DOCUMENT CONTAINING DISCLOSURES AS PER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED BY SEBI (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 AND COMPANIES ACT, 2013 READ WITH THE RULES MADE THEREUNDER

JM FINANCIAL CREDIT SOLUTIONS LIMITED

The Company was incorporated as FICS Consultancy Services Limited, a public company limited by shares under the Companies Act, 1956 on May 15, 1980 in the State of Maharashtra with the registration number 022644. The name of the Company was changed from 'FICS Consultancy Services Limited' to 'JM Financial Credit Solutions Limited' with effect from March 4, 2015. The Corporate Identity Number (CIN) of the Company is U74140MH1980PLC022644.

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025
Tel: (022) 6630 3030 Fax: (022) 6630 3223
Compliance Officer / Contact Person: Mr. Hemant Pandya, Company Secretary
Email: hemant.pandya@jmfl.com / investorrelations.com@jmfl.com,
Website: www.jmfinancialcreditsolutions.com

DISCLOSURE DOCUMENT (DD) FOR PRIVATE PLACEMENT OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BG NCDs") OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH WITH A BASE ISSUE SIZE OF UPTO 500 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 1,000 NCDS, TOGETHER AGGREGATING TO 1,500 NCDs, AMOUNTING TO RS. 150,00,00,000/- (RUPEES ONE HUNDRED AND FIFTY CRORE ONLY)

GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in relation to any Tranche of this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Disclosure Document and the Issue including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. Prospective investors are advised to carefully read the risks associated with the Issue of Debentures. **Specific attention of investors is invited to statement of Risk Factors contained under Section II of this Disclosure Document.** These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase the Debentures.

CREDIT RATING

India Ratings and Research Private Limited has assigned a rating of "[IND] AA/ Stable" with a stable outlook to the captioned Issue and ICRA Limited (ICRA) has assigned a rating of [ICRA]AA with stable outlook. Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating agency has the right to suspend, withdraw or revise the rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the rating.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Disclosure Document contains all information as required under Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended, and RBI Guidelines, that this information contained in this Disclosure Document is true and fair in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

DISCLOSURE PERTAINING TO WILFUL DEFAULT UNDER SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008

Neither the Issuer nor any of its Promoters or Directors are declared as wilful defaulter.

LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of BSE Limited ("**BSE**"). BSE has given its 'in-principle' approval to list the Debentures vide its letter dated July 15, 2021.

This Disclosure Document is dated July 16, 2021.

REGISTRAR TO THE ISSUE
KFinTechnologies Private Limited
Karvy House, 46, Avenue 4
Street no.1, Banjara Hills, Hyderabad – 500 034
Tel. No. 040 23312454 / 23320751
Fax no. 040 23311968
E-mail varghese@karvy.com
Contact Person: Mr. P.A.Varghese
Designation: Zonal Head – Corporate Registry

DEBENTURE TRUSTEE
IDBI Trusteeship Services Limited
Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate
Mumbai – 400 001
Tel: +91 22 4080 7000; Fax: +91 22 6631 1776
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Ritobatra Mitra
Designation: Chief Manager (Operations)

Note: This Disclosure Document is strictly for a private placement and is only an information brochure intended for private use. Nothing in this Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force. This Disclosure Document should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act, 2013 (the Act) and the rules made thereunder. This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipient(s) are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. Further, since the Issue is being made on a private placement basis, the provisions of Section 31 of the Act, shall not be applicable and accordingly, a copy of this Disclosure Document along with the documents as specified under the head Material Contracts and Documents have not been filed with the Reserve Bank of India.

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SECTION – I

NOTICE TO INVESTORS AND DISCLAIMERS

This Disclosure Document (the **"Disclosure Document"** or **"DD"**) **is neither a prospectus nor a statement in lieu of prospectus** under the Companies Act, 2013 (the Act) and rules made thereunder, as amended from time to time. This Disclosure Document (DD) has not been submitted for its approval by the Securities and Exchange Board of India ("SEBI") and has been prepared by JM Financial Credit Solutions Limited (the Company) in conformity with the extant SEBI Regulations. This issue of Non-Convertible Debentures (NCDs) which is to be listed on the WDM segment of BSE Limited (BSE) is being made strictly on a private placement basis. This DD does not constitute and shall not be deemed to constitute an offer or an invitation to the public to subscribe to the NCDs. Neither this DD nor any other information supplied in connection with the NCDs is intended to provide the basis of any credit or other evaluation and a recipient of this DD should not consider such receipt a recommendation to purchase any NCDs. Each potential investor contemplating the purchase of any NCDs should make its own independent investigation of the financial condition and affairs of the Company and its own appraisal of the creditworthiness of the Company as well as the structure of the issue. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and the suitability of an investment to the investor's particular circumstances. No person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this DD or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

The Trustees, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the debentures/Bonds.

This DD and the contents hereof are addressed only to the intended recipients who have been addressed directly and specifically through a communication by the Company. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this DD are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient or made public or its contents disclosed to a third person. No invitation is being made to any person other than the investor to whom this DD has been sent. Any application by a person to whom this DD has not been sent by the Company may be rejected without assigning any reason.

Invitations, offers and sales of NCDs shall only be made pursuant to this DD. You may not and are not authorised to (1) deliver this DD to any other person; or (2) reproduce this DD in any manner whatsoever. Any distribution or reproduction or copying of this DD in whole or in part or any public announcement or any announcement to third parties regarding the contents of this DD is unauthorised. Failure to comply with this instruction may result in a violation of applicable laws of India and/or other jurisdictions. This DD has been prepared by the Company for providing information in connection with the proposed Issue. The Company does not undertake to update this DD to reflect subsequent events after the date of this DD and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Company.

Neither the delivery of this DD nor the issue of any NCDs made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date thereof.

This Issue is a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. Hence, this DD does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the NCDs or the distribution of this DD in any jurisdiction where such action is required. This DD is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. Persons into whose possession this DD comes are required to inform themselves about and to observe any such restrictions. This DD is made available to potential investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

It is the responsibility of allottees of these NCDs to also ensure that they/it will transfer these Debentures in strict accordance with this DD and other applicable laws.

