18,225	2.15	18,225	2.48
JMFARC - IDBI March 2018 - Trust	60,000	0.01	60,000	5.93
JMFARC - Alphahealth 2018 - Trust	17,80,700	213.68	22,14,000	265.68
JMFARC - Fabrics August 2018 II - Trust	3,80,000	41.80	3,80,000	41.80
JMFARC - Fabrics September 2018 III - Trust	40,200	4.42	40,200	4.42
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	4.77	33,000	4.77
JMFARC - Infra March 2019 - Trust	60,000	4.50	60,000	4.50
JMFARC - IOB March 2011 - Trust Class A	2,80,000	-	2,80,000	-
JMFARC - IOB March 2011 - Trust Class B	96,500	-	96,500	-
JMFARC - UCO Bank March 2014 - Trust	4,62,500	9.44	4,62,500	15.03

Name of Trust	As at March 31, 2022		As at March 31, 2021	
	No. of SRs	Amount (₹ in crore)	No. of SRs	Amount (₹ in crore)
JMFARC - SBI March 2014 I - Trust	1,73,750	4.75	1,73,750	5.41
JMFARC - SBI March 2014 II - Trust	45,250	1.52	45,250	1.52
JMFARC - Cosmos March 2014 - Trust	1,54,500	1.44	1,54,500	3.56
JMFARC - Indian Bank March 2014 - Trust	44,500	-	44,500	1.51
JMFARC - BOI March 2014 II - Trust	2,15,750	0.03	2,15,750	7.59
JMFARC - OBC June 2014 - Trust	8,915	0.44	8,915	0.44
JMFARC - UBOI June 2014 - Trust	59,915	0.19	59,915	0.81
JMFARC - Karnataka Bank December 2014 - Trust	1,72,500	4.99	1,72,500	6.28
JMFARC - CSB September 2015 - Trust	63,000	0.01	63,000	3.45
JMFARC - SBH December 2015 - Trust	73,380	0.01	73,380	0.01
JMFARC - KVB March 2016 - Trust	3,55,095	13.71	3,55,095	17.12
JMFARC - Federal Bank March 2016 - Trust	73,350	3.77	73,350	3.77
JMFARC - PAN INDIA 2016 - Trust	15,46,908	154.69	15,46,908	154.69
JMFARC - PNB March 2017 - Trust	2,22,075	8.09	2,22,075	13.48
JMFARC - SBT March 2017 - Trust	55,875	3.63	55,875	3.63
JMFARC - LTF June 2017 - Trust	6,00,000	13.71	6,00,000	20.43
JMFARC - Central Bank Retail 2011 - Trust	88,872	-	88,872	-
JMFARC - ICICI Bank September 2016 - Trust	8,55,495	28.01	8,55,495	41.95
JMFARC - Fabrics June 2019 I - Trust Class A	50,400	5.54	50,400	5.54
JMFARC - Fabrics June 2019 I - Trust Class B	1,51,200	3.78	1,51,200	3.78
JMFARC - Textile Gama I - Trust	48,000	4.80	5,610	0.56
JMFARC - Textile Gama II – Trust@	33,390	3.34	-	-
Victory Real Estate 2021- Trust@	60,000	6.00	-	-
Realty March 2022 – Trust@	6,07,500	60.75	-	-
Total		**956.17**		**1,026.18**

Denote amount less than ₹ 50,000

@ Acquisition during the year

^ Trust closed during the year

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

49. Disclosure of ratios

Sr. No.	Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2022 (%)	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2021 (%)
a)	Capital to risk-weighted assets ratio (CRAR)	3,999.29	1,541.95	38.56%	4,076.32	1,485.70	36.45%
b)	Tier I CRAR*	NA	NA	NA	NA	NA	NA
c)	Tier II CRAR*	NA	NA	NA	NA	NA	NA
d)	Liquidity Coverage Ratio*	NA	NA	NA	NA	NA	NA

* not applicable considering the nature of company's business.

Notes

forming part of the Consolidated Financial Statements

50. Contingent liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax matter under dispute* :		
Primarily relates to demand received from income tax authorities on account of disallowance of donation u/s 80G of Income Tax Act, 1961	0.41	-

* In respect of above disputed demand, the Group has filed appeal before appellate authority and has sufficient tax credit to pay the above demand in case the same materialises.

51. Additional Regulatory Information

i) The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

ii) The Company has no transactions with the companies struck off under the Companies Act, 2013.

iii) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

v) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vi) (A) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) During the year, the Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

viii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

ix) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

x) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

52. The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.

53. The consolidated financial statements are approved for issue by the Board of Directors at its meeting held on 12th May, 2022.

For and on behalf of the Board of Directors

V P Shetty Chairman (DIN - 00021773)	**Vishal Kampani** Director (DIN - 00009079)	**Anil Bhatia** Chief Executive Officer
Place : Mumbai Date : May 12, 2022	**Vineet Singh** Company Secretary	**Sabyasachi Ray** Chief Financial Officer

Independent Auditor's Report

To,

The Members of JM Financial Asset Reconstruction Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **JM Financial Asset Reconstruction Company Limited** ("the Company"), which comprise the balance sheet as at March 31, 2022, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows for the year ended on that date, including a summary of significant accounting policies and other explanatory information (the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, Including the Ind AS, of the financial position of the Company as at March 31, 2022, and its profit including other comprehensive income, the changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 34 of the accompanying Standalone Financial Statements, which describes that the potential impact of COVID-19 pandemic on the Company's Standalone Financial Statements and the fair value of the financial assets and impairment provision on loans caried at amortised cost, are dependent on future development, which are highly uncertain.

Our opinion is not modified in respect of this matter of emphasis.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Fair Valuation of investments in security receipts: The valuation of the investments in security receipts in Trusts formed under distressed credit business is based on a recovery range provided by the External Rating Agency and other unobservable inputs. These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded. The fair values of the said investment can only be estimated using a combination of the recovery range provided by the External Rating Agency, estimated cash flows, collateral values, discount rate used and other assumptions. Further, the Company has applied judgements in estimating the cash flows considering the current uncertain economic environment with the range of possible effects unknown to the Company arising out of the COVID 19 Pandemic.	**Principal Audit Procedures Performed:** - We have tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates etc. We have selected the sample and performed the following audit procedures: - Analysed reasonableness of the determination of the appropriate recovery rate and estimated cash flows and the other relevant judgments and estimates, if any; and we assessed the information used to determine the key assumptions;

Key Audit Matter	Auditor's Response
The Company has made investments in security receipts in Trusts formed under distressed credit business aggregating to ₹ 3,052.65 crore as at March 31, 2022 carried at fair value. (Refer note 8 to the Standalone Financial Statements) In view of the complexities and significant judgements involved we have considered the valuation of these investments as a key audit matter.	- Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; - Compared the management's assumption of discount rate with the supporting internal/ external evidence; - We assessed the reasonableness of the judgements in estimating the cash flows in response to Covid-19 related economic uncertainty and corroborated the assumptions based on the information used by the Company; - Read and assessed the disclosure made in the standalone financial statements for assessing the compliance with respect to the disclosure requirements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including annexures to Board's report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's 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 the standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

Independent Auditor's 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 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 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor and has issued unmodified report on the same.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report), Order 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **"Annexure-A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 B"**.

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

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

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

i. There is no pending litigation by the Company / on the Company which has the impact on its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, as stated in note no 50 (vi) (A), no funds (which are material either individually or in the aggregate), have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person (s') or entity (ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, as stated in note no 50 (vi) (B), no funds (which are material either individually or in the aggregate) have been received by the Company from any person (s) or entity (ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. During the year Company has not declared / paid any dividend hence reporting under rule 11 f is not applicable to that extent.

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

Parthiv S. Desai
Partner
Membership No.: (F) 042624
UDIN: 22042624AIVPYO7926

Mumbai, May 12, 2022

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)

We report that:

(i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (PPE) of the Company.

(B) The Company has maintained proper records showing full particulars of Intangible assets of the Company.

(b) Property, Plant and Equipment have been physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising of the immovable properties of land which are freehold, are held in the name of the Company. In respect of immovable properties of office premises that have been taken on lease and disclosed as fixed asset (lease assets - Right to Use) in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(d) The Company has not made any revaluation of PPE (including Right of use assets) or intangible assets as at the balance sheet date. Accordingly, reporting on paragraphs 3 (i)(d) of the Order is not applicable to the Company.

(e) There is no proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting on paragraphs 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company does not have any inventory as considering the nature of the business. Accordingly, the reporting under clause (ii)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, during the year company has renewed its working capital facility in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets (i.e. Security receipts, considering based on the nature of business); based on our verification quarterly statements (Pledge / Hypothecation) filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) The Company is a non-banking financial company ("NBFC") registered under section 3 of 'Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002' (SARFAESI Act) under the RBI regulation, as an 'Asset Reconstruction Company'. During the year, the Company has made investments in security receipts, granted loans for restructuring, secured and unsecured, and advances in the nature of loans to the subsidiary in the form of trusts:

In our opinion and according to the information and explanations given to us;

(a) Clause (iii) (a) of the Order is not applicable to the company, considering the nature of the business as the company in distress business through the subsidiary in the form of Trusts.

(b) The company has made investments and granted loans to the subsidiary in the nature of Trust, and granted loans to other parties' other than subsidiary, associates & joint ventures, considering the nature of the business as the company, the terms and conditions of the grant of such loans are not prejudicial to the interest of the company.

(c) In respect of loans granted by the Company, to the subsidiary in the nature of Trust, the repayment has not been stipulated considering the nature of business and to other parties other than subsidiary associates & joint venture, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amount and receipts of interest have generally been regular as per stipulation except for the following cases:

Number of borrowers	Amount overdue as at March 31, 2022 (₹ Crore)	Due date	Extent of delay (in days)	Remarks, if any
4	306.88	Various Due dates	More than 1 day	-

(d) In respect of the loans granted by the company, to the subsidiary in the nature of Trust, the repayment has not been stipulated considering the nature of business, so we are not able to comment on overdue outstanding for subsidiary in the nature of trusts and to other parties other than subsidiary associates & joint venture there is no overdue amount remaining outstanding for more than 90 days as at the balance sheet date except for the following cases, and reasonable steps have been taken by the company for recovery of the overdue amount of principal and interest:

Number of borrowers	Principal Amount (₹ Crore)	Interest Amount (₹ Crore)	Remarks, if any
4	178.86	97.36	-

(e) Clause (iii) (e) of the Order is not applicable to the company, considering the nature of the business as the company is in distress credit business.

(f) During the year the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013; accordingly, the clause (iii) (f) of the Order is not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted loans, made investments or provided guarantees which requires compliance with the provisions of Section 185 and 186 of the Act. Accordingly, reporting under clause 3 (iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the central government under section 148(1) of the Act, for the business activities carried out by the Company. Accordingly, reporting under clause 3 (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company is 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, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no disputed statutory dues referred to in sub-clause (a) above, except the details mentioned in below tabulated form, which have not been deposited as at 31 March 2022.

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ Crore
The Income Tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	Assessment Year 2016-17	0.41

(viii) We report that there are no such transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly, reporting on paragraphs 3 (viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and the records examined by us;

(a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) the company has not declared willful defaulter by banks or financial institutions or other lenders Accordingly, reporting on paragraphs 3 (ix) (b)of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the company has raised additional term loan from Bank & NBFC and the same term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company and considering the business nature of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, the company has not taken the loan from the bank or financial institution to meet the obligation as such of the subsidiaries in the nature of trusts. Accordingly, reporting on paragraphs 3 (ix) (e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us and considering the nature of the business, we report that the company has raised loans during the year on the pledge of securities (i.e. Investment in Security Receipts) held in its subsidiaries in the form of trusts, however there is no default as such in the repayment of such loans raised by the company.

(x) According to the information and explanations given to us and the records examined by us,

(a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting on paragraphs 3 (x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanation provided to us, during the year the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) as per the provision of the act and regulation made by the securities exchange board of India. Accordingly, reporting on paragraphs 3 (x)(b) of the Order is not applicable to the Company.

(xi) According to the information and explanations given to us and the records examined by us,

(a) Based upon the audit procedures performed by us no material fraud by the Company or any material fraud on the Company has been noticed or reported during the year.

(b) Based on the audit procedures performed by us there is no any report under sub-section (12) of Section 143 of the Act has been filed by the auditors in the form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

(xiv) According to the information and explanations given to us and the records examined by us,

(a) the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Act are not applicable to the company.

(xvi) The Company being a Securitisation and Reconstruction Company ('SCRC') under Securitisation & Reconstruction of Financial Assets & Enforcement of Securities Interest Act, 2002, it is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on Para 3(xvi)(b) and (c) is not applicable.

According to the information and explanations given to us, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, paragraph 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the company has not incurred the cash losses in the current year and immediately preceding financial year. Accordingly, reporting on Para 3(xvii) is not applicable.

(xviii) There has been resignation of the statutory auditors during the year and there are no issues, objections or concerns raised by the outgoing auditor.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current & previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of Section 135(6) of the Act.