DISCLAIMER CLAUSE OF SEBI

As per the provisions of SEBI (Issue and Listing of Debt securities) Regulations, 2008 as amended, a copy of this DD has not been approved by SEBI. It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company or for the correctness of the statements made or opinions expressed in this DD.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this DD has been filed with BSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended. It is to be distinctly understood that submission of this DD to the BSE should not in any way be deemed or construed to mean that this DD has been reviewed, cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DD. BSE does not warrant that the NCDs will be listed or will continue to be listed on BSE nor does BSE take any responsibility for the soundness of the financial and other conditions of the Company, its promoters, its management or any scheme or project of the Company.

DISCLAIMER CLAUSE OF RBI

The Company is having a valid certificate of registration dated August 27, 2003 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not any responsibility nor guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/discharge of liabilities by the company. It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by RBI.

DISCLAIMER CLAUSE OF THE COMPANY

The Company has certified that the disclosures made in this DD are adequate and in conformity with SEBI guidelines and RBI Guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed Issue. The Company accepts no responsibility for statements made otherwise than in the DD or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

DISCLAIMER IN RESPECT OF JURISDICTION

Issue of these Debentures have been/will be made in India to investors as specified under clause "**Who Can Apply**" in this DD, who have been/shall be specifically approached by the Company. This DD is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Maharashtra. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of Mumbai.

DISCLAIMER OF THE ARRANGER

It is advised that the Issuer Company has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Arranger in the assignment is confined to marketing and placement of the Debentures on the basis of this Disclosure Document as prepared by the Issuer Company. The Arranger has neither scrutinized/ vetted nor has it done any due-diligence for verification of the contents of this Disclosure Document. The Arranger shall use this document for the purpose of soliciting subscription to eligible investors in the Debentures to be issued by the Issuer Company on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arranger should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Arranger; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer Company. The Arranger or any of its directors, employees, affiliates or representatives does not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

FORCE MAJEURE

The Company reserves the right to withdraw the Issue at any time or any Tranche under the Issue prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, collected in respect of that Tranche without assigning any reason.

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Disclosure Document.

General terms

Term	Description
JM Financial Credit Solutions Limited / JMFCSL / the Company / the Issuer	JM Financial Credit Solutions Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India

Company related terms

Term	Description
Auditor	Deloitte Haskins & Sells LLP, the statutory auditors of the Company
Board of Directors/Board	The board of directors of the Company or any committee thereof
Director(s)	Director(s) of the Company, as may change from time to time, unless otherwise specified
Memorandum and Articles	The Memorandum & Articles of Association of the Company, as amended from time to time
NBFC	Non-Banking Financial Company as per Reserve Bank of India Act, 1934, as amended from time to time
Registered Office	The registered office of the Company located at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India

Issue related terms

Term	Description
Act	Shall mean the notified provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time and the Companies Act, 1956, which are in force as of the date of this DD
Allotment/Allot	The allotment of the NCDs or Debentures
Application Form	The form in which an investor can apply for subscription to the NCDs
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act
BSE	BSE Limited
Business Day	A day which is not a 2nd or 4th Saturday, Sunday or a public holiday for the purposes of Section 25 of the Negotiable Instrument Act, 1881 (26 of 1881) on which banks are open for general banking business in Mumbai and “Business days” is to be construed accordingly.
CDSL	Central Depository Services (India) Limited
CCPS	Compulsory Convertible Preference Shares of the Company of face value of Rs. 10/- each
Debenture(s)	Secured, Rated, Listed, Redeemable, Non-convertible Debentures (“Debentures” or “NCDs” or “Tranche BG NCDs”) of the face value of Rs. 10,00,000/- (Rupees Ten Lakh) each with a base issue size of upto 500 NCDs with an option to retain oversubscription of upto 1,000 NCDs aggregating to 1,500 NCDs, amounting to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crore) to be issued pursuant to this issue.

Term	Description
Debenture Holder	The Debenture holder whose name appears in the register of debenture holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose
Debenture Trustee	Trustee for the Debenture Holders
Deemed Date of Allotment	The deemed date of allotment of Tranche BG NCDs being July 19, 2021.
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996
Disclosure Document/ DD	This Disclosure Document through which the Issue is being made and which contains the disclosures as per Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and as per Companies Act, 2013, as amended from time to time.
DP-ID	Depository Participant Identification Number
DRR	The Company being a Non-Banking Financial Company, no Debenture Redemption Reserve would be created for the privately placed Debentures, in accordance with the provisions of the Companies Act, 2013.
EBM	Electronic Book Mechanism for issuance of debt securities on private placement basis
Equity Shares	Equity shares of the Company of face value of Rs. 10/- each
Issue	Private placement of the Debentures
Interest / Coupon Rate	The rate of interest payable, if any, on the NCDs for the period specified in the DD issued for each Tranche of the Debentures
IT Act	Income Tax Act
Market Lot	The minimum lot size for trading of the Debentures on the Stock Exchange, being one Debenture
Moveable Property	Moveable Property shall mean the specific identified Receivables of the Company which shall be provided as security in relation to the Debentures
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NCDs	Debentures issued pursuant to this Issue
NEFT	National Electronic Fund Transfer Service
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
Promoter	JM Financial Limited
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RBI Guidelines	RBI Guidelines means the guidelines issued by RBI for the purpose of issue of NCDs
RoC	Registrar of Companies, Mumbai, Maharashtra
Rating Agency/Credit Rating Agency	India Ratings and Research Private Limited/ICRA Limited or any other SEBI registered Credit Rating Agency appointed from time to time

Term	Description
Receivables	Receivables shall mean all amounts payable to the Company by the obligors including principal, interest, additional interest, overdue charges, premium on prepayment, prepayment proceeds, GST (if any) arising out of any of loans and advances of the Company.
Redemption Date	With respect to any Debentures shall mean the date on which repayment of principal amount and all other amounts due in respect of the Debentures will be made
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being KFin Technologies Private Limited
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time
Security	Means the security created by the Company to secure its obligations in respect of the Debentures and includes movable properties of the Company
Stock Exchange	National Stock Exchange of India Limited / BSE Limited
TDS	Tax Deducted at Source
Tranche BG – 2021 (XXVIII)	Shall mean upto 1,500 NCDs issued under this DD
WDM	Wholesale Debt Market Segment of the NSE / BSE

SECTION – II

RISK FACTORS

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider all the risk factors in this DD for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this DD and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

A. INTERNAL RISK FACTORS

1. The Promoter is involved in certain tax proceedings that if determined against the Promoter, could have a material adverse effect on our business, financial condition and results of operations.

2. Any volatility in interest rates could adversely affect the net interest margin, financial performance and results of operations.

3. If the Company is unable to continue to benefit from the relationship with the Promoter and the "JM Financial" brand, the business and results of operations may be adversely affected.

4. The Company operates in an increasingly competitive financial services industry, which creates significant pricing pressures and may adversely affect the net interest margins, income and market share. Further, the Company's growth depends on its ability to compete effectively in this competitive environment.

5. The Company is a non-deposit taking Systematically Important Non- Banking Finance Company i.e. NBFC-ND-SI and therefore the Company is subject to supervision and regulation by the RBI, as an NBFC-ND-SI, and other regulatory authorities. The Company operates in highly regulated business and is subject to various laws and regulations and regulatory investigations. Changes in the RBI's regulations and other regulations, and the regulation governing the Company or the industry in which the Company operates may have a material adverse effect on the business, financial condition or results of operation.

6. The Company's ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on the business and could affect the growth, margins and business operations.

7. Non-compliance with RBI inspection/ observations may have a material adverse effect on the business, financial condition or results of operation.

8. The Company's loan portfolio is significantly exposed to real estate which may lead to an increase in its impairment losses and adversely affect the financial condition and results of operations.

9. The Company significantly depends on and is exposed to risks emanating from economic, regulatory and other changes in the Mumbai Metropolitan Region, which if the Company is unable to manage successfully may have an adverse effect on the revenues, cash flows, profits and financial condition.

10. The Company may experience difficulties in expanding its business into new regions and markets in India and introducing its complete range of products in each of its branches.

11. The real estate industry in India has witnessed significant downturns in the past, and any significant downturn in the future or any adverse developments in the real estate sector could adversely affect the Company's business, financial condition and results of operations.

12. Any downgrade in credit ratings could increase interest rates for refinancing outstanding debt, which would increase financing costs, and adversely affect future issuances of debt and the ability to borrow on a competitive basis, which could adversely affect the business, financial condition, results of operations and cash flows.

13. The Company's business requires substantial funds, and any disruption in funding sources or an increase in the average cost of borrowings could have a material adverse effect on its liquidity and financial condition.

14. The loan portfolio of the Company is Rs. 72,200.7 Million as on March 31, 2021 and Rs. 72,168.59 Million as on September 30, 2020. Any default and late or non-payment by from the Company's clients could adversely affect the business, results of operations and financial condition. Any such defaults and late or non- payments would result in provisions or write-offs in the financial statements which may materially and adversely affect the asset quality, cash flows and profitability. The Company's gross loan portfolio (excluding inter-corporate deposits) is secured by assets, moveable and immoveable. The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of assets and the Company may not be able to recover the estimated value of the assets, thus exposing it to potential losses. Any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could also expose the Company to potential losses.

15. The Company reported a Net NPA of Rs. 1,649.0 Million as on March 31, 2021 and Rs. 1,054.41 Million as on September 30, 2020. Increase in NPA levels due to client defaults could impact the quality of the Company's portfolio and the business may be adversely affected if the Company is unable to provide for such higher levels of NPAs.

16. The Company may not be able to recover the secured loans on a timely basis, or at all, and the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. The Company's inability to recover outstanding amounts under loans may adversely affect our business.

17. The Company derives majority/substantial of its revenues from its top 20 borrowers. The Company's inability to maintain relationship with such borrower or any default and non-payment in future or credit losses of its single borrower or group exposure where the Company has a substantial exposure could materially and adversely affect our business, future financial performance and results of operations.

18. The Company has significant exposure to real estate loans and any impact on its financial performance or the sector in which the Company operate or the economy in general will adversely affect the Company's results of operation.

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19. The Company also extends loans to real estate developers for acquisition of land parcels which are at a nascent stage and have not received regulatory approvals with respect to development of such land parcels.

20. An inability to effectively manage and sustain our rate of growth, or maintain operational efficiencies, may adversely affect the Company's business and the Company may not be able to increase its revenues or maintain profitability.

21. The Company's business is dependent on the JM Financial Group's goodwill and 'JM Financial' brand name. Any adverse impact on the brand name 'JM Financial' or any change in control of the JM Financial Group or any other factor affecting the business and reputation of the JM Financial group may have a concurrent adverse effect on its reputation, business and results of operations.

22. The Company's business operations are reliant on its information technology and telecommunication systems. Any failure of or disruptions/ security breach in its systems, inability to adapt to the technological changes could have an adverse impact on the business, operations and financial condition.

23. The Company is exposed to significant credit risk in its business operations which may expose the Company to significant losses and adversely affect the business and results of operations.

24. The Company's risk management measures and internal controls, may not be fully effective in mitigating its risks in all market environments or against all types of risks, which may adversely affect the business and financial performance.

25. The Company is dependent on its senior management and other key personnel as well as certain intermediaries, and the loss of, or its inability to attract or retain, such persons could adversely affect the business, results of operations, financial condition and cash flows.

26. Unsecured loans that the Company may provide could be susceptible to certain operational and credit risks which may result in increased levels of NPAs which may adversely affect its business, prospects, results of operations and financial condition.

27. The Company has a high concentration of loans to certain customer groups. If a substantial portion of these loans were to become non-performing, the quality of the credit portfolio could be adversely affected.

28. The Company may not be able to detect money-laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could expose it to additional liability and harm our business or reputation.

29. The Company relies on third-party intermediaries and service providers who may not perform their obligations satisfactorily or in compliance with law. Any such non-compliance with law or unsatisfactory service by the third-party intermediaries and service providers engaged by us for certain services could have an adverse impact on its business and results of operations.

30. The Company is subject to regulations in relation to minimum capital adequacy requirements and a decline in its CRAR may require the Company to raise fresh capital which may not be available on favourable terms, or at all, which may affect its business, prospects, results of operations and financial condition. A decline in the capital adequacy ratio could also restrict the future business growth.

31. The Company may face asset-liability mismatches that could adversely affect the cash flows, financial condition and results of operations.

32. If the Company is not able to obtain, renew or maintain its statutory and regulatory permits and approvals required to operate its business it may have a material adverse effect on the Company business.