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

Parthiv S. Desai
Partner
Membership No.: (F) 042624
UDIN: 22042624AIVPYO7926

Mumbai, May 12, 2022

Annexure - B to the Independent Auditors’ Report

(Referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” Section of our report on even date)

We have audited the internal financial controls over financial reporting of **JM Financial Asset Reconstruction Company Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Parthiv S. Desai
Partner
Membership No.: (F) 042624
UDIN: 22042624AIVPYO7926

Mumbai, May 12, 2022

Standalone Balance Sheet

as at March 31, 2022

₹ in Crore

Sr. No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
(I)	**Financial assets**			
A	Cash and cash equivalents	4	65.10	113.86
B	Bank balance other than (A) above	5	3.46	0.91
C	Trade receivables	6	221.48	173.08
D	Loans	7	598.20	625.33
E	Investments	8	3,068.77	3,183.87
F	Other financial assets	9	48.83	42.98
	Total Financial Assets (I)		**4,005.84**	**4,140.03**
(II)	**Non-financial assets**			
A	Current tax assets (Net)	10	40.34	28.34
B	Deferred tax assets (net)	11	33.86	7.13
C	Property, Plant and Equipment	12	17.45	20.30
D	Other intangible assets	12	0.05	0.08
E	Other non-financial assets	13	2.62	4.37
	Total Non-Financial Assets (II)		**94.32**	**60.22**
	Total Assets (I+II)		**4,100.16**	**4,200.25**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(I)	**Financial liabilities**			
A	Trade Payables	14		
	(i) total outstanding dues of micro and small enterprises		0.16	0.15
	(ii) total outstanding dues of creditors other than micro and small enterprises		1.11	1.95
B	Debt securities	15	785.91	1,197.24
C	Borrowings (Other than Debt Securities)	16	1,537.40	1,378.96
D	Lease liabilities	17	19.49	21.11
E	Other financial liabilities	18	46.04	73.54
	Total financial liabilities (I)		**2,390.11**	**2,672.95**
(II)	**Non-financial liabilities**			
A	Provisions	19	2.01	2.23
B	Other non-financial liabilities	20	22.00	12.28
	Total non-financial liabilities (II)		**24.01**	**14.51**
(III)	**EQUITY**			
A	Equity share capital	21	344.64	344.64
B	Other equity	22	1,341.40	1,168.15
	Total Equity (III)		**1,686.04**	**1,512.79**
	TOTAL LIABILITIES AND EQUITY (I+II+III)		**4,100.16**	**4,200.25**
	The accompanying notes form an integral part of the standalone financial statements 1 to 52			

In terms of our report attached
For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No.: 109983W

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

Place: Mumbai
Date: May 12, 2022

For and on behalf of the Board of Directors

V P Shetty
Chairman
(DIN - 00021773)

Vishal Kampani
Director
(DIN - 00009079)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Crore

Sr. No.	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
(I)	**Revenue from operations**			
(a)	Interest Income	23	124.45	148.36
(b)	Fees and Incentives	24	154.95	189.98
(c)	Net gain on fair value changes	25	231.42	33.43
			510.82	**371.77**
(II)	**Other income**	26	**0.19**	**1.48**
(III)	**Total income (I+II)**		**511.01**	**373.25**
(IV)	**Expenses**			
(a)	Finance costs	27	230.71	265.81
(b)	Impairment on financial instruments	28	10.73	(9.80)
(c)	Employee benefits expense	29	22.40	20.52
(d)	Depreciation and amortization expense	12	2.88	3.00
(e)	Other expenses	30	14.09	10.69
	Total expenses		**280.81**	**290.22**
(V)	**Profit before Tax (III-IV)**		**230.20**	**83.03**
(VI)	**Less: Tax expense**	31		
	Current tax		85.04	24.63
	Deferred tax		(26.74)	(5.10)
	Total tax expenses		**58.30**	**19.53**
(VII)	**Profit for the year (V-VI)**		**171.90**	**63.50**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss		0.05	0.12
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.01	0.03
	Total Other Comprehensive Income (i-ii)		**0.04**	**0.09**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**171.94**	**63.59**
(X)	**Earnings per equity share** (Face value of ₹ 10/- each)	32		
	Basic Earning Per Share (in ₹)		4.32	1.59
	Diluted Earning Per Share (in ₹)		4.31	1.59

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

In terms of our report attached
For Sharp & Tannan Associates
Chartered Accountants
Firm Registration No.: 109983W

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

Place: Mumbai
Date: May 12, 2022

For and on behalf of the Board of Directors

V P Shetty
Chairman
(DIN - 00021773)

Vishal Kampani
Director
(DIN - 00009079)

Anil Bhatia
Chief Executive Officer

Vineet Singh
Company Secretary

Sabyasachi Ray
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

₹ in Crore

A Equity share capital

Particulars	Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
Equity share capital	**344.64**	**-**	**344.64**	**-**	**344.64**

₹ in Crore

B Other equity

Particulars	Securities Premium	Retained earnings	Equity component of Compulsory convertible debentures	Impairment reserve	Employee Stock Outstanding	Total Other Equity
Balance at April 1, 2020	**194.34**	**766.54**	**142.52**	**-**	**-**	**1,103.40**
Profit for the year	-	63.50	-	-	-	63.50
Appropriation for Impairment reserve (Refer note 46(h))	-	(14.43)	-	14.43	-	-
Stock option grant during the year	-	-	-	-	3.40	3.40
Deferred employee compensation	-	-	-	-	(2.24)	(2.24)
Other comprehensive income	-	0.09	-	-	-	0.09
As at March 31, 2021	**194.34**	**815.70**	**142.52**	**14.43**	**1.16**	**1,168.15**
Profit for the year	-	171.90	-	-	-	171.90
Addition during the year	-	-	-	-	0.78	0.78
Appropriation for Impairment reserve (Refer note 46(h))	-	(93.67)	-	93.67	-	-
Stock option grant during the year	-	-	-	-	1.58	1.58
Deferred employee compensation	-	-	-	-	(1.05)	(1.05)
Other comprehensive income	-	0.04	-	-	-	0.04
As at March 31, 2022	**194.34**	**893.97**	**142.52**	**108.10**	**2.47**	**1,341.40**

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

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Sabyasachi Ray
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Standalone Cash Flow Statement

for the year ended March 31, 2022

₹ in Crore

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from operating activities**		
	Profit before tax	230.20	83.03
	Adjustment for:		
	Depreciation	2.88	3.00
	Net (gain) on fair value changes	(231.42)	(33.43)
	Impairment of financial instruments (net)	10.73	(9.80)
	Interest on lease liability	1.95	2.09
	Interest on debt component of compulsory convertible debenture	3.60	5.79
	Interest income on fixed deposits	(0.03)	(1.33)
	Amortisation of deferred employee compensation (ESOP)	1.31	1.16
	Operating profit before working capital changes	**19.22**	**50.51**
	Adjustment for		
	(Increase)/Decrease in investments in security receipts-others	346.52	(113.42)
	(Increase)/Decrease in trade receivables	(58.72)	(19.68)
	(Increase)/Decrease in loans	27.59	(98.35)
	(Increase)/Decrease in other financial assets	(6.64)	26.73
	(Increase)/Decrease in other non-financial assets	1.75	(2.55)
	(Increase)/Decrease in other bank balances	(2.55)	(0.15)
	Increase/(Decrease) in trade payable	(0.84)	(0.60)
	Increase/(Decrease) in provisions	(0.22)	0.23
	Increase/(Decrease) in other financial liability	(27.51)	43.48
	Increase/(Decrease) in other non-financial liabilities	7.36	3.12
	Cash generated from/ (used in) operations	**305.96**	**(110.68)**
	Income tax paid (net)	(97.04)	(32.43)
	Net cash generated from/ (used in) operating activities	**208.92**	**(143.11)**
B	**Cash flow from investing activities**		
	Purchase of Property, Plant and Equipment	-	(0.11)
	Interest Income	0.03	1.33
	Net cash generated from investment activities	**0.03**	**1.22**
C	**Cash flow from financing activities**		
	Proceeds from debt securities	531.63	213.07
	Repayment of debt securities (including interest)	(922.23)	(1,056.15)
	Repayment of debt component of Compulsory Convertible Debenture (including interest)	(21.98)	(21.92)
	Repayment of lease liability (including interest)	(3.57)	(3.40)
	Proceeds from borrowing	964.82	2,233.10
	Repayment of borrowing (including interest)	(806.38)	(1,362.15)
	Net cash (used in)/ generated from financing activities	**(257.71)**	**2.55**
	Net (decrease) in cash and cash equivalents	**(48.76)**	**(139.34)**
	Cash and cash equivalents at the beginning of the financial year	113.86	253.20
	Cash and cash equivalents at the end of the financial year	**65.10**	**113.86**

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

In terms of our report attached

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

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

Place: Mumbai
Date: May 12, 2022

For and on behalf of the Board of Directors

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Company Secretary

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Notes
to the 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, 2007 under the provision of Companies Act, 1956 and is registered with the Reserve Bank of India ("RBI") as an asset reconstruction company ("ARC") under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") vide RBI certificate of registration no. 11/2008 dated September 23, 2008. The Company was converted into a Public Limited Company with effect from April 12, 2017. The Company is engaged in the business of acquisition of non-performing and distressed assets (NPA) from Banks and Financial institutions and resolving them.

2. Significant Accounting Policies

2.1 Statement of Compliance

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

2.2 Basis of Preparation and presentation

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

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

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

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

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

Presentation of financial statements

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

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

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

The principal accounting policies are set out below.

2.3 Investment in Subsidiary

Subsidiaries are all entities over which the Company has control. Investment in Security Receipts of Subsidiaries are accounted at fair value under Ind AS 109 (also refer para 2.15).

2.4 Revenue Recognition

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

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

(b) the consideration to be exchanged; and

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

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

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

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

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

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

2.5 Leasing

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

The Company as a lessee

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

a) the use of an identified asset,

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

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

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

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

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

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

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

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

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

Notes
to the Financial Statements

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

The Company as a lessor

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

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

2.6 Foreign Currency translation

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

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

2.7 Borrowing costs

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

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

2.8 Employee Benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

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

Defined Benefit Obligation:

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

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

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

Short-term employee benefits:

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

Other long-term benefits:

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

2.9 Income Tax

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

Current Tax

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

Deferred Tax

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

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

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

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

2.10 Property, Plant and Equipments and Intangible Assets

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

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

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).

Notes
to the Financial Statements

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

Tangible assets	Useful life
Vehicles	8 years or lease period whichever is lower
Computers	3 years
Servers and networks	6 years
Office equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	10 years or lease period whichever is lower
Intangible assets	**Useful life**
Computer software	5 years

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

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

An item of property, plant and equipment is 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 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;

- 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; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

2.14 Statements of cash flows

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

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

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

2.15 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the Company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

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

Subsequent Measurement of Financial Assets

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

Notes
to the Financial Statements

Interest income

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

Classification of Financial Assets:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost; and

- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

Debt instruments at amortised cost or at FVTOCI

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

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

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

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

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

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

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

Fair value through profit or loss (FVTPL)

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

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

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

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

Reclassifications

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

Impairment of financial assets:

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

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

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

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

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

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

Derecognition of financial assets

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

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

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

Write off

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

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sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

Financial liabilities subsequently measured at amortised cost

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

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

De-recognition of financial liabilities

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

2.16 Earnings Per Share

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.

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

2.17 Share-based payment arrangements

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

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

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

2.18 Cash and Cash Equivalents

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

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of standalone financial statements in conformity with Ind AS requires the Company's 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 41.

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4. Cash and cash equivalents

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
- in current accounts	65.09	113.86
- in deposit accounts	0.01	-
Total	**65.10**	**113.86**

5. Other bank balances

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Earmarked balance with banks:		
- In current account (refer note 5.1)	3.31	0.76
- In deposit account (refer note 5.2)	0.15	0.15
Total	**3.46**	**0.91**

5.1 Current account includes amount of ₹ 0.76 crore marked as 'no debit' status by bank and balance amount has maintained for expenses towards Corporate Social Responsibility.

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

6. Trade Receivables

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost:		
Unsecured considered good:		
Trade receivables	245.11	186.38
Less: Impairment Loss Allowance (refer note 42)	(23.63)	(13.30)
Total	**221.48**	**173.08**

6.1 Trade receivable ageing schedule

₹ in Crore

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

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	more than 3 years	
For the year 2020-21						
Undisputed trade receivable - Considered good	48.97	34.86	51.44	40.53	10.58	186.38
Less: Impairment Loss Allowance	0.54	(1.26)	(7.32)	(2.74)	(2.52)	(13.30)
Net total	**49.51**	**33.60**	**44.12**	**37.79**	**8.06**	**173.08**

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

7. Loans

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Loans- Secured by tangible assets	511.85	550.85
Interest accrued	108.84	97.43
Gross loan	620.69	648.28
Less: Impairment loss allowance (refer note 42)	(22.49)	(22.95)
Net loan – Total	**598.20**	**625.33**

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

8. Investments (At FVTPL)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Quoted Investment		
Equity instruments		
70,07,709 of equity shares of Nitco Limited of ₹ 10/- each fully paid up	16.12	13.35
Unquoted		
Security receipts of trusts held in distressed credit business (refer notes below)	3,052.65	3,170.52
Total	**3,068.77**	**3,183.87**

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

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

8.3 **Commitments:**

In respect of two trust, the Company has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts on or before September 29, 2022 (Commitment of outstanding face value of security receipts as at March 31, 2022 is ₹ 66.29 crore (Previous year: ₹ 66.29 crore)).