33. Failure to maintain confidential information securely or significant security breaches could adversely impact the Company business, financial condition, cash flows, results of operations and prospects.

34. The Company may introduce new products for its customers and there is no assurance that the new products will be profitable in the future. Further, the Company faces additional risks as the Company expands its product and service offerings and grow the business.

35. The Company's substantial indebtedness and the conditions imposed by the financing and other agreements could adversely affect the ability to conduct its business and operations.

36. The Company depends on the accuracy and completeness of information about customers and counterparties and any misrepresentation, errors in or incompleteness of such information could cause its business to suffer.

37. The Company may experience negative cash flows in the future.

38. The Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.

39. The Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that the Company could not have achieved more favorable terms if such transactions had been entered into with third parties.

40. The Company's Promoter, Directors and related entities have interests in a number of entities which are in businesses similar to the Company's business and this may result in potential conflicts of interest with the Company.

41. The Indian Bankruptcy Code 2016 may affect the Company's rights to recover loans from borrowers.

42. The Company's insurance coverage could prove inadequate to satisfy potential claims and the Company's insurance policies may not protect it against all potential losses, which could adversely affect the business and results of operations.

43. The Company will be subject to a number of new accounting standards as part of its transition to IND (AS) that may significantly impact its financial statements in future reporting periods.

44. The Company's office locations are not registered in its name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.

45. As the market is growing faster and new players are emerging, the risk of existing employees switching to another company is increasing which may impact the performance of the Company.

46. Potential investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. Potential investors assume the risk that the Company will not be able to satisfy its obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

47. With the growth of its business, the Company will increasingly rely on funding from the debt capital markets and commercial borrowings. The Company's growth will depend on its continued ability to access funds at competitive rates which in turn will depend on various factors including its ability to maintain its credit ratings. If the Company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans or have adequate funds for its investment activities. This may adversely impact its business results and its future financial performance.

48. India Ratings and Research Private Limited has assigned "IND AA/Stable" rating for long term borrowings upto Rs. 4,500 Crore through NCDs and ICRA Limited has assigned [ICRA]AA rating with stable outlook for long term borrowings upto Rs. 5,500 Crore through NCDs. The Company cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

49. JM Financial Limited, the Company's holding company, has not provided any guarantee in any manner with respect to the Debentures and no Investor shall have any recourse against JM Financial Limited or any of its promoters or group companies, except the Company, with respect to the performance of the terms and conditions of the Issue.

50. The terms of the Debentures contain provisions for calling meetings of Debenture Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Debenture Holders including Debenture Holders who did not attend and vote at the relevant meeting and Debenture Holders who voted in a manner contrary to the majority.

51. In terms of Rule 18(7) of Companies (Share Capital and Debentures) Rules, as amended, the Company is neither required to create Debenture Redemption Reserve nor required to make investment @15%, as prescribed in the said rule, in respect of the debentures to be issued under this Disclosure Document.

52. In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of the Debenture Trustee Deed and other related documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of the property offered as security, and (ii) finding a willing buyer for such security at a price sufficient to repay the potential investors' amounts outstanding under the Debentures.

53. Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

54. Company's financing arrangements require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangements and such breach continues beyond the stipulated cure period, the Company may be subjected to various consequences as a result of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Company is required to inform / obtain prior approval of the lenders / debentures holders / debenture trustee for various actions. This may restrict / delay some of the actions / initiatives of the Company from time to time.

B. EXTERNAL RISK FACTORS

1. Instability or difficult conditions in the financial markets could adversely affect the Company's business, results of operations and financial condition.

2. A slowdown in economic growth in India could cause the Company's business to suffer.

3. Political instability or changes in the Government could adversely affect economic conditions in India and consequently the Company's business.

4. Financial instability, economic developments and volatility in securities markets in other countries may also affect the business of the Company.

5. The Indian tax regime has undergone substantial changes which could adversely affect the Company's business and profits.

6. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect the Company's business, prospects, results of operations and financial condition.

7. Differences exist between Indian GAAP and other accounting principles, which may be material to investors' assessments of the Company's financial condition.

8. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect the Company's ability to raise financing and its business.

9. The Company's ability to raise foreign debt capital may be constrained by Indian law.

10. Inflation in India could have an adverse effect on the Company's profitability and if significant, on the Company's financial condition.

11. Acts of terrorism, civil disturbance, communal conflicts, regional conflicts and other similar threats to security could adversely affect the Company's business, cash flows, results of operations and financial condition.

12. Natural disasters and other disruptions, including any pandemic crisis could adversely affect the Indian economy and could adversely affect the Company's business, results of operations and financial condition.

13. We may find it difficult to raise funds in terms of quantum, cost and tenure under the current liquidity scenario which may adversely affect the Company's business and operations.

C. GENERAL RISK FACTORS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Disclosure Document issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by SEBI or RBI nor does SEBI or RBI guarantee the accuracy or adequacy of this DD.

D. ADDITIONAL ASSUMPTIONS

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the NCDs shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the initial subscribers and any subsequent purchasers (Debenture Holder, as referred to hereinabove and hereinafter):

1) has reviewed the terms and conditions applicable to the NCDs as contained in all transaction documents in the DD and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that NCDs are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;
2) has received all the information believed by it to be necessary and appropriate or material in connection with, and for, investment in the NCDs;
3) has sufficient knowledge, experience and expertise as an investor, to make the investment in the NCDs;
4) has not relied on either the Company or any of its affiliate, associate, holding, subsidiary or group entities or any person acting in its or their behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the NCDs set out in this DD;
5) has understood that information contained in this DD is not to be construed as business or investment advice;

6) has made an independent evaluation and judgement of all risks and merits before investing in the NCDs;

7) has understood that the method and manner of computation of returns and calculations on the NCDs shall be solely determined by the Company and the decision of the Company shall be final and binding;

8) has understood that in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder(s) and no liability thereof will attach to the Company;

9) has understood that in the event that the Debenture Holder(s) suffers adverse consequences or loss, the Debenture Holder(s) shall be solely responsible for the same and the Company, its parent, its subsidiaries or affiliates shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder(s) including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;

10) has the legal ability to invest in the NCDs and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or its assets;

11) where the Debenture Holder is a mutual fund / provident fund / superannuation fund / gratuity fund (each a "fund"), that:

    (a) investing in the NCDs on the terms and conditions stated herein is within the scope of the fund's investment policy and does not conflict with the provisions of the trust deed / bye laws / regulations currently in force,

    (b) the investment in NCDs is being made by and on behalf of the fund and that the fund is in force and existing and the investment has been ratified by appropriate resolutions, and

    (c) the investment in NCDs has been duly authorised and does not contravene any provisions of the trust deed / bye laws / regulations as currently in force or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets;

12) where the Debenture Holder is a company/body corporate, that:

    (a) the Debenture Holder is not precluded under any law, rules, regulations and / or circular(s) issued by any statutory authority (ies) including under the Act from investing in the NCDs;

    (b) all necessary corporate or other necessary action has been taken and that the Debenture Holder has corporate ability and authority, to invest in the NCDs;

(c) investment in the NCDs does not contravene any provisions of the Memorandum and Articles of Association or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets;

(d) the Debenture Holder is not debarred from accessing the capital market or has been restrained by any regulatory authority from directly or indirectly acquiring the said securities; and

(e) the Debenture Holder shall pay for subscription of the debentures from his own bank account.

SECTION – III

DISCLOSURES AS PER SCHEDULE I OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED

D. ISSUER INFORMATION

A.a. Name and Address of the following:

Sr. No.	Particulars	Details
1.	Name of the Issuer	JM Financial Credit Solutions Limited
2.	Registered and Corporate Office of the Issuer	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 – 6630 3030 Fax: 022 – 6630 3223
3.	Compliance Officer of the Issuer	**Mr. Hemant Pandya** (Company Secretary) 5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 – 6630 3551 Fax: 022 – 6630 3223 Email: hemant.pandya@jmfl.com / investorrelations.csl@jmfl.com
4.	Chief Financial Officer of the Issuer	**Mr. Gagan Kothari** 5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel. No. 022 – 6630 3360 Fax: 022 – 6630 3223 Email: gagan.kothari@jmfl.com
5.	Trustee of the Issue	**IDBI Trusteeship Services Limited** Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel: +91 22 4080 7000; Fax: +91 22 6631 1776 E-mail: rmitra@idbitrustee.com; Contact Person: Mr. Ritobatra Mitra
6.	Registrar of the Issue	**Kfin Technlogies Private Limited** Karvy House, 46, Avenue 4, Street no.1, Banjara Hills, Hyderabad – 500 034 Tel. No. 040 23312454 / 23320751; Fax no. 040 23311968 E-mail Varghese@karvy.com Contact Person: Mr. P.A.Varghese
7.	Credit Rating agency of the Issue	**India Ratings and Research Private Limited** Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051. **ICRA Limited (ICRA)** 3rd Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
8.	Auditors of the Issuer	**Deloitte Haskins & Sells LLP** Indiabulls Finance Centre, Tower 3, 27th – 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400 013, India Tel: +91 22 6185 4000; Fax: +91 22 6185 4601 website: www.deloitte.com

Investors can contact the Compliance Officer of the Company in case of any pre-Issue or post-Issue related matters.

A.b. A brief summary of the business / activities of the Issuer and its line of business:

A.b.i. Overview:

The Company is a subsidiary of JM Financial Limited which is the flagship listed company of JM Financial Group. JM Financial Group has interests in investment banking, institutional and retail equity broking, wealth management, investment advisory services, portfolio management, asset management, commodity broking, securities based lending, corporate lending, private equity and asset reconstruction.

The Company is registered with the RBI as a "non-deposit taking systemically important non-banking financial company (NBFC-ND-SI)".

India Ratings and Research Private Limited has assigned a long term rating of "IND AA/ Stable" with a stable outlook to the captioned Issue and ICRA Limited has assigned a rating of "ICRA AA" with stable outlook to the long term NCDs.

Details of the branch of the Company as on June 30, 2021

The Company has a branch office at Delhi, Chennai and Bangalore. The address is as mentioned below:

Delhi:
6th Floor, Sood Towers,Unit No. 608, 609 – 610, Barakhamba Road, Connaught Place, New Delhi, Delhi 110 001

Chennai:
Seetakathi Business Centre,2nd floor 215, 684-690, Anna Salai, Mount Road, Chennai – 600 006

Bangalore:
40/1A, 4th floor, Basappa Complex, Lavelle Road, Bengaluru – 560001

A.b.ii. Corporate Structure:

The corporate structure of the Company as on June 30, 2021 is as below:

Sr. No.	Name of the Shareholder	No. of fully paid-up equity shares	% of total shareholding
1.	JM Financial Limited along with its nominees	13,19,431	46.68%
2.	INH Mauritius 1	13,84,087	48.96%
3.	Moraine Master Fund LP	84,343	2.98%
4.	Ms. Aparna Aiyar	38,955	1.38%
	Total	**28,26,816**	**100%**

A.b.iii. Key Operational and Financial Parameters:

The Key Operational and Financial Parameters for the last three Audited Financial year ended March 31, 2021 are as under:

Parameters	As at March 31, 2019	As at March 31, 2020	As at March 31, 2021
	(Rs. million, except number of accounts / groups)		
Net worth	29,093.0	32,912.7	36,498.6
Total debt			
i) Non-current maturities of long term borrowings	30,452.5	32,005.6	32,325.7
ii) Short term borrowings	6,611.4	1,244.6	9,000.0
iii) Current maturities of long term borrowings	18,986.1	15,279.7	13,745.4
Net fixed assets	9.8	173.7	152.8
Non-current assets	59,779.1	45,105.1	40,586.9
Cash and cash equivalents	1,783.3	283.9	2,326.0
Current investments	2,702.9	9,071.4	19,728.0
Current assets	25,846.1	36,891.7	51,614.9
Current liabilities	25,937.7	16,806.5	23,073.0
Assets under management	-	-	-
Off balance sheet assets	-	-	-
Interest income from funding activities	12,580.1	12,641.0	11,311.8
Interest expense	5,787.4	5,485.3	4,491.3
Provisioning and write – offs	159.9	1,450.0	1,850.2
PAT	4,063.6	3,823.1	3,589.8
Gross NPA (%)	1.1%	2.1%	4.0%
Net NPA (%)	0.9%	1.4%	2.3%
Tier I Capital Adequacy Ratio (%)	33.6%	39.1%	38.9%
Tier II Capital Adequacy Ratio (%)	0.7%	1.2%	1.3%

Note: The above figures for the year ended March 31, 2021, are subject to the shareholders' approval in the upcoming Annual General Meeting.