9. Other Financial Assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Recoverable from trusts	56.64	46.26
Interest receivable	0.01	#
Security deposits:		
To Related Parties	1.47	1.34
To Others	0.39	4.20
	58.51	51.80
Less: Impairment loss allowance on recoverable from trusts (refer note 42)	(9.68)	(8.82)
Total	**48.83**	**42.98**

#Denote amount less than ₹ 50,000

10. Current tax assets (net)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax paid (net of provisions)	40.34	28.34
Total	**40.34**	**28.34**

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11. Deferred tax liability/ (asset)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Measurement of financial instruments at fair value	(17.20)	7.02
Impairment of financial instruments	(14.04)	(11.34)
Difference between books and tax Written Down Value (WDV) of Property, plant and equipment (PPE)	(0.36)	(0.38)
Others (43B, 35D, etc. allowances in Income Tax Act, 1961)	(2.26)	(2.43)
Total	**(33.86)**	**(7.13)**

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

As at March 31, 2022

₹ in Crore

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

As at March 31, 2021

₹ in Crore

Particulars	Opening balance	Recognised in profit or loss (Expense) / Income	Recognised in OCI	Closing balance
Measurement of financial instruments at fair value	13.77	(6.75)	-	7.02
Impairment of financial instruments	(12.49)	1.15	-	(11.34)
Difference between books and tax Written Down Value (WDV) of Property, plant and equipment (PPE)	(0.39)	0.01	-	(0.38)
Others (43B, 35D, etc. allowances under Income Tax Act, 1961)	(2.95)	0.49	0.03	(2.43)
Total DTL/(DTA)	**(2.06)**	**(5.10)**	**0.03**	**(7.13)**

12. Property, Plant and Equipment and intangible assets

As at March 31, 2022:

Property, Plant and Equipment

₹ in Crore

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Addition	Deductions	As at March 31, 2022	As at March 31, 2022
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	-	0.02	#
Office equipment	0.11	-	-	0.11	0.09	0.01	-	0.10	0.01
Computers	0.60	-	-	0.60	0.56	0.01	-	0.57	0.03
Leasehold improvements	1.84	-	-	1.84	1.34	0.10	-	1.44	0.40

Leased Assets:									
Office premises (Right to use asset – refer note 36)	24.81	-	-	24.81	5.24	2.65	-	7.89	16.92
Vehicles (Refer note 12.2)	0.47	-	(0.19)	0.28	0.34	0.07	(0.19)	0.22	0.06
Total	**27.88**	**-**	**(0.19)**	**27.69**	**7.58**	**2.85**	**(0.19)**	**10.24**	**17.45**

#Denote amount less than ₹ 50,000

Intangible Assets

₹ in Crore

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	Addition	Deductions	As at March 31, 2022	As at March 31, 2022
Software (refer note 12.3)	0.44	-	-	0.44	0.36	0.03	-	0.39	0.05
Total	**0.44**	**-**	**-**	**0.44**	**0.36**	**0.03**	**-**	**0.39**	**0.05**

As at March 31, 2021:

Property, Plant and Equipment

₹ in Crore

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Addition	Deductions	As at March 31, 2021	As at March 31, 2021
Owned Assets:									
Freehold Land (refer note 12.1)	0.03	-	-	0.03	-	-	-	-	0.03
Furniture and fixtures	0.02	-	-	0.02	0.01	#	-	0.01	0.01
Office equipment	0.11	-	-	0.11	0.08	0.01	-	0.09	0.02
Computers	0.55	0.05	-	0.60	0.45	0.11	-	0.56	0.04
Leasehold improvements	1.84	-	-	1.84	1.24	0.10	-	1.34	0.50
Leased Assets:									
Office premises (Right to use asset – refer note 36)	24.81	-	-	24.81	2.59	2.65	-	5.24	19.57
Vehicles (Refer note 12.2)	0.47	-	-	0.47	0.26	0.08	-	0.34	0.13
Total	**27.83**	**0.05**	**-**	**27.88**	**4.63**	**2.95**	**-**	**7.58**	**20.30**

#Denote amount less than ₹ 50,000

Intangible Assets

₹ in Crore

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	Addition	Deductions	As at March 31, 2021	As at March 31, 2021
Software (refer note 12.3)	0.38	0.06	-	0.44	0.31	0.05	-	0.36	0.08
Total	**0.38**	**0.06**	**-**	**0.44**	**0.31**	**0.05**	**-**	**0.36**	**0.08**

Notes:

12.1 Mortgaged as security against secured non-convertible debentures.

12.2 Vendor have a lien over assets taken on lease.

12.3 The Intangible assets are other than internally generated.

13. Other Non-financial Assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	2.08	2.84
Balances with Government Authorities	0.44	1.48
Other non-financial Assets	0.10	0.05
Total	**2.62**	**4.37**

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14. Trade Payables

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payable		
Total outstanding dues of micro enterprises and small enterprises (refer note 14.1)	0.16	0.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.11	1.95
Total	**1.27**	**2.10**

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, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	0.16	0.15
(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	**0.16**	**0.15**

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

14.2 Trade payable ageing schedule:

For the year 2021-22

₹ in Crore

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) MSME - Undisputed	0.16	-	-	-	0.16
(ii) Others – Undisputed	1.11	-	-	-	1.11
Total	**1.27**	**-**	**-**	**-**	**1.27**

For the year 2020-21

₹ in Crore

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) MSME – Undisputed	0.15	-	-	-	0.15
(ii) Others – Undisputed	1.95	-	-	-	1.95
Total	**2.10**	**-**	**-**	**-**	**2.10**

15 Debt Securities (Within India)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Non Convertible Debentures (refer note 15.1,15.2 and 15.5)	515.58	849.84
Add: Premium/ interest accrued	42.94	165.97
Total Secured	**558.52**	**1,015.81**
Unsecured		
Compulsory Convertible Debentures* (refer note 22.1(e))	20.17	39.63
Add: Interest accrued	1.43	2.70
Total	**21.60**	**42.33**
Commercial papers (refer note 15.3 and 15.4)	220.00	150.00
Less: Unamortised interest	(14.21)	(10.90)
Total	**205.79**	**139.10**
Total Unsecured	**227.39**	**181.43**
Total	**785.91**	**1,197.24**

* Liability component of compulsory convertible debentures.

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

15.2 Maturity profile and rate of interest of debt securities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
9.35% Tranche XIV - Option B redeemable in the year 2021-22*	-	14.00
9.5% Tranche XVI redeemable in the year 2021-22*	-	21.00
9.75% Tranche XVII redeemable in the year 2021-22*	-	5.00
9.8% Tranche XVIII redeemable in the year 2021-22*	-	28.00
9.8% Tranche XIX redeemable in the year 2021-22*	-	19.00
10.25% Tranche XX - Option A redeemable in the year 2021-22*	-	50.00
10.2% Tranche XX - Option B redeemable in the year 2021-22*	-	10.00
10.25% Tranche XXI - Option B redeemable in the year 2021-22*	-	130.00
10.25% Tranche XXI - Option C redeemable in the year 2021-22*	-	11.50
10.25% Tranche XXII - Option A redeemable in the year 2021-22*	-	20.00
10.25% Tranche XXII - Option B redeemable in the year 2021-22	-	25.00
10.25% Tranche XXII - Option C redeemable in the year 2021-22*	-	19.50
10.25% Tranche XXII - Option D redeemable in the year 2021-22*	-	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
10.38% Tranche XXIV - Option B redeemable in the year 2021-22*	-	10.00
11.5% Tranche XXVI - Option B redeemable in the year 2022-23^	148.00	148.00
10% Tranche XXX redeemable in the year 2021-22@	-	100.00
8.5% Tranche XXXI redeemable in the year 2022-23@	75.00	75.00
8% Tranche XXXII redeemable in the year 2023-24@	75.00	-
8.5% Tranche XXXIII redeemable in the year 2023-24@	50.00	-
8% Tranche XXXIV redeemable in the year 2023-24@	55.00	-
8.25% Tranche XXXV redeemable in the year 2024-25@	70.00	-
Total	**523.00**	**856.00**

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Note:

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

* Redeemable at premium

^ fully or partly redeemed during the period ended March 31, 2021
Maturity profile above is disclosed at face value which excludes cumulative premium amounting to ₹ 0.84 crore (As at March 31, 2021: ₹ 0.33 crore), cumulative discount of ₹ 4.39 crore (As at March 31, 2021: ₹ 3.99 crore) and cumulative impact of effective interest rate adjustment amounting to ₹ 3.87 crore (As at March 31, 2021: ₹ 2.50 crore).

15.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 300 crore (Previous year: ₹ 150 crore).

15.4 Interest rate of commercial paper is range between 4.92% - 7.88% p.a. (Previous year: interest rate 7.88% p.a.).

15.5 The Company has utilized money obtained by way of Non-convertible debentures during the year for the purpose for which they were obtained.

16. Borrowings (other than debt securities)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
At amortized cost		
Secured		
Term loans from (refer note 16.1,16.2 and 16.5)		
(a) Banks	193.95	220.00
(b) Others	196.00	150.00
Add: Interest accrued	0.17	0.15
	390.12	**370.15**
Other loans from banks as (refer note 16.3)		
(a) Working capital demand loans	81.00	36.00
(b) Cash credit facilities	80.66	138.12
Add: Interest accrued	0.02	0.18
	161.68	**174.30**
Unsecured		
Inter corporate deposits (refer note 16.4)		
(a) From related party (refer note 39)	439.70	431.10
(b) From others	500.50	394.00
Add: Interest accrued but not due	45.40	9.41
	985.60	**834.51**
Total	**1,537.40**	**1,378.96**

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, 2022:				
Up to one year (April- 22 to March- 23)	33.33	60.18	25.00	
Up to 1-3 years (April- 23 to March- 25)	50.00	91.13	125.00	
3 years and above (April- 25 onwards)	-	5.30	-	
Total	**83.33**	**156.61**	**150.00**	
As at March 31, 2021:				
Up to one year (April- 21 to March- 22)	-	51.05	-	-
Up to 1-3 years (April- 22 to March- 24)	-	138.00	150.00	-
3 years and above (April- 24 onwards)	-	30.95	-	-
Total	**-**	**220.00**	**150.00**	**-**

Notes:

i) Maturity profile shown excluding effective interest rate impact amounting to ₹ 0.17 crore (As at March 31, 2021: ₹ 0.15 crore).

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

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

16.4 Inter corporate deposits taken from related party are repayable on call and taken from others are for 365 -1095 days.

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

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

16.7 All borrowings are made within India.

17. Lease Liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
On Office Premises (refer note 36)	19.42	20.97
On Vehicle (refer note 17.1)	0.07	0.14
Total	**19.49**	**21.11**

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

18. Other Financial Liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits payable	10.25	10.50
Amount collected on behalf of trust	30.00	58.43
Provision for CSR Expenditure (refer note 35)	5.79	4.10
Others	-	0.51
Total	**46.04**	**73.54**

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19. Provisions

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity (refer note 37)	1.37	1.50
Provision for compensated absence (refer note 37)	0.64	0.73
Total	**2.01**	**2.23**

20. Other Non-Financial Liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	20.92	12.07
Other	1.08	0.21
Total	**22.00**	**12.28**

21. Share Capital

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
1,85,00,00,000 (Previous year 1,85,00,00,000) Equity Shares of ₹ 10/- each	1,850.00	1,850.00
15,00,00,000 (Previous year 15,00,00,000) Redeemable Preference Shares of ₹ 10/- each	150.00	150.00
Total	**2,000.00**	**2,000.00**
Issued, Subscribed and Paid-up		
34,46,42,857 (Previous year 34,46,42,857) Equity Shares of ₹ 10/- each fully paid-up	344.64	344.64
Total	**344.64**	**344.64**

21.1 Terms and rights

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

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

21.2 Reconciliation of number of shares

Particulars	Equity Shares	
	As at March 31, 2022	As at March 31, 2021
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 shareholders holding more than 5%

Particulars	As at March 31, 2022		Equity Shares	
	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 Mauritius Partners FDI Ltd	2,90,28,911	8.42%	2,90,28,911	8.42%

21.4 Details of shareholding of promoters

Sr. No.	Promoter Name	No. of Shares	Percentage of total shares	Percentage of change during the year
1	JM Financial Limited	20,41,97,279	59.25%	Nil

22. Other Equity

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium reserve	194.34	194.34
Retained earnings	893.97	815.70
Equity component of compulsory convertible debenture (refer note 22.1(e))	142.52	142.52
Impairment reserve (refer note 46(h))	108.10	14.43
Employee Stock option outstanding	2.47	1.16
Total	**1,341.40**	**1,168.15**

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 in 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, impairment reserve, dividends or other distributions to the shareholders.

c) Impairment reserve represent reserve created as per Income Recognition, Asset Classification and Provisioning (IRACP) provided under RBI/2019-20/170 DOR (NBFC). CC. PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals are permitted from this reserve without prior permission from the Department of Supervision, RBI.

d) Stock options outstanding account (net of deferred stock option expenses) relates to the stock options granted by the Company to its employees under Employee Stock Option Plan (Refer note 44.2).

e) The Company has issued 53,68,268, 12% unlisted and unsecured Compulsory Convertible Debentures (CCD) having face value of ₹ 373 each on September 11, 2019. Each CCD shall be converted into 5,36,82,680 equity share of ₹10 each on or before September 11, 2022.

23. Interest Income

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On loans (at amortized cost)	114.20	128.79
On others (at FVTPL)	10.25	19.57
Total	**124.45**	**148.36**

24. Fees and Incentives

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Management and restructuring fees	145.49	179.37
Recovery Incentives Fees	9.46	10.61
Total	**154.95**	**189.98**

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25. Net Gain on fair value changes

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial instruments designated at FVTPL:		
- Security Receipts	228.65	28.91
- Equity instruments	2.77	4.52
Total	**231.42**	**33.43**

25.1 Investment in security receipts of face value of ₹ 4.24 crore (Previous year: ₹ 1.59 crore) for three trusts written off during the year.

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

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Realised Gain	326.75	70.92
- Unrealised Loss	(95.33)	(37.49)
Total	**231.42**	**33.43**

26. Other Income

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on fixed deposit	0.03	1.33
Other interest income	0.13	0.12
Miscellaneous income	0.03	0.03
Total	**0.19**	**1.48**

27. Finance Costs

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At Amortised cost:		
Debt securities	89.98	176.46
Borrowings (other than debt securities)	136.92	84.81
Others	3.81	4.54
Total	**230.71**	**265.81**

27.1 Above interest on debt securities includes interest on compulsory convertible debentures of ₹ 3.60 crore (Previous year: ₹ 5.79 crore).

27.2 Interest on others includes interest on lease obligations of ₹ 1.95 crore (Previous year: ₹ 2.09 crore).

28. Impairment of Financial Instruments

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At amortised cost:		
Loans	(0.46)	(1.05)
Trade receivable	10.33	0.72
Financial assets	0.86	(9.47)
Total	**10.73**	**(9.80)**

29. Employee Benefits Expense

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus, other allowances and benefits	21.34	19.45
Contribution to provident and other funds (refer note 37)	0.79	0.79
Gratuity (refer note 37)	0.27	0.28
Staff welfare expenses	#	#
Total	**22.40**	**20.52**

Denote amount below ₹ 50,000

30. Other Expenses

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates & Taxes	1.24	0.55
Travelling Expenses	0.08	0.06
Repairs & Maintenance	0.08	0.04
Lease rentals	0.11	0.08
Audit Expenses (refer note 30.1)	0.12	0.11
Support service charges	5.45	2.16
Insurance Expenses	0.26	0.15
Professional Fees	0.66	1.31
Electricity Expenses	0.18	0.15
Director's commission & sitting fees	0.80	0.69
Demat Charges	0.16	0.04
Conveyance Expense	0.03	0.02
Car Hire & Other Expenses	#	#
Donation	0.25	0.25
Corporate social responsibility	3.99	4.40
Manpower Expenses	0.07	0.10
Communication expenses	0.04	0.02

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₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Membership & Subscription	0.09	0.11
Printing and stationery	0.03	0.02
Information Technology Expenses	0.35	0.27
Other Expenses	0.10	0.16
Total	**14.09**	**10.69**

Denote amount below ₹ 50,000

30.1 Auditors' remuneration (Excluding goods and service tax)

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit Fees	0.08	0.07
In any other manner (certification, limited reviews, etc.)	0.04	0.04
Total	**0.12**	**0.11**

31. Income Tax

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	85.04	24.63
Deferred tax	(26.74)	(5.10)
Total income tax expenses recognised in the current year	**58.30**	**19.53**
Income tax expense recognised in other comprehensive income	0.01	0.03
Total income tax expenses	**58.31**	**19.56**

31.1 Reconciliation of total tax charge

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/ (loss) for the year	230.20	83.03
Income tax rate	25.17%	25.17%
Income tax expense	57.93	20.91
Tax Effect of:		
Effect of non-deductible expenses	1.07	1.11
Effect of unrecognised deferred tax assets (net)	(0.70)	(1.14)
Deferred tax on Re-measurement of employee defined benefit obligation	0.01	0.03
Other	-	(1.35)
Income tax expense recognised in profit and loss	**58.31**	**19.56**

32. Earnings per share

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Profit for the year attributable to equity shareholders - Basic EPS (₹ in Cr.)	171.90	63.50
(b)	Profit for the year attributable to equity shareholders - Diluted EPS (₹ in Cr.)	171.90	63.50
(c)	Weighted average number of equity shares outstanding (Nos.)	34,46,42,857	34,46,42,857
(d)	Add: Conversion of compulsory convertible debenture (Nos.)	5,36,82,680	5,36,82,680
(e)	Weighted average number of equity shares outstanding (Nos.) for Basic EPS	39,83,25,537	39,83,25,537
(f)	Add: Employee stock option scheme (ESOS) **	2,37,064	-
(g)	Weighted average number of equity shares outstanding (Nos.) for Diluted EPS	39,85,62,601	39,83,25,537
	Basic earnings per share (₹) (a/e)	4.32	1.59
	Dilutive earning per share (₹) (b/g)	4.31	1.59
	Nominal value per share (₹)	10.00	10.00

** One of the ESOS is anti-dilutive and therefore considered as Nil for the current year and previous year.

33. Segment Reporting

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

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

34. Impact of COVID-19 pandemic

Given the uncertainty due to Covid-19 over the potential macro-economic impact and external developments, the management has considered internal and external information up to the date of approval of financial results for the quarter and year. The Company, based on the available information, has estimated an impact on the future cash flows in respect of the financial assets and has also applied management overlays basis the policies for the purpose of determination of:

- the provision for impairment of financial assets carried at amortised cost; and
- the fair value of certain financial assets carried at fair value through profit or loss (FVTPL).

Accordingly, the fair value of the financial assets and provision for expected credit loss on loans given to entities covered under the resolution plan recognized as at March 31, 2022 is after considering the potential impact on account the pandemic. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these financial assets.

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

The extent to which the pandemic will continue to impact the future results which are highly uncertain including, among other things, any new information concerning the severity of the Covid-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the Covid-19 pandemic may be different from the ones estimated as at the date of approval of these standalone financial results. The Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future periods.

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35. Corporate Social Responsibility

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

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	3.99	4.40
b) Amount spent	0.75	0.30
Amount provided for on-going projects	3.24	4.10
Total	**3.99**	**4.40**
c) Short fall at the end of the year	-	-
d) Total Previous years shortfall	-	-
e) Reason for shortfall	-	-
f) Amount contributed to a trust controlled by the Group	-	-
g) Nature of CSR Activities	-	-
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.99	4.40
Total	**3.99**	**4.40**

36. Leasing

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2022:

₹ in Crore

Category of ROU asset	Gross Block				Accumulated depreciation				Net block
Particulars	As at April 1, 2021	Additions	Deductions	As at March 31, 2022	As at April 1, 2021	Addition	Deductions	As at March 31, 2022	As at March 31, 2022
Premises	24.81	-	-	24.81	5.24	2.65	-	7.89	16.92
Vehicle	0.47	-	(0.19)	0.28	0.34	0.07	(0.19)	0.22	0.06

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

₹ in Crore

Category of ROU asset	Gross Block				Accumulated depreciation				Net Block
Particulars	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	Addition	Deductions	As at March 31, 2021	As at March 31, 2021
Premises	24.81	-	-	24.81	2.59	2.65	-	5.24	19.57
Vehicle	0.47	-	-	0.47	0.26	0.08	-	0.34	0.13

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021:

On office premises

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	20.97	22.21
Finance cost during the year	1.92	2.04
Payment of lease liabilities	(3.47)	(3.28)
Closing balance	**19.42**	**20.97**

On Motor Vehicle

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	0.14	0.20
Finance cost during the year	0.03	0.05
Payment of lease liabilities	(0.10)	(0.11)
Closing balance	**0.07**	**0.14**

Table showing contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

On Office Premises

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Not later than one year	3.56	3.45
Later than one year and not later than five years	15.33	14.87
Later than five years	7.86	11.88
Total	**26.75**	**30.20**

On Motor Vehicle

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Not later than one year	0.07	0.09
Later than one year and not later than five years	-	0.07
Later than five years	-	-
Total	**0.07**	**0.16**

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

37. Employee Benefits

a) Defined contribution plans

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

The Company's contribution to Provident Fund aggregating ₹ 0.68 crore (Previous year: ₹ 0.69 crore) has been recognized in the Statement of Profit and Loss under the head Employee Benefits Expense.

b) Defined benefit obligation

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

Interest Rate Risk:

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

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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, 2022	As at March 31, 2021
Discount rate	7.20%	6.90%
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, 2022	For the year ended March 31, 2021
Current service cost	0.17	0.19
Past service cost	-	-
Net interest cost	0.10	0.09
Components of defined benefits recognised in profit or loss	**0.27**	**0.28**
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	(0.04)	(0.01)
- Actuarial (gain)/loss from change in experience adjustments	(0.01)	(0.11)
Total amount recognised in OCI	**(0.05)**	**(0.12)**
Total	**0.22**	**0.16**

The current service cost and the net interest expense for the year are included in the 'Employee benefits 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, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	1.37	1.50
Fair value of plan assets	-	-
Net asset arising from defined benefit obligation	**1.37**	**1.50**

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

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	1.50	1.34
Current service cost	0.17	0.19
Interest cost	0.10	0.09
Past service cost	-	-
Remeasurements (gains)/losses:		
- Actuarial (gain)/loss from change in demographic assumptions	-	-
- Actuarial (gain)/loss from change in financial assumptions	(0.04)	(0.01)
- Actuarial (gain)/loss from change in experience adjustments	(0.01)	(0.11)
Benefits paid	(0.17)	-
Liabilities extinguished on settlements	(0.18)	-
Closing defined benefit obligation	**1.37**	**1.50**

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

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	-	-
Employer contribution	0.17	-
Interest on plan assets	-	-
Administrative Expenses	-	-
Re-measurement due to		
Actual return on plan assets less interest on plan assets	-	-
Benefit paid	(0.17)	-
Asset acquired/(settled)	-	-
Asset distributed on settlements	-	-

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

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation (base)	1.37	1.50

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1.31	1.41	1.43	1.54
Impact of increase in 50 bps on DBO	(4.17%)	2.94%	(4.63%)	3.02%
Defined benefit obligation on decrease in 50 bps	1.43	1.33	1.57	1.45
Impact of decrease in 50 bps on DBO	4.51%	(2.75%)	5.03%	(2.92%)

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.

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

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

Projected benefits payable:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Expected benefits for year 1	0.07	0.07
Expected benefits for year 2	0.25	0.07
Expected benefits for year 3	0.24	0.25
Expected benefits for year 4	0.05	0.24
Expected benefits for year 5	0.05	0.06
Expected benefits for year 6	0.21	0.11
Expected benefits for year 7	0.04	0.19
Expected benefits for year 8	0.20	0.05
Expected benefits for year 9	0.06	0.20
Expected benefits for year 10 and above	1.93	2.26

Compensated absences

As per Company's policy, provision of ₹ 0.64 crore (Previous year: ₹ 0.73 crore) has been made towards compensated absences, calculated on the basis of unutilized leave as on the last day of the financial year.

c) Code on Social Security, 2020

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

38. Foreign Currency Exposure and Un-hedged Foreign Currency Exposure

Sr. No.	Particulars	Amount in foreign Currency (Equivalent to USD in Million)	Amount in INR (₹ in crore)
I.	**Details of Foreign Currency Exposure**		
	(A) Receivables	NIL	NIL
	(i) Export of goods		
	(ii) Services Rendered / Other Income		
	(B) Payables	NIL	NIL
	(i) Import of Goods		
	(ii) Services utilised / Other Expenses		
	(C) Non-Trade Items	NIL	NIL
	(i) Foreign Currency Loans (ECBs, FCTLs, etc.)		
	(a) Principal Payments		
	(b) Interest		
	(ii) Foreign Currency Investments		
	Total Foreign Currency Exposure	**NIL**	**NIL**

Sr. No.	Particulars	Amount in foreign Currency (Equivalent to USD in Million)	Amount in INR (₹ in crore)
II.	**Details of Hedgings**		
	(A) Natural Hedges	NIL	NIL
	(B) Financial Hedges	NIL	NIL
	(i) Forward Contracts Booked:		
	(a) For Export and other Receivables		
	(b) For Import and other Payables		
	(ii) Swaps		
	(a) Principal amount Swaps		
	(b) Interest Rate Swaps		
	(iii) Other Financial Derivative Hedging Instruments		
	Total Hedging of Foreign Currency Exposure	**NIL**	**NIL**
III.	**Amount of Unhedged Foreign Currency Exposure**	NIL	NIL
IV.	**Realised/ Recognised Amount of Foreign Currency Loss / Gain**	NIL	NIL
V.	**EBID**		405.60
VI.	**Total Banking Exposure of the company**		
	(i) Term Loans Exposure (Outstanding amounts + Undisbursed)		193.95
	(ii) Working Capital Exposure (Limit sanctioned and accepted)		175.00

Notes:

i) EBID is computed as per the definition contained in footnote 3 to paragraph 2 (c) of the RBI Circular No. RBI/ 2013-14/ 448 DBOD.No.BP.BC. 85 /21.06.200/2013-14 dated January 15, 2014 i.e. Profit After Tax + Depreciation + Interest on Debt + Lease Rentals, if any.

ii) Total banking exposure of the company excludes sanction facilities against fixed deposits.

39. Disclosure of related party

a) Name and relationship with related parties:

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

Ultimate holding company

JM Financial Limited

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

A) Ultimate holding company

JM Financial Limited

B) Fellow Subsidiaries

JM Financial Institutional Securities Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

JM Financial Home Loans Limited

JM Financial Services Limited

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JM Financial Capital Limited

JM Financial Credit Solutions Limited

JM Financial Asset Management Limited

Astute Investments

CR Retail Malls (India) Limited

C) Key managerial personnel

Mr. Anil Bhatia - Chief Executive Officer

Mr. Atul Mehra - Key managerial personnel of holding company

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

Non-Executive Directors

Mr. V. P. Shetty- Chairman

Mr. Narotam Sekhsaria

Mr. Pulkit Sekhsaria

Mr. Adi Patel

Mr. Vishal Kampani

Independent Directors

Ms. Rupa Vora

Dr. Vijay Kelkar

Mr. Ameet Desai

Mr. Satish Chand Mathur

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

J.M. Financial & Investment Consultancy Services Private Limited

E) All subsidiary trusts of the company

₹ in Crore

Name of entity	Country of incorporation	Proportion of ownership interest and voting power held by the Company	
		As at March 31, 2022	As at March 31, 2021
Subsidiary Trusts in India		(%)	(%)
JMFARC - BOI 2009 I Trust^	India	-	37%
JMFARC - DB-ICICI Trust	India	100%	100%
JMFARC - DB SBI Trust	India	100%	100%
JMFARC - DB DCB Trust	India	100%	100%
JMFARC - Jord SUUTI Trust	India	100%	100%
JMFARC - Pasupati SASF Trust	India	100%	100%
JMFARC - Central Bank Tube Trust	India	100%	100%
JMFARC - UTI Tube Trust	India	100%	100%
JMFARC - Yarn 2010 Trust^	India	-	100%
JMFARC - SASF Tube Trust	India	100%	100%
JMFARC - UCO Bank March 2011 Trust	India	100%	100%
JMFARC - Textile 2013 Trust^	India	-	100%