Gross Debt: Equity Ratio of the Company

Before the issue of NCDs*#	1.51
After the issue of NCDs*^#	1.55

* As per the audited financials as on March 31, 2021 (yet to be adopted by Members of the Company)
^ Assuming issue of NCDs with a base issue size of 500 NCDs with an option to retain oversubscription of upto 1,000 NCDs aggregating upto 1,500 NCDs.
# Gross debt equity ratio without netting off cash / cash equivalents

A.b.iv. Project cost and means of financing, in case of funding new projects:
Not Applicable

A.c. A brief history of the Issuer since its incorporation giving details of its following activities:

History and Change in the name of the Company

The Company was incorporated on May 15, 1980 as a public limited company under the provisions of the Companies Act, 1956.

The Company had obtained a certificate of registration dated August 27, 2003 bearing registration no. B – 13.01681 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act, 1934.

The name of the Company was changed from 'FICS Consultancy Services Limited' to 'JM Financial Credit Solutions Limited' with effect from March 4, 2015.

The authorized share capital of the Company was increased from Rs. 5,00,000/- (Rupees Five Lakh only) divided into 50,000 equity shares of Rs.10/- each to Rs. 5,00,00,000/- (Rupees Five Crore only) divided into 30,00,000 equity shares of Rs. 10/- each and 20,00,000 preference shares of Rs.10/- each vide the special resolution passed by the Members at their extra-ordinary general meeting held on October 30, 2014.

The Company on November 3, 2014 had allotted 12,00,000 equity shares to JM Financial Limited pursuant to the issue of equity shares on right issue basis. Further, on November 20, 2014, the Company had allotted 12,49,496 CCPS and 4 equity shares, pursuant to the issue of securities to them on private placement basis.

The Board had on February 9, 2017, converted 12,15,292 CCPS of the face value of Rs. 10/- each, held by INH Mauritius 1, into equal number of fully paid up equity shares of the face value of Rs. 10/- each, after obtaining the requisite approval of RBI. Further, the Board had on July 21, 2017, converted 34,204, CCPS of the face value of Rs. 10/- each, held by Ms. Aparna Murthy Aiyar, into equal number of fully paid up equity shares of the face value of Rs. 10/- each. Post the said conversion of CCPS into equity shares, the paid up equity share capital of the Company was Rs. 2,49,95,000/- (Rupees Two Crore Forty Nine Lakh Ninety Five Thousand only) representing 24,99,500 equity shares of the face value of Rs. 10/- each.

The Board of Directors at its meeting held on September 26, 2018, approved the issuance of 3,47,153 equity shares of the face value of Rs. 10/- each including 19,837 partly paid up equity shares of the face value of Rs. 10/- each, on private placement basis. Accordingly, the Allotment Committee of the Board at its meeting held on September 28, 2018, allotted 69,431 fully paid up equity shares and 19,837 partly paid up equity shares to JM Financial Limited, 1,68,791 fully paid up equity shares to INH Mauritius 1 and 84,343 fully paid up equity shares to Moraine Master Fund LP. Additionally, the Allotment Committee on November 30, 2018 allotted 4,751 fully paid up equity shares to Ms. Aparna Murthy Aiyar.

Post the above infusion, the paid up equity share capital of the Company was Rs. 2,83,07,834/- (Rupees Two Crore Eighty Three Lakh Seven Thousand Eight Hundred and Thirty Four only) representing 28,26,816 fully paid up equity shares of the face value of Rs. 10/- each and 19,837 partly paid up equity shares of the face value of Rs. 10/- each out of which Rs. 2/- per share is paid up.
The partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. The Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020.

The Board of Directors of the Company at its meeting held on April 30, 2018 had approved the raising of funds by way of public issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of the face value of ₹ 1,000/- each and Unsecured, Rated, Listed, Redeemable Non-Convertible Debentures of the face value of ₹ 1,000/- each, for an amount upto ₹ 2,000 Crore.

A.c.i. Details of Share Capital as on June 30, 2021:

Share Capital	Particulars
Authorised Share Capital	Rs. 5,00,00,000 comprising: - 30,00,000 Equity Shares of Rs. 10/- each - 20,00,000 Preference Shares of Rs. 10/- each
Issued, Subscribed and Paid up Share Capital	Rs. 2,82,68,160/- (Rupees Two Crore Eighty Two Lakh Sixty Eight Thousand One Hundred and Sixty only) representing 28,26,816 fully paid up equity shares of the face value of Rs. 10/- each.

A.c.ii: Changes in its capital structure as on June 30, 2021:

Change in Authorized Share Capital of the Company is as under:

Date of change (AGM / EGM)	Rs.	Particulars
EGM held on October 30, 2014	Rs. 5,00,00,000/-	Increase in authorized share capital of the Company from Rs. 5 Lakh to Rs. 5 Crore divided into 30,00,000 (Thirty Lakh) equity shares of Rs. 10 each and 20,00,000 (Twenty Lakh) preference shares of Rs. 10 each

A.c.iii. Equity Share Capital History of the Company till June 30, 2021:

The history of equity share capital raised by the Company till June 30, 2021 is as under:

Date of Allotment	No. of equity shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (Rs.)	Equity Share premium (in Rs.)
On incorporation	7	10	10	Cash	Allotment to Subscribers[1]	7	70	Nil
September 9, 1980	49,993	10	10	Cash	Initial Public Offer[2]	50,000	5,00,000	Nil
November 3, 2014	12,00,000	10	2,870	Cash	Rights Issue[3]	12,50,000	1,20,50,000	3,43,20,00,000
November 20, 2014	4	10	4,320	Cash	Private placement[4]	12,50,004	1,25,00,040	3,43,20,17,240

Date of Allotment	No. of equity shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (Rs.)	Equity Share premium (in Rs.)
February 9, 2017	12,15,292	10	-	-	Conversion of CCPS into Equity Shares[5]	24,65,296	2,46,52,960	8,66,99,25,760*
July 21, 2017	34,204	10	-	-	Conversion of CCPS into Equity Shares[6]	24,99,500	2,49,95,000	8,81,73,45,000*
September 28, 2018	3,22,565	10	25,205	Cash	Private placement[7]	28,22,065	2,82,20,650	16,94,43,70,175
September 28, 2018	19,837	10	25,205	Cash	Private placement[8]	28,41,902	2,82,60,324	17,04,43,28,818
November 30, 2018	4,751	10	25,205	Cash	Private placement[9]	28,46,653	2,83,07,834	17,16,40,30,263

* 1,249,496 CCPS were allotted on November 20, 2014 at a premium of Rs. 4,310 per CCPS. The securities premium account was accordingly credited with a total of Rs. 5,385,327,760 upon allotment of the CCPS.
#The above Equity Share Premium amount is exclusive of Share Issue Expenses.