₹ in Crore

Name of entity	Country of incorporation	Proportion of ownership interest and voting power held by the Company As at March 31, 2022	As at March 31, 2021
JMFARC - Corp Textile 2013 Trust*	India	100%	100%
JMFARC - Corp Apparel 2013 Trust	India	100%	100%
JMFARC - Central India 2013 Trust	India	100%	100%
JMFARC - Dena Bank March 2014 Trust	India	100%	100%
JMFARC - Gelatine March 2014 Trust	India	100%	100%
JMFARC - ICICI Bank July 2014 Trust	India	100%	100%
JMFARC - Axis Bank Cement March 2015 Trust	India	100%	100%
JMFARC - ICICI Bank Cement June 2015 Trust	India	100%	100%
JMFARC - United Bank Cement Sept 2015 Trust	India	100%	100%
JMFARC - ICICI Geometric Trust	India	15%	15%
JMFARC - Axis Bank February 2016 Trust	India	100%	100%
JMFARC - OBC Cement March 2016 Trust	India	100%	100%
JMFARC - Indian Bank I March 2016 Trust^	India	-	100%
JMFARC - Axis Iris II March 2016 Trust	India	100%	100%
JMFARC - SBI Geometric October 2016 Trust	India	100%	100%
JMFARC - IRIS Cash 2016 Trust	India	100%	100%
JMFARC - Tata Capital December 2016 Trust	India	100%	100%
JMFARC - IDBI March 2017 Trust	India	100%	100%
JMFARC - BOB 2008 Trust	India	100%	100%
JMFARC - SME Retail 2011 Trust	India	100%	100%
JMFARC - IOB II March 2011 Trust	India	50%	50%
JMFARC - Corp I 2013 Trust	India	100%	100%
JMFARC - Corp II 2013 Trust	India	100%	100%
JMFARC - Retail June 2011 Trust	India	100%	100%
JMFARC - Retail Aug 2011 Trust	India	100%	100%
JMFARC - IRIS IIFL May 2017 Trust	India	100%	100%
JMFARC - ALHB Bank Textile June 2017 Trust	India	100%	100%
JMFARC - ALHB Bank June 2017 Trust	India	100%	100%
JMFARC - Federal Bank June 2017 Trust	India	100%	100%
JMFARC - IRIS Cash July 2017 Trust	India	100%	100%
JMFARC - Woods October 2017 Trust	India	100%	100%
JMFARC - Fabrics August 2018 I Trust	India	100%	100%
JMFARC - IRIS Cash March 2018 Trust	India	100%	100%
JMFARC - Metallics July 2018 Trust	India	100%	100%
JMFARC - Federal Bank March 2013 Trust	India	100%	100%
JMFARC - Fabrics March 2019 I Trust	India	100%	100%
JMFARC - Fabrics September 2018 I Trust	India	100%	100%
JMFARC - Fabrics September 2018 II Trust	India	100%	100%
JMFARC - PNB IRIS II September 2018 Trust	India	100%	100%
JMFARC - Fabrics June 2018 Trust	India	100%	100%
JMFARC - Fabrics June 2019 II Trust	India	100%	100%
JMFARC - Fabrics June 2019 III Trust	India	100%	100%
JMFARC - Fabrics December 2019 I Trust	India	100%	100%
JMFARC - March 2018 Trust	India	60%	60%
JMFARC - Fabrics September 2020 Trust	India	100%	100%
JMFARC - Fabrics November 2020 Trust	India	100%	100%
JMFARC - Metallics February 2018 Trust	India	92%	92%
JMFARC - Metallics November 2018 Trust	India	95%	95%

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₹ in Crore

Name of entity	Country of incorporation	Proportion of ownership interest and voting power held by the Company	
		As at March 31, 2022	As at March 31, 2021
JMFARC - Metallics December 2018 Trust	India	94%	94%
JMFARC - KTK Metallics December 2018 Trust	India	94%	94%
JMFARC - Coated February 2021 Trust	India	89%	100%
Deccan 2021 Trust #	India	100%	-

^ Trusts closed during the financial year 2020-21

* Trusts closed during the year

Acquisition during the year

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

₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
JM Financial Limited (JMFL)	**(A)**		
Inter Corporate Deposit taken		370.00	515.00
Inter Corporate Deposit paid		282.30	163.00
Interest on Inter Corporate Deposits		42.53	15.92
Rating Support Fees		1.70	2.24
Support Service Charges		2.50	1.98
Reimbursement of Expenses		0.06	0.02
Recovery of expenses		0.25	0.22
ESOP Charges		#	0.13
Interest on Compulsory Convertible Debenture		12.10	22.00
JM Financial Properties and Holdings Limited (JMFPHL)	**(B)**		
Space and other related cost		2.81	2.67
Interest Expenses		-	0.80
Inter Corporate deposit given		-	30.00
Inter Corporate deposit repaid		-	30.00
Reimbursement of Expenses		0.45	0.48
JM Financial Home Loans Limited (JMFHL)	**(B)**		
Reimbursement of Expenses		#	-
JM Financial Products Limited (JMFPL)	**(B)**		
Inter Corporate Deposit taken		80.00	136.00
Inter Corporate Deposit paid		80.00	136.00
Management Fees received		1.42	1.26
Interest on Inter Corporate Deposits paid		0.83	5.40
Reimbursement of Expenses		0.06	0.06
Support Service Charges		2.50	-
JM Financial Services Limited (JMFSL)	**(B)**		
Market linked Non-Convertible Debentures issued		200.84	75.00
Rent and fees paid		-	#
Arranger fees paid		2.65	0.89
JM Financial Capital Limited (JMFCL)	**(B)**		
Inter Corporate Deposit taken		-	150.00
Inter Corporate Deposit paid		-	150.00
Interest on Inter Corporate Deposits paid		-	2.94
Market linked Non-Convertible Debentures redemption		-	0.36

₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
Market linked Non-Convertible Debentures issued		22.74	-
JM Financial Credit Solutions Ltd (JMFCSL)	(B)		
Inter Corporate Deposit taken		-	104.00
Inter Corporate Deposit paid		-	104.00
Interest on Inter Corporate Deposits paid		-	3.04
Interest on Compulsory Convertible Debenture		9.91	-
Gratuity transfer		0.18	-
Management Fees received		1.40	-
CR Retail Malls (India) Limited	(B)		
Interest on Inter Corporate Deposits		2.12	2.38
Inter Corporate Deposit taken		33.00	55.00
Inter Corporate Deposit paid		88.00	-
JM Financial Asset Management Limited (JMFAMC)			
Interest on Inter Corporate Deposits	(B)	0.08	5.31
Inter Corporate Deposit taken		40.00	124.10
Inter Corporate Deposit paid		64.10	100.00
Subsidiary trusts - managed by the Company as trustee	(E)		
Management fees and incentives			
JMFARC ICICI Geometric Trust		-	5.41
JMFARC Coated February 2021 Trust		15.72	1.46
Other		-	0.38
Net gain on derecognition of security receipts			
JMFARC- Metallics February 2018- Trust		-	6.22
JMFARC- Metallics November 2018 Trust		-	5.04
JMFARC- Metallics December 2018 Trust		-	4.72
JMFARC-Corp Apparel 2013-Trust		-	2.79
JMFARC- KTK Metallics December 2018 Trust		-	2.61
JMFARC - Federal Bank June 2017 Trust		56.94	-
JMFARC - Axis Bank February 2016 Trust		52.88	-
JMFARC- DB SBI Trust		8.62	-
JMFARC- DB ICICI Trust		7.67	-
JMFARC - SBI Geometric October 2016 Trust		4.70	-
Others		15.68	4.22
Interest Income			
Others		-	0.16
Investment in security receipts			
JMFARC Coated February 2021 Trust		97.97	292.62
JMFARC Metallics February 2018 Trust		-	102.59
JMFARC Metallics December 2018 Trust		-	62.44
JMFARC Metallics November 2018 Trust		-	62.73
JMFARC Fabrics November 2020 Trust		-	50.80
JMFARC KTK Metallics December 2018 Trust		-	32.81
JMFARC Fabrics September 2020 Trust		-	10.09
Deccan 2021 Trust		69.49	-
Redemption/Sale of security receipts			
JMFARC Metallics February 2018 Trust		-	122.24
JMFARC Metallics December 2018 Trust		-	73.24
JMFARC Metallics November 2018 Trust		-	73.10
JMFARC KTK Metallics December 2018 Trust		-	38.36
JMFARC March 2018 Trust		-	26.15

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₹ in Crore

Name of the Related Party	Nature of relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
JMFARC Metallics July 2018 Trust		-	16.64
JMFARC Corp Textile 2013 Trust		0.21	14.45
JMFARC Federal Bank June 2017 Trust		26.43	13.11
Deccan 2021 Trust		59.98	-
JMFARC SBI Geometric October 2016 Trust		28.80	-
JMFARC Gelatine March 2014 Trust		39.29	-
JMFARC ALHB Bank Textile June 2017 Trust		6.02	-
Others		5.24	21.73
Loans and advances given/(repaid) (net)			
JMFARC Gelatine March 2014 Trust		(0.52)	0.57
JMFARC Fabrics August 2018 I Trust		0.26	0.18
JMFARC Central India 2013 Trust		0.92	0.54
JMFARC Corp I 2013 Trust		0.04	0.06
JMFARC Fabrics September I 2018 Trust		-	0.02
JMFARC Coated February 2021 Trust		0.97	-
Others		(1.44)	(4.88)
Key Managerial Personnel	**(C)**		
Remuneration (refer note (d) below)		2.92	2.90
Contribution to provident fund		0.09	0.09

C) Closing balances

₹ in Crore

Name of the Related Party	Nature of relationship	As at March 31, 2022	As at March 31, 2021
Inter Corporate Deposit payable			
JM Financial Limited (JMFL)	(A)	439.70	352.00
CR Retail Malls (India) Limited	(B)	-	55.00
JM Financial Asset Management Limited	(B)	-	24.10
Interest on Compulsory Convertible Debenture			
JM Financial Limited (JMFL)	(A)	2.10	11.32
JM Financial Credit Solutions Ltd (JMFCSL)	(B)	8.92	-
Security Deposit (including prepaid rent) receivable			
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	2.75	2.75
Market Linked Non-Convertible Debenture			
JM Financial Services Ltd	(B)	-	3.02
JM Financial Capital Ltd	(B)	23.00	-
Dr. Vijay Kelkar	(C)	-	0.20
Mr. V P Shetty	(C)	2.00	-
Mrs. Suvidha Mehra	(C)	1.10	-
Trade Payable			
JM Financial Limited (JMFL)	(A)	0.42	0.61
JM Financial Properties and Holdings Limited (JMFPHL)	(B)	#	-
Trade receivables/loans and advances(net)			
Subsidiaries trust	(E)		
JMFARC Fabric August 2018 I Trust		3.08	2.82
JMFARC Coated February 2021 Trust		15.33	1.67
Others		7.65	8.57
Key Managerial Personnel	(C)	2.32	3.63

Denote amount below ₹ 50,000

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

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

f) The transactions disclosed above are exclusive of GST.

Note:

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

40. Capital Management

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

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

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
Borrowings (Debt securities and borrowing other than debt securities)	2,323.31	2,576.20
Less: Cash and cash equivalents	(65.10)	(113.86)
Net Debt	**2,258.21**	**2,462.34**
Total equity	1,686.04	1,512.79
Net Debt to equity ratio	1.34	1.63

41. Fair value measurement

a) Fair value hierarchy and method of valuation:

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

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

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

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

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b) Categories of Financial Instruments:

As at March 31, 2022:

₹ in Crore

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	65.10	65.10	-	-	-	-
Other bank balances	-	-	3.46	3.46	-	-	-	-
Trade receivables (net)	-	-	221.48	221.48	-	-	-	-
Loans (net)	-	-	598.20	598.20	-	-	-	-
Investments	3,068.77	-	-	3,068.77	16.12	-	3,052.65	3,068.77
Other Financial assets (net)	-	-	48.83	48.83	-	-	-	-
Total	**3,068.77**	**-**	**937.07**	**4,005.84**	**16.12**	**-**	**3,052.65**	**3,068.77**
Financial liabilities								
Trade payables	-	-	1.27	1.27	-	-	-	-
Debt securities	-	-	785.91	785.91	-	-	-	-
Borrowing (other debt securities)	-	-	1,537.40	1,537.40	-	-	-	-
Lease liabilities	-	-	19.49	19.49	-	-	-	-
Other financial liabilities	-	-	46.04	46.04	-	-	-	-
Total	**-**	**-**	**2,390.11**	**2,390.11**	**-**	**-**	**-**	**-**

As at March 31, 2021:

₹ in Crore

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	113.86	113.86	-	-	-	-
Other bank balances	-	-	0.91	0.91	-	-	-	-
Trade receivables (net)	-	-	173.08	173.08	-	-	-	-
Loans (net)	-	-	625.33	625.33	-	-	-	-
Investments	3,183.87	-	-	3,183.87	13.35	-	3,170.52	3,183.87
Other Financial assets (net)	-	-	42.98	42.98	-	-	-	-
Total	**3,183.87**	**-**	**956.16**	**4,140.03**	**13.35**	**-**	**3,170.52**	**3,183.87**
Financial liabilities								
Trade payables	-	-	2.10	2.10	-	-	-	-
Debt securities	-	-	1,197.24	1,197.24	-	-	-	-
Borrowing (other debt securities)	-	-	1,378.96	1,378.96	-	-	-	-
Lease liabilities	-	-	21.11	21.11	-	-	-	-
Other financial liabilities	-	-	73.54	73.54	-	-	-	-
Total	**-**	**-**	**2,672.95**	**2,672.95**	**-**	**-**	**-**	**-**

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, 2022	218.93	221.30
As at March 31, 2021	828.44	829.96

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 based on the information presently available with the Company.

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, 2022 and March 31, 2021.

₹ in Crore

Particulars	Investment in Security Receipts
As at March 31, 2020	**3,028.19**
Acquisitions made	614.64
(Realisations) made	(501.22)
Net Gain on fair value changes	28.91
As at March 31, 2021	**3,170.52**
Acquisitions made	241.79
(Realisations) made	(588.31)
Net Gain on fair value changes	228.65
As at March 31, 2022	**3,052.65**

e) Sensitivity for instruments:

₹ in Crore

Nature of the instrument	Fair Value As at March 31, 2022	Fair Value As at March 31, 2021	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2022*		Sensitivity Impact for the year ended March 31, 2021*	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Investment in Security receipts	3,052.65	3,170.52	Estimated cash flow based on realisation of collaterals value, etc.	5%	158.02	(158.02)	159.44	(159.44)

* percentage of outstanding security receipts at cost.

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

42. Financial Risk Management

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

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

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

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 under-performing assets- lifetime ECL (on default occurred); and
- For stage-3 credit impaired assets-based on expected cash flows.

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

(i) Movement of gross carrying amount in loans given

As at March 31, 2022

₹ in Crore

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

As at March 31, 2021

₹ in Crore

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

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

As at March 31, 2022

₹ in Crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**7.22**	**-**	**15.73**	**22.95**
New assets originated or purchased	2.39	-	0.38	2.77
Assets derecognised or repaid	(0.18)	-	(3.05)	(3.23)
Transfer to Stage 3	(6.99)	-	6.99	-
ECL allowance - closing balance	**2.44**	**-**	**20.05**	**22.49**

As at March 31, 2021

₹ in Crore

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

2. For other receivables under distressed credit business:

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

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

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Movement of provision for impairment
As at March 31, 2022

₹ in Crore

Particulars	Trade receivables	Recoverable from Trusts	Total
ECL allowance - opening balance	**13.30**	**8.82**	**22.12**
Addition	10.33	0.86	11.19
Utilization/ written back	-	-	-
Closing balance	**23.63**	**9.68**	**33.31**

As at March 31, 2021

₹ in Crore

Particulars	Trade receivables	Recoverable from Trusts	Total
ECL allowance - opening balance	**12.58**	**18.29**	**30.87**
Addition	0.72	(9.47)	(8.75)
Utilization/ written back	-	-	-
Closing balance	**13.30**	**8.82**	**22.12**

The ageing of trade receivables

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Past due 1–180 days	42.60	48.96
More than 180 days	202.51	137.42
Total	**245.11**	**186.38**

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 ₹ 13.34 crore and ₹ 1.10 crore as of March 31, 2022 and March 31, 2021 respectively, from its bankers for working capital requirements. The Company also has Bank balances of ₹ 65.10 crore as on March 31, 2022.

Exposure to liquidity risk

The following are the details of Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross and undiscounted.

₹ in Crore

As at March 31, 2022	Contractual cash flows					
Particulars	**Carrying amount**	**Total**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Financial Liabilities						
Borrowings and debt securities	2,323.31	2,323.31	1,795.68	522.33	5.30	-
Trade payables	1.27	1.27	1.27	-	-	-
Lease liabilities	19.49	19.49	1.88	4.54	5.93	7.14
Other financial liabilities	46.04	46.04	41.05	4.99	-	-
Total	**2,390.11**	**2,390.11**	**1,839.88**	**531.86**	**11.23**	**7.14**
Financial Assets						
Cash and cash equivalents	65.10	65.10	65.10	-	-	-
Other Bank balances	3.46	3.46	0.95	2.51	-	-
Trade receivables (net)	221.48	221.48	161.30	60.18	-	-
Loans (net)	598.20	598.20	305.72	292.48	-	-
Investment	3,068.77	3,068.77	1,103.61	346.43	1,602.61	16.12
Other Financial Assets (net)	48.83	48.83	47.07	0.10	-	1.66
Total	**4,005.84**	**4,005.84**	**1,683.75**	**701.70**	**1,602.61**	**17.78**

₹ in Crore

As at March 31, 2021	Contractual cash flows					
Particulars	**Carrying amount**	**Total**	**0-1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Financial Liabilities						
Borrowings and debt securities	2,576.20	2,576.20	1,953.11	592.14	30.95	-
Trade payables	2.10	2.10	2.10	-	-	-
Lease liabilities	21.11	21.11	1.63	4.01	5.14	10.33
Other financial liabilities	73.54	73.54	73.54	-	-	-
Total	**2,672.95**	**2,672.95**	**2,030.38**	**596.15**	**36.09**	**10.33**
Financial Assets						
Cash and cash equivalents	113.86	113.86	113.86	-	-	-
Other Bank balances	0.91	0.91	-	0.91	-	-
Trade receivables (net)	173.08	173.08	121.16	51.92	-	-
Loans (net)	625.33	625.33	319.01	306.32	-	-
Investment	3,183.87	3,183.87	888.25	637.05	1,631.61	26.96
Other Financial Assets (net)	42.98	42.98	39.64	0.08	1.73	1.53
Total	**4,140.03**	**4,140.03**	**1,481.92**	**996.28**	**1,633.34**	**28.49**

Notes:

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

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

c) The liquidity gap between 0-1 year for the financial year 2022-23 would be met by refinancing through bank facilities /other refinancing options. The liquidity gap includes inter corporate deposit payable to related party which are payable on call and also Bank working capital balances which are annually renewable.

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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 exposed to exchange rate fluctuations. Company has not taken derivative contracts during the year.

2. Interest rate risk

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

Exposure to interest rate risk

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

₹ in Crore

Borrowings	As at March 31, 2022	As at March 31, 2021
Fixed-rate instruments	1,556.35	1,831.17
Floating-rate instruments	677.01	566.62
Total	**2,233.36**	**2,397.79**

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, 2022 would decrease/ increase by ₹ 6.77 crore (Previous year: decrease/ increase by ₹ 5.67 crore).

3. Equity Price Risk

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

Equity Price Sensitivity analysis:

The fair value of equity instruments as at March 31, 2022 aggregate to ₹ 16.12 crore (Previous year: ₹ 13.35 crore). If price of equity instruments decrease/ increase by 5%, the Company's profit for the year ended March 31, 2022 would be decrease/ increase by ₹ 0.81 crore (Previous year: decrease/ increase by ₹ 0.67 crore).

43. Maturity Analysis of Assets and Liabilities

₹ in Crore

	Particulars	As at March 31, 2022			As at March 31, 2021		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS						
(1)	**Financial Assets**						
(a)	Cash and cash equivalents	65.10	-	65.10	113.86	-	113.86
(b)	Other bank balances	0.95	2.51	3.46	-	0.91	0.91
(c)	Trade Receivables	161.30	60.18	221.48	121.16	51.92	173.08
(d)	Loans	305.72	292.48	598.20	319.01	306.32	625.33
(e)	Investments	1,103.62	1,965.15	3,068.77	888.25	2,295.62	3,183.87
(f)	Other Financial assets	47.07	1.76	48.83	39.64	3.34	42.98
(2)	**Non-financial Assets**	**1,683.76**	**2,322.08**	**4,005.84**	**1,481.92**	**2,658.11**	**4,140.03**
(a)	Current tax Assets (Net)	-	40.34	40.34	-	28.34	28.34
(b)	Deferred tax Assets (Net)	-	33.86	33.86	-	7.13	7.13
(c)	Property, Plant and Equipment	-	17.45	17.45	-	20.30	20.30
(d)	Other Intangible assets	-	0.05	0.05	-	0.08	0.08
(e)	Other non-financial assets	2.62	-	2.62	4.37	-	4.37
	Total Non -financial Assets	**2.62**	**91.70**	**94.32**	**4.37**	**55.85**	**60.22**
	Total Assets (A)	**1,686.37**	**2,413.79**	**4,100.16**	**1,486.29**	**2,713.96**	**4,200.25**
	LIABILITIES AND EQUITY						
	LIABILITIES						
(1)	**Financial Liabilities**						
(a)	Trade Payables	1.27	-	1.27	2.10	-	2.10
(b)	Debt Securities	529.71	256.20	785.91	894.11	303.13	1,197.24
(c)	Borrowings (Other than Debt Securities)	1,265.97	271.43	1,537.40	1,059.00	319.96	1,378.96
(d)	Lease liabilities	1.88	17.61	19.49	1.63	19.48	21.11
(e)	Other financial liabilities	41.05	4.99	46.04	73.54	-	73.54
(2)	**Non-Financial Liabilities**	**1,839.88**	**550.23**	**2,390.11**	**2,030.38**	**642.57**	**2,672.95**
(a)	Provisions	0.71	1.30	2.01	0.80	1.43	2.23
(b)	Other non-financial liabilities	22.00	-	22.00	12.28	-	12.28
	Total Non-Financial Liabilities	22.71	1.30	24.01	13.08	1.43	14.51
	Total Liabilities (B)	1,862.59	551.53	2,414.12	2,043.46	644.00	2,687.46
	Net (A-B)	**(176.22)**	**1,862.26**	**1,686.04**	**(557.17)**	**2,069.96**	**1,512.79**

Note: Maturity Analysis of Assets and Liabilities- within 12 months of current year is negative on account of ICDs payables to related parties are on call and working capital demand loans/ cash credit facilities which are annually renewals. The shortfall will be balance through refinancing/ others modes of borrowings.

44. Employee Stock Option Scheme

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

May 16, 2016 122,397 Stock Options

April 12, 2018 88,236 Stock Options

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

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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, 2022	As at March 31, 2021
Outstanding at the beginning of the year	58,824	58,824
Granted during the year	-	-
Transfer in during the year	-	-
Transfer out during the year	-	-
Lapsed/forfeited during the year	-	-
Exercised during the year	(58,824)	-
Outstanding at the end of the year	-	58,824
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ # crore (Previous year: ₹ 0.13 crore). Since the options are granted by JM Financial Limited (the Ultimate Holding Company), basic and diluted earnings per share of the Company would remain unchanged.

44.2 The Employee Stock Option Scheme (the "Scheme") provides for grant of stock options to the eligible employees and/or directors (“the Employees”) of the Company. The Stock Options are granted at an exercise price, which is either equal to the fair market price or at a premium, or at a discount to market price as may be determined by the Nomination and Remuneration Committee of the Board of the Company.

During the financial year 2021-22, the Nomination and Remuneration Committee has granted 9,09,549 options (Previous year: 15,81,444 options) at an exercise price of ₹ 29.69 per option (Previous year: ₹ 28.46 per option) to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

The details of options are as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	15,81,444	-
Add: Granted during the year	9,09,549	15,81,444
Less: Exercised and shares allotted during the year	-	-
Less: Exercised but pending allotment	-	-
Less: Forfeited/cancelled during the year	(4,82,174)	-
Less: Lapsed during the year	-	-
Outstanding at end of the year	20,08,819	15,81,444
Exercisable at end of the year	-	-

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

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

Tranches	% of Options to be vested	No. of options granted		Vesting date		Fair value per option (₹)	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche 1	33.33%	3,03,183	5,27,148	19/04/2023	16/04/2022	20.33	19.79
Tranche 2	33.33%	3,03,183	5,27,148	19/04/2024	16/04/2023	21.96	21.58
Tranche 3	33.34%	3,03,183	5,27,148	19/04/2025	16/04/2024	23.77	23.08

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

Tranches	Life of the Option (in years)		Risk-free interest rate		Volatility		Dividend Yield*	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Tranche 1	3.50	3.50	5.79%	5.59%	0.5160	0.5160	-	-
Tranche 2	4.50	4.50	5.69%	6.16%	0.5052	0.5005	-	-
Tranche 3	5.50	5.50	6.41%	6.51%	0.4954	0.4870	-	-

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

Details of options granted

Particulars	Options
Grant date	19-04-2021
Options granted	9,09,549
Options exercised till March 31, 2021	-
Options forfeited/cancelled till March 31, 2021	1,92,243
Options lapsed till March 31, 2021	-
Outstanding at end of year	7,17,306
Exercisable at end of year	-
Vesting of options	1/3rd Options each on completion of first, second and third year from the date of grant of options
Exercise period	Within 3 years from the date of vesting
Exercise price	₹ 29.69
Pricing formula	As was determined by the Nomination and Remuneration Committee

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 1.31 crore (Previous year: ₹ 1.16 crore).

45. Schedule of security receipts

Name of Trust	As at March 31, 2022		As at March 31, 2021	
	No. of SRs	Amount (₹ in Crore)	No. of SRs	Amount (₹ in Crore)
A) Subsidiary Trusts (at fair value)				
JMFARC - DB-ICICI - Trust	1,15,000	-	1,15,000	-
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	2,50,000	-	2,50,000	-
JMFARC - Central bank - Tube - Trust	50,000	-	50,000	-
JMFARC - UTI - Tube - Trust	6,000	-	6,000	-
JMFARC - SASF Tube - Trust	62,000	-	62,000	-
JMFARC - UCO Bank March 2011 - Trust	16,500	-	16,500	-