1. Allotment of Equity Shares to Navinchandra Kampani (1), Mahendrakumar Kampani (1), Nimesh Kampani (1), Aruna Kampani (1), Nalin Mehta (1), Lila Mehta (1) and Belman Anchan (1).

2. Allotment of Equity Shares to several applicants pursuant to Initial Public Offer (49,993) (2).

3. Allotment of Equity Shares on rights basis to JMFL (12,00,000) (3).

4. Allotment of Equity Shares pursuant to private placement offer to INH Mauritius 1 (4).

5. Allotment of Equity Shares upon conversion of CCPS held by INH Mauritius 1(12,15,292) (CCPS were allotted on November 20, 2014) (5).

6. Allotment of Equity Shares upon conversion of CCPS held by Ms. Aparna Aiyar (34,204) (CCPS were allotted on November 20, 2014) (6).

7. Allotment of 3,22,565 fully paid up Equity Shares pursuant to Private Placement offer to JM Financial Limited (69,431), INH Mauritius 1 (1,68,791) and Moraine Master Fund LP (84,343) (7).

8. Allotment of 19,837 partly paid up Equity Shares pursuant to Private Placement offer to JM Financial Limited, wherein the amount partly paid up on the face value of such Equity Shares is Rs. 2 per Equity Share (8).

9. Allotment of 4,751 fully paid up Equity Shares pursuant to Private Placement offer to Ms. Aparna Murthy Aiyar (9).

10. 19,837 partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. The Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020. Accordingly, the Equity Share capital of the Company consist of 28,26,816 fully paid up equity shares of Rs. 10/- each aggregating to Rs. 2,82,68,160/-.

The details of preference share capital raised by the Company till June 30, 2021 are as under:

Date of Allotment	No. of Preference shares	Face value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of preference shares	Preference Share Capital (Rs.)	Preference Share premium (in Rs.)
November 20, 2014	12,49,496	10	4,320	Cash	Private placement	12,49,496	1,24,94,960	5,38,53,27,760

The details of preference share capital converted by the Company as on June 30, 2021 are as under:

Date of conversion	No. of Preference shares	Face value (Rs.)	Nature of conversion	No. of Preference Shares post conversion	Preference Share Capital post conversion (Rs.)
February 9, 2017	(12,15,292)	10	CCPS	34,204	3,42,040
July 21, 2017	(34,204)	10	CCPS	Nil	Nil

A.c.iv. Details of any Acquisition or Amalgamation in the last one year:

None

A.c.v. Details of any Reorganisition or Reconstruction in the last one year:

None

A.d. Details of the shareholding of the Company as on the latest quarter end:

A.d.i. Shareholding pattern of the Company as on June 30, 2021:

Sr. No.	Name of the Shareholder	Number of fully paid-up equity shares held	Face value per equity share (Rs.)	% of total shares
1.	JM Financial Limited along with its nominees	13,19,431	10/-	46.68
2.	INH Mauritius 1	13,84,087	10/-	48.96
3.	Ms. Aparna Aiyar	38,955	10/-	1.38
4.	Moraine Master Fund LP	84,343	10/-	2.98
	Total	**28,26,816**	-	**100.00%**

A.d.ii. List of top 10 holders of equity shares of the Company as on the latest quarter end:

The list of top 10 holders of equity shares of the Company as on June 30, 2021 is as under:

Sr. No.	Name of the Shareholder	Number of fully paid-up equity shares held (face value of Rs. 10/- each)	% of total shares
1.	JM Financial Limited along with its nominees	13,19,431	46.68
2.	INH Mauritius 1	13,84,087	48.96
3.	Ms. Aparna Aiyar	38,955	2.98
4.	Moraine Master Fund LP	84,343	1.38
	Total	**28,26,816**	**100.00%**

A.e. Following details of the directors of the Company:

A.e.i. Details of the current directors of the Company:

Sr. No.	Name, Designation	DIN	Age	Address	Director of the Company since	Occupation
1.	Mr. Vikram Pandit Non-Executive Chairman	07062676	64	310 East 53rd Street Apartment #29C New York, 10022 United States of America	06/01/2015	Finance Professional
2.	Mr. Vishal Kampani Non-Executive Vice-Chairman	00009079	44	C-2301/2302, Floor 23, Beau Monde, Tower C Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	01/08/2019	Investment Banker
3.	Mr. Hariharan Aiyar Non-Executive Vice-Chairman	01374306	53	1501, 15th Floor Lodha Costiera Nepean sea Road Mumbai – 400036	20/11/2014	Finance Professional
4.	Mr. V P Shetty Non-Executive Director	00021773	74	B-1802, 18th Floor, Ansal Heights, G.M. Bhosale Marg, Worli Naka, Worli, Mumbai 400018	15/07/2014	Professional
5.	Ms. Dipti Neelakantan Non-Executive Director	00505452	63	1203A, Birchwood, Hiranandani Gardens, Powai, Mumbai 400076	28/10/2015	Professional
6.	Mr. Darius E Udwadia Independent Director	00009755	81	Udwadia & Udeshi, Elphinstone House, 1st Floor 17, Murzban Road Mumbai – 400 001	16/07/2015	Solicitor & Advocate
7.	Dr. Anup Shah Independent Director	00293207	44	502, Doli Chambers Strand Road, Colaba Mumbai 400005	29/03/2016	Professional
8.	Mr. Satish Chand Mathur Independent Director	03641285	63	804, 8th Floor Casa Grande CHSL, C.T.S. Number 249, Senapati Bapat Road, Opp Peninsula Park, Lower Parel. Mumbai - 400013	01/08/2019	Professional

To the best of the Company's knowledge and belief, none of the current Directors are appearing in the RBI defaulter list.