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Name of Trust	As at March 31, 2022		As at March 31, 2021	
	No. of SRs	Amount (₹ in Crore)	No. of SRs	Amount (₹ in Crore)
JMFARC - Corp Textile 2013 – Trust %	-	-	1,50,000	-
JMFARC - Corp Apparel 2013 -Trust	1,20,000	0.01	1,20,000	0.01
JMFARC - Central India 2013 - Trust	2,89,360	28.07	2,89,360	28.07
JMFARC - Dena Bank March 2014 - Trust	67,000	5.03	67,000	5.03
JMFARC - Gelatine March 2014 - Trust	6,28,672	8.96	6,28,672	48.26
JMFARC - ICICI Bank July 2014 - Trust	20,000	-	20,000	-
JMFARC - Axis Bank Cement March 2015 - Trust	2,30,000	26.66	2,30,000	28.75
JMFARC - ICICI Bank Cement June 2015 - Trust	1,70,500	20.66	1,70,500	22.34
JMFARC - United Bank Cement September 2015 - Trust	1,80,000	23.62	1,80,000	27.00
JMFARC - ICICI Geometric - Trust	61,500	-	61,500	-
JMFARC - Axis Bank February 2016 - Trust	87,500	-	87,500	-
JMFARC - OBC Cement March 2016 - Trust	49,700	3.11	49,700	3.13
JMFARC - Axis Iris II March 2016 - Trust	60,000	6.00	60,000	6.00
JMFARC - SBI Geometric October 2016 - Trust	4,53,000	-	4,53,000	21.47
JMFARC - IRIS Cash 2016 - Trust	4,26,200	89.66	4,26,200	89.66
JMFARC - Tata Capital December 2016 - Trust	1,30,000	9.87	1,30,000	9.87
JMFARC - IDBI March 2017 - Trust	30,000	2.37	30,000	2.37
JMFARC - IRIS IIFL May 2017 - Trust	27,500	4.65	27,500	4.65
JMFARC - IRIS Cash July 2017 - Trust	2,64,000	24.52	2,64,000	24.52
JMFARC - Woods October 2017 - Trust	1,87,500	14.72	1,87,500	14.72
JMFARC - IRIS Cash March 2018 - Trust	78,500	11.30	78,500	13.06
JMFARC - Fabrics June 2018 - Trust	8,30,000	81.43	8,30,000	81.43
JMFARC - Metallics July 2018 - Trust	1,66,500	-	1,66,500	-
JMFARC - Fabrics August 2018 I - Trust	80,20,000	867.93	80,20,000	867.93
JMFARC - Fabrics September 2018 I - Trust	7,53,500	82.88	7,53,500	82.89
JMFARC - Fabrics September 2018 II - Trust	5,35,300	58.85	5,35,300	58.86
JMFARC - PNB IRIS II September 2018 - Trust	11,510	1.15	11,510	1.15
JMFARC - Fabrics March 2019 I - Trust	3,37,800	37.16	3,37,800	37.16
JMFARC - BOB 2008 - Trust	1,11,600	-	1,11,600	-
JMFARC - SME Retail 2011 - Trust	13,365	-	13,365	-
JMFARC - IOB II March 2011 - Trust Class A	1,04,200	-	1,04,200	-
JMFARC - IOB II March 2011 - Trust Class B	5,800	-	5,800	-
JMFARC - Federal Bank March 2013 - Trust	10,00,000	19.30	10,00,000	31.20
JMFARC - Corp I 2013 - Trust	93,000	4.05	93,000	4.04
JMFARC - Corp II 2013 - Trust	58,800	0.01	58,800	0.01
JMFARC - Allahabad Bank June 2017 - Trust	36,000	0.01	36,000	0.01
JMFARC - Allahabad Bank Textile June 2017 - Trust	69,000	0.01	69,000	9.04
JMFARC - Federal Bank June 2017 - Trust	15,72,000	0.14	15,72,000	64.87
JMFARC - Metallics February 2018 - Trust*	12,21,809	-	12,21,809	-
JMFARC - Metallics November 2018 - Trust*	6,56,405	-	6,56,405	-
JMFARC - Metallics December 2018 - Trust*	6,75,629	-	6,75,629	-
JMFARC - KTK Metallics December 2018 – Trust*	3,47,199	-	3,47,199	-
JMFARC - Retail June 2011 – Trust	4,69,884	0.05	4,69,884	0.05
JMFARC - Retail Aug 2011 - Trust	7,039	-	7,039	-
JMFARC - Fabrics June 2019 II - Trust	7,07,500	77.83	7,07,500	77.81
JMFARC - Fabrics June 2019 III - Trust	1,83,100	20.14	1,83,100	20.13
JMFARC - Fabrics December 2019 I - Trust	49,100	5.40	49,100	5.40
JMFARC - March 2018 - Trust	12,00,000	93.85	12,00,000	93.85
JMFARC - Fabrics September 2020 - Trust	1,00,900	11.10	1,00,900	11.10

Name of Trust	As at March 31, 2022		As at March 31, 2021	
	No. of SRs	Amount (₹ in Crore)	No. of SRs	Amount (₹ in Crore)
JMFARC - Fabrics November 2020 - Trust	5,08,000	55.88	5,08,000	55.88
JMFARC - Coated February 2021 - Trust	39,05,900	390.59	29,26,165	292.62
Deccan 2021 Trust @	6,94,900	9.51	-	-
Total		**2,096.48**		**2,144.34**
B) Non-Subsidiary Trusts (at fair value)				
JMFARC - BOI 2009 – Trust	48,600	-	48,600	-
JMFARC - Swarna 2011 - Trust	72,199	0.98	72,199	0.98
JMFARC - Swarna II 2012 - Trust Class A	66,200	1.58	66,200	1.58
JMFARC - Swarna II 2012 - Trust Class B	12,500	0.31	12,500	0.31
JMFARC - Fed Textile 2013 – Trust %	-	-	8,820	-
JMFARC - BOI Textile 2013 – Trust %	-	-	41,000	-
JMFARC - OBC March 2014 - Trust	34,500	1.73	34,500	2.35
JMFARC - Fed Gelatine March 2014 - Trust	17,500	0.27	17,500	0.40
JMFARC - OBC March 2014 II - Trust	4,760	0.29	4,760	0.29
JMFARC - UBOI March 2014 - Trust	66,750	1.72	66,750	3.30
JMFARC - SBI Ceramics June 2014 - Trust	1,56,000	5.53	1,56,000	5.53
JMFARC - Indian Bank June 2014 - Trust	32,200	0.91	32,200	1.57
JMFARC - Vijaya Bank June 2014 - Trust	25,360	0.76	25,360	1.37
JMFARC - Hotels June 2014 - Trust Class A	3,29,099	-	3,29,099	-
JMFARC - Hotels June 2014 - Trust Class B	20,71,631	-	20,71,631	-
JMFARC - Central Bank of India June 2014 - Trust	32,000	-	32,000	-
JMFARC - CSB Ceramics September 2014 - Trust	32,625	2.45	32,625	2.45
JMFARC - LVB Ceramics September 2014 - Trust	27,900	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	-	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	3.61
JMFARC - Vijaya Bank Ceramics March 2015 - Trust	27,000	2.03	27,000	2.03
JMFARC - SBH Cement June 2015 - Trust	66,000	4.95	66,000	4.95
JMFARC - United Bank Textile September 2015 - Trust	27,075	0.81	27,075	1.30
JMFARC - PNB Ceramics November 2015 - Trust	4,01,640	29.85	4,01,640	29.85
JMFARC - Corp Bank Ceramics September 2015 - Trust	46,065	4.61	46,065	4.61
JMFARC - SBOP Geometric - Trust	61,560	-	61,560	-
JMFARC - Dena Ceramics January 2016 - Trust	15,750	1.58	15,750	1.58
JMFARC - UBOI Steel March 2016 - Trust	63,000	-	63,000	3.97
JMFARC - OBC March 2016 - Trust	72,000	1.32	72,000	3.24
JMFARC - IDBI Ceramics March 2016 - Trust	57,180	5.15	57,180	5.15
JMFARC - EXIM Ceramics March 2016 - Trust	17,101	1.66	17,101	1.66
JMFARC - UCO Geometric March 2016 - Trust	88,965	-	88,965	-
JMFARC - KVB Iris II March 2016 - Trust	37,500	5.63	37,500	5.63
JMFARC - Indian Bank March 2016 - Trust	97,515	0.09	97,515	1.11
JMFARC - ICICI Bank September 2016 - Trust	8,55,495	28.01	8,55,495	41.95

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Name of Trust	As at March 31, 2022		As at March 31, 2021	
	No. of SRs	Amount (₹ in Crore)	No. of SRs	Amount (₹ in Crore)
JMFARC - IOB March 2016 - Trust	50,250	1.63	50,250	2.55
JMFARC - Iris March 2016 - Trust	10,00,165	104.15	10,00,165	111.03
JMFARC - Exim Iris March 2016 - Trust	60,000	5.22	60,000	8.28
JMFARC - Axis Iris March 2016 - Trust	1,50,000	19.20	1,50,000	22.50
JMFARC - KB Metals September 2016 - Trust	22,500	0.40	22,500	0.55
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	-	41,250	0.19
JMFARC - IRIS December 2016 - Trust	31,110	4.67	31,110	4.67
JMFARC -IRIS UBOI December 2016 - Trust	16,005	2.30	16,005	2.40
JMFARC -IRIS PNB January 2017 - Trust	41,550	5.90	41,550	6.18
JMFARC - IOB CHN March 2017 - Trust	37,500	3.56	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	4.36	66,900	3.51
JMFARC - SBP March 2017 - Trust	31,665	2.28	31,665	2.28
JMFARC - IRIS UCO March 2017 - Trust	38,310	4.61	38,310	5.29
JMFARC - SBP Retreat March 2017 - Trust	77,600	7.76	77,600	7.76
JMFARC - SBI Retreat March 2017 - Trust	1,66,800	16.68	1,66,800	16.68
JMFARC - SBI Tollways March 2017 - Trust	1,53,000	7.57	1,53,000	10.81
JMFARC - Karnataka Bank September 2017 - Trust	20,310	1.52	20,310	2.03
JMFARC - Syndicate Ceramics September 2017 - Trust	1,25,250	8.77	1,25,250	8.77
JMFARC - Allahabad Bank December 2017 - Trust	76,275	7.02	76,275	7.02
JMFARC - Motors December 2017 - Trust	94,500	5.39	94,500	5.39
JMFARC - IOB Metallics February 2018 - Trust	3,60,000	-	3,60,000	-
JMFARC - Township February 2018 - Trust	4,80,000	48.00	4,80,000	48.00
JMFARC - IRIS Canara March 2018 - Trust	18,225	2.15	18,225	2.48
JMFARC - IDBI March 2018 - Trust	60,000	0.01	60,000	5.93
JMFARC - Alphahealth 2018 - Trust	17,80,700	213.68	22,14,000	265.68
JMFARC - Fabrics August 2018 II - Trust	3,80,000	41.80	3,80,000	41.80
JMFARC - Fabrics September 2018 III - Trust	40,200	4.42	40,200	4.42
JMFARC - IRIS SIDBI December 2018 - Trust	33,000	4.77	33,000	4.77
JMFARC - Infra March 2019 - Trust	60,000	4.50	60,000	4.50
JMFARC - IOB March 2011 - Trust Class A	2,80,000	-	2,80,000	-
JMFARC - IOB March 2011 - Trust Class B	96,500	-	96,500	-
JMFARC - UCO Bank March 2014 - Trust	4,62,500	9.44	4,62,500	15.03
JMFARC - SBI March 2014 I - Trust	1,73,750	4.75	1,73,750	5.41
JMFARC - SBI March 2014 II - Trust	45,250	1.52	45,250	1.52
JMFARC - Cosmos March 2014 - Trust	1,54,500	1.44	1,54,500	3.56
JMFARC - Indian Bank March 2014 - Trust	44,500	-	44,500	1.51
JMFARC - BOI March 2014 II - Trust	2,15,750	0.03	2,15,750	7.59
JMFARC - OBC June 2014 - Trust	8,915	0.44	8,915	0.44
JMFARC - UBOI June 2014 - Trust	59,915	0.19	59,915	0.81
JMFARC - Karnataka Bank December 2014 - Trust	1,72,500	4.99	1,72,500	6.28
JMFARC - CSB September 2015 - Trust	63,000	0.01	63,000	3.45

Name of Trust	As at March 31, 2022		As at March 31, 2021	
	No. of SRs	Amount (₹ in Crore)	No. of SRs	Amount (₹ in Crore)
JMFARC - SBH December 2015 - Trust	73,380	0.01	73,380	0.01
JMFARC - KVB March 2016 - Trust	3,55,095	13.71	3,55,095	17.12
JMFARC - Federal Bank March 2016 - Trust	73,350	3.77	73,350	3.77
JMFARC - PAN INDIA 2016 – Trust	15,46,908	154.69	15,46,908	154.69
JMFARC - PNB March 2017 – Trust	2,22,075	8.09	2,22,075	13.48
JMFARC - SBT March 2017 – Trust	55,875	3.63	55,875	3.63
JMFARC - LTF June 2017 – Trust	6,00,000	13.71	6,00,000	20.43
JMFARC - Central Bank Retail 2011 - Trust	88,872	-	88,872	-
JMFARC - Fabrics June 2019 I - Trust Class A	50,400	5.54	50,400	5.54
JMFARC - Fabrics June 2019 I - Trust Class B	1,51,200	3.78	1,51,200	3.78
JMFARC - Textile Gama I – Trust	48,000	4.80	5,610	0.56
JMFARC - Textile Gama II – Trust @	33,390	3.34	-	-
Victory Real Estate 2021 Trust @	60,000	6.00	-	-
Realty March 2022 Trust @	6,07,500	60.75	-	
Total		**956.17**		**1,026.18**

# Denotes amount less than ₹50,000

@ Acquisition during the year.

% Trust closed during the year.

*acquisition of controlling stake as on August 20, 2020 and become subsidiary of the Company.

46. Additional Disclosure:

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

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

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
Sponsor			
Indian Overseas Bank	763, Anna Salai, Chennai	827.91	4.56%
Sponsor Total		**827.91**	**4.56%**
Non- Sponsors			
State Bank of India	State Bank Bhavan, Corporate Centre, Madame Came Marg, Mumbai, Maharashtra – 400 021	2,825.37	15.58%
Bank of India	Star House, C-5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	1,362.75	7.51%
UCO Bank	Biplabi Trailokya Maharaj Sarani, Kolkata - 700001	1,066.49	5.88%
Syndicate Bank$	Maker Tower E, II Floor, Cuffe Parade, Colaba, Mumbai - 400005	1,007.98	5.56%
ICICI Bank	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051	884.65	4.88%
HDFC Limited	Ramon House, 4th Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Mumbai 400 020	863.89	4.76%
Union Bank of India$	Union Bank Bhavan, 239 Vidhan Bhavan Marg, Mumbai -400021	937.44	5.17%

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Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
Axis Bank	Maker Towers F, 13th Floor, Cuffe Parade, Mumbai - 400005	612.76	3.38%
Punjab National Bank	7, Bhikhaji Cama Place, New Delhi	681.80	3.76%
EXIM Bank	Centre One Building, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai - 400005	464.21	2.56%
Federal bank	Federal Towers, Aluva, Ernakulum, Kerala - 683101	402.00	2.22%
Central Bank of India	Chandermukhi, Nariman Point, Mumbai 400021	418.96	2.31%
JM Financial Credit Solution Limited	7th Floor, Cnergy, Appasaheb Marathe Mar, Prabhadevi, Mumbai 400025	395.00	2.18%
Indian Overseas Bank	763, Anna Salai, Chennai	423.48	2.33%
Cosmos Co-operative Bank Ltd	Cosmos Heights, 269/270 Shaniwar Peth, Pune - 411030	309.00	1.70%
L&T Infrastructure Finance Company Limited	3rd Floor, Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400 098	308.43	1.70%
Karur Vysya Bank	Erode Road, Karur - 639002	296.41	1.63%
Vijaya bank@	41/2 M. G. Road, Bangalore - 560001	257.98	1.42%
Diwan Housing Finance Ltd	3rd Floor, DHFL House, 19 Sahar Raod, Vile Parle (East), Mumbai - 400 099	240.00	1.32%
State Bank of Mysore#	P.B. No. 9727, Kempe Gowda Road, Bangalore - 560009	239.60	1.32%
Bank of Baroda@	Kalpataru Heritage Building, 6th floor, Nanik Motwani Lane, Fort, Mumbai - 400023	232.76	1.28%
Indian Bank	254-260, Avvai, Shanmugam Salai, Royapettah, Chennai - 600014	235.35	1.30%
Karnataka Bank	Mahavira Circle, Kankanadi, Mangalore - 575002	220.39	1.22%
State Bank of Travancore#	34, Poojapura, Thiruvananthapuram - 695012	199.00	1.10%
State Bank of Hyderabad#	Head Office- Gunfoundry, Hyderabad - 500001	192.97	1.06%
Oriental Bank of Commerce$	Harsh Bhavan, E- Block, Connaught Place, New Delhi - 110001	185.88	1.02%
State Bank of Patiala#	The Mall, Patiala - 147105	169.60	0.94%
IDBI Bank	IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005	232.32	1.28%
Dena Bank	C -10, G Block, Bandra Kurla Complex, Mumbai - 400051	120.93	0.67%
Allahabad Bank $	2, Netaji Subhash Road, Kolkata - 700001	113.56	0.63%
Canara Bank	112 J. C. Road, Bangalore	110.08	0.61%
L&T Finance Limited	City 2, Plot No. 177, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai 400 098	91.57	0.50%
Standard Chartered Bank	23, Narain Manzil, Barakhamba Road, New Delhi- 110001	89.84	0.50%
Corporation Bank	Mangladevi Temple Road, Mangalore - 575 001	87.61	0.48%
United Bank of India	11, Hemanta Basu Sarani, Kolkata	87.14	0.48%
Sicom Ltd	Solitaire Corporate Park, Building No 4, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400093	84.65	0.47%
State Bank of Bikaner & Jaipur#	Tilaknagar, Jaipur - 302005	83.35	0.46%
South Indian Bank	SIB House, Mission Quarters, T B Road, Thrissur, Kerala - 680001	79.33	0.44%
JM Financial Products Limited	7th Floor Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	120.85	0.67%
Catholic Syrian Bank	CSB Bhavan, St. Mary's College Road, Thrissur,	63.75	0.35%
Yes Bank	9th floor Nehru Centre, Worli, Mumbai - 400018	54.45	0.30%
Lakshmi Vilas Bank	LVB House,4/1,Sardar Patel Road, guindy, Chennai - 600032. Tamil Nadu	51.32	0.28%

Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
HSBC	52/60, M. G. Road, Fort, Mumbai - 400001	49.03	0.27%
Bank of Maharashtra	"Lokmangal" 1501, Shivajinagar, Pune 411005	59.33	0.33%
Stressed Assets Stabilisation Fund	IDBI Tower, 10th Floor, WTC Complex, Cuffe Parade, Mumbai 400005	31.20	0.17%
Andhra Bank	Dr. Pattabhi Bhawan, 5-9-11, Saifabad, Hyderabad 500 004	30.80	0.17%
Ratnakar Bank	One India Bulls Center, Tower 2, 6th Floor,841, Senapati Bapat Marg,Lower Parel (W),Mumbai 400013	25.00	0.14%
Tata Capital Financial Services Limited	One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai 400001	24.50	0.14%
Assets Care & Reconstruction Enterprise Ltd (ACRE)	13, 2nd Floor, Mohandev Building, Tolstoy Marg, New Delhi, Delhi 110001	22.70	0.13%
HUDCO	HUDCO Bhawan, Core-7-A, India Habitat Centre,Lodhi Road, New Delhi - 110 003	21.34	0.12%
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	0.10%
Small Industries Development Bank of India	Samruddhi Venture Park, Upper Ground Floor, MIDC Road, Marol, Andheri East. Mumbai – 400 093	15.13	0.08%
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	0.03%
Rupee Co-operative Bank	2062, Sadashiv Peth, Astang Ayurved Building, Pune- 411030	6.00	0.03%
IFCI Ltd	IFCI Tower 61 Nehru Place New Delhi-110 019	5.12	0.03%
SBI Global Factors Limited	6th Floor, Metropoliton Building, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	4.50	0.02%
BNP Paribas	Unit No 203, Sakar II, Ellisbridge, Ahmedabad 380006	3.39	0.02%
SBM Bank (Mauritius) Limited	101, Raheja Centre, Nariman Point, Mumbai 400 021	3.27	0.02%
IFCI Factors Limited	10Th Floor, IFCI Tower, 61 Nehru Place, New Delhi 110 019	3.13	0.02%
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%
Dhanalaxmi Bank	Dhanalaxmi Buildings, Naickanal, Thrissur, Kerala - 680001	1.59	0.01%

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Name of the selling bank/ financial institution / NBFC	Address	Acquisition cost ₹ in crore	% to total
The Nashik Road Deolali Vyapari Sahakari Bank Ltd	Kalpavruksha, Aashanagar, Nashikroad, Nashik, Maharashtra - 422101	1.50	0.01%
L & T Fincorp Limited	Brindavan, Plot no. 177, Vidyanagari Marg, CST Raod, Kalina, Santacruz, Mumbai 400 098	0.81	0.00%
UTI Mutual Fund	UTI Tower, Gn Block, Bandra Kurla Complex, Bandra (East) 400051	0.60	0.00%
Barclays Bank PLC	801/808 Ceejay House, Shivsagar Estate, Dr Annie Besant Road, Worli Mumbai 400 018.	0.42	0.00%
Industrial & Commercial Bank of China	Unit 801,8th Floor,A-Wing,ONE BKC, C-66, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051	0.41	0.00%
Omkara Asset Reconstruction Pvt Ltd.	C/515, Kanakia Zillion, Junction of L.B.S Road & CST Road B.K.C Annexe Near Equinox, Kurla West, Mumbai, Maharashtra 400070	0.17	0.00%
Dombivali Nagari Sahkari Bank Limited	Madhukunj" P-52, M.I.D.C. Kalyan Shil Road, Sonarpada, Dombivli (East) - 421 204	0.16	0.00%
Non Sponsors Total		**17,310.13**	**95.44%**
Grand Total		**18,138.04**	**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.

With effect from April 1, 2017 State Bank of Mysore, State Bank of Hyderabad, State Bank of Travancore, State Bank of Patiala, State Bank of Bikaner and Jaipur and State bank of Hyderabad are merged with State Bank of India.

@ With effect from April, 2019 Vijaya Bank and Dena Bank are merged with Bank of Baroda.

$ With effects from April 1, 2020 United Bank of India and Oriental Bank of Commerce are merged with Punjab National Bank. Allahabad Bank merged with Indian Bank and Syndicate Bank merged with Canara Bank.

b) Dispersion of various assets industry wise

Industry	Acquisition Price ₹ in crore	% to total
Hospitality	4,569.25	25.19%
Textiles	2,824.83	15.57%
Real Estate	2,511.54	13.85%
Iron & Steel	1,561.31	8.61%
Pharmaceuticals	1,425.19	7.86%
Ceramics	886.56	4.89%
Healthcare	626.43	3.45%
Infrastructure	338.17	1.86%
Chemicals	297.43	1.64%
Plywood/ laminates	276.51	1.52%
Airlines	238.75	1.32%
Retail	237.20	1.31%
Power	217.40	1.20%
Shipping	195.00	1.08%
Cement	171.52	0.95%
Media	139.71	0.77%
Trading	130.83	0.72%
Information Technology	126.66	0.70%
Metals	125.54	0.69%

Industry	Acquisition Price ₹ in crore	% to total
Leather	107.15	0.59%
Coal	101.80	0.56%
Plastics	92.79	0.51%
Packaging	92.79	0.51%
Food Products	87.82	0.48%
Others	755.86	4.17%
Total	**18,138.04**	**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, 2022 including financial assets resolved till date.

e) Restructuring Loan disbursed to one borrower amounting to ₹ 17 crore, has been classified as non- performing asset in earlier financial year. Provision of ₹ 12.59 crore has been made on the same as per Expected Credit Loss method.

f) The Company has put in place internal audit system, scope of which provides for periodical checks and review of the assets acquisition procedures and asset reconstruction measures and the matters related thereto.

g) Additional disclosure as per RBI Notification No. DBNS. PD (SC/RC). 8/ CGM (ASR) dated April 21, 2010.

Particulars	₹ in Crore (Face value)
Value of financial assets acquired during the financial year either in its own books or in the books of the trust	711.51
Value of financial assets realized during the financial year	650.51
Value of financial assets outstanding for realization as at the end of the financial year	9,596.06
Value of Security Receipts redeemed partly during the financial year	726.01
Value of Security Receipts redeemed fully during the financial year (including writeoffs)	109.60
Value of Security Receipts pending for redemption as at the end of the financial year	10,935.77
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)	1,696.35
Value of land and/or building acquired in ordinary course of business of reconstruction of assets	-

* Value of financial assets realized during the financial year includes the amount of ₹ 55.80 crore of financial asset written-off due to trust closure.

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

Particular	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	**603.69**	**9.90**	**593.79**	**113.59**	**(103.69)**
	Stage 2	-	-	-	-	-
Subtotal		**603.69**	**9.90**	**593.79**	**113.59**	**(103.69)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful						
Up to 1 year	Stage 3	-	-	-	-	-

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Particular	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 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	**17.00**	**12.59**	**4.41**	**17.00**	**(4.41)**
Subtotal for doubtful		**17.00**	**12.59**	**4.41**	**17.00**	**(4.41)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**603.69**	**9.90**	**593.79**	**113.59**	**(103.69)**
	Stage 2	-	-	-	-	-
	Stage 3	**17.00**	**12.59**	**4.41**	**17.00**	**(4.41)**
	Total	**620.69**	**22.49**	**598.20**	**130.59**	**(108.10)**

Note:

The Honorable Supreme Court vide orders dated October 30, 2017, November 20, 2017, April 09, 2018 and January 20, 2020, has directed that "No Coercive Action" can be taken against one of the borrower group of the Company, until further directions are being issued in this regard. As per recent judicial precedence, classification of an account as an Non Performing Account can also be considered as a "Coercive Action".

As at March 31, 2022, two loan accounts belonging to the same borrower group have outstanding interest which has not been serviced for more than 180 days.

In consideration to the aforesaid orders issued by the Honorable Supreme Court of India, the said accounts are classified as Standard Assets. However, the provision as required under the extant RBI guidelines for Non - Performing Advances amounting to ₹ 113.59 crore is carried for these borrower accounts. Of the provisions made ₹ 108.10 crore is made by transfer to the impairment reserve.

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

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

a) None of the assets have been acquired during the year at a price higher than the book value (value of assets declared by seller bank in the auction).

b) No assets (i.e. total purchase consideration paid at the trust level) have been disposed off during the financial year at a discount of more than 20% of its valuation as on the previous year end.

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

₹ in Crore

Name of Trust	Acquisition price	SRs outstanding	NAV % as on March 31, 2022
JMFARC-Karnataka Bank December 2014-Trust	115.00	73.97	25%
JMFARC - Indian Bank March 2016- Trust	65.01	14.82	4%
JMFARC - PNB March 2017 - Trust	148.05	71.87	75%
JMFARC – SBI Tollways March 2017 – Trust	102.00	72.08	70%
JMFARC - Karnataka Bank September 2017-Trust	13.54	13.54	75%

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

48. Disclosure of ratios:

Sr. No.	Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2022	Numerator (₹ in crore)	Denominator (₹ in crore)	As at March 31, 2021
a)	Capital to risk-weighted assets ratio (CRAR)	3,999.29	1,541.95	38.56%	4,076.32	1,485.70	36.45%
b)	Tier I CRAR*	NA	NA	NA	NA	NA	NA
c)	Tier II CRAR*	NA	NA	NA	NA	NA	NA
d)	Liquidity Coverage Ratio*	NA	NA	NA	NA	NA	NA

* not applicable considering the nature of company's business.

49. Contingent liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax matter under dispute* :		
Primarily relates to demand received from income tax authorities on account of disallowance of donation u/s 80G of Income Tax Act, 1961	0.41	-

* In respect of above disputed demand, the Group has filed appeal before appellate authority and has sufficient tax credit to pay the above demand in case the same materialises.

50. Additional Regulatory Information

i) The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

(ii) The Company has no transactions with the companies struck off under the Companies Act, 2013.

(iii) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) (A) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) During the year, the Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

viii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

ix) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

x) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

51. The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current year's figures.

52. The standalone financial statements are approved for issue by the Board of Directors at its meeting held on 12th May, 2022.

For and on behalf of the Board of Directors

V P Shetty Chairman (DIN - 00021773)	**Vishal Kampani** Director (DIN - 00009079)	**Anil Bhatia** Chief Executive Officer
Place : Mumbai Date : May 12, 2022	**Vineet Singh** Company Secretary	**Sabyasachi Ray** Chief Financial Officer

JM FINANCIAL

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