Details of other directorship of the current directors of the Company as on date:

Sr. No.	Name of the Director	Details of other directorship
1.	Mr. Vikram Pandit	Bombardier Inc. EXL Service Fair Square Financial Services Virtusa Corporation
2.	Mr. Vishal Kampani	JM Financial Limited JM Financial Capital Limited JM Financial Institutional Securities Limited JM Financial Home Loans Limited JM Financial and Investment Consultancy Services Private Limited JM Financial Services Limited JM Financial Asset Reconstruction Company Limited JM Financial Products Limited JM Financial Singapore Pte. Limited Infinite India Investment Management Limited Capital Market Publishers India Private Limited
3.	Mr. Hariharan Ramamurthy Aiyar	JM Financial Home Loans Limited SV India Opportunities Advisors Private Limited Sical Infra Assets Limited INH Mauritius 1 INH Mauritius 2
4.	Mr. Vaddarse Prabhakar Shetty	JM Financial Products Limited JM Financial Asset Reconstruction Company Limited JM Financial Home Loans Limited JM Financial Asset Management Limited
5.	Mr. Darius E Udwadia	JM Financial Limited Concast (India) Private Limited Conservation Corporation of India Private Limited Habasit India Private Limited Kamaludwadia Foundation Rossi Gearmotors (India) Private Limited
6.	Ms. Dipti Neelakantan	JM Financial Services Limited JM Financial Institutional Securities Limited Infinite India Investment Management limited JM Financial Trustee Company Private Limited Kampani Consultants Limited Parag Parikh Financial Advisory Services Limited
7.	Dr. Anup Shah	JM Financial Services Limited JM Financial Capital Limited JM Financial Home Loans Limited Claris Limited *(formerly known as Altheon Enterprises Limited)* Claris Lifesciences Limited Health and Education Foundation Knowhowhub.com Private Limited Landmark Business Service Centre Private Limited Macro Investment and Financial Consultants Private Limited Mahindra Susten Private Limited
8.	Mr. Satish Chand Mathur	JM Financial Asset Reconstruction Company Limited Tilaknagar Industries Limited Indiabulls Housing Finance Limited JBF Industries Limited

A.e.ii. Details of change in directors since last three years:

Sr. No.	Name and Designation	DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
1.	Mr. Vishal Kampani	00009079	01/08/2019 (Date of appointment)	-	Appointed as a Nominee Director
2.	Mr. Satish Chand Mathur	03641285	01/08/2019 (Date of appointment)	-	Appointed as an Additional (Independent) Director
3.	Mr. Satish Chand Mathur	03641285	21/07/2020 (Date of appointment)	-	Appointed as an Independent Director
4.	Mr. Darius E Udwadia	00009755	16/07/2020 (Date of reappointment)	-	Re-appointed as Independent Director for a further term of 3 years.

A.f. Following details regarding the auditors of the Company:

A.f.i. Details of the auditor of the Company:

Name and Address	Date of appointment	Remarks
Deloitte Haskins & Sells LLP Indiabulls Finance Centre, Tower 3, 27th – 32nd Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400 013, India Tel: +91 22 6185 4000; Fax: +91 22 6185 4601	21/07/2020	Re-appointed by the Members of the Company for a further period of five years from the conclusion of the Fortieth Annual General Meeting (AGM) till the conclusion of the Forty Fifth AGM.

A.f.ii. Details of change in auditor since last three years: None

A.g. Details of Borrowings of the Company, as on the latest quarter end:

A.g.i. Details of Secured Loan Facilities as on June 30, 2021:

a. Term Loan

(Rs. in Million)

Name of Bank / FI	Date of Sanction	Sanctioned Amount	Outstanding Amount	Repayment Date / Schedule
Bank of Baroda – III	28-03-2018	2,500.0	178.2	14 quarterly installments after moratorium of 6 months with door-to-door tenor of 48 months
Bank of Baroda – V	06-09-2019	2,000.0	875.0	16 quarterly installments
Bank of India	12-12-2019	3,000.0	2,433.4	16 quarterly installments after moratorium of 12 months with door to door tenor of 60 months
Canara Bank - II	15-03-2021	2,000.0	1,900.0	equal quarterly installment with door to door tenor of 60 months
HDFC Bank Limited - IV	08-10-2018	500.0	55.6	36 months with principal payable monthly
HDFC Bank Limited - V	25-03-2021	1,500.0	1,500.0	36 months with principal payable quarterly
IDFC First Bank Ltd	28-09-2020	2,500.0	2,500.0	36 equal monthly installment from disbursement of each tranche after moratorium of 24 months
IDBI Bank	20-03-2021	250.0	-	14 equal quarterly instalments after 18 months of moratorium with door to door tenor of 60 months
State Bank of India - IV	09-07-2020	3,750.0	3,750.0	16 equal quarterly installment payable from the end of first quarter after moratorium of 12 months
The South Indian Bank Limited	06-03-2019	300.0	262.5	8 equal quarterly installments of Rs. 3.75 Crore starting from end of 24 months. Repayment holiday of 24 months
Bajaj Finance - III	19-10-2020	750.0	656.3	16 equal quarterly installments from the date of disbursement
Total		**19,300.00**	**20,900.0**	**14,410.9**

Note: Above loans are secured by way of hypothecation of loan receivable on pari passu charge with other lenders

Above table do not include IND AS adjustments (deduction of Effective Interest Rate Rs. 9.62 Crore and addition of accrued interest Rs. 2.75 Crore).

E. Working Capital facilities

Sr. No.	Bank	Date of Sanction	Amount sanctioned (Rs. In Million)	Amount outstanding as on June 30, 2021 (Rs. In Million)
1.	State Bank of India	30-03-2015	1,000.0	-
2.	HDFC Bank	01-03-2016	100.0	-
3.	IDBI Bank	20-10-2015	500.0	300.0
4.	Punjab National Bank	30-09-2015	250.0	-
	Total		**1,850.0**	**1,000.0**

F. Details of other secured borrowings as on June 30, 2021: None

A.g.ii. Details of Unsecured Loan Facilities as on June 30, 2021:

Forms part of the list of Top 10 Commercial Paper holders on page 32

A.g.iii. Details of NCDs as on June 30, 2021:

(Rs. In Million)

Debenture Series	Tenor/ period (days)	Coupon (p.a.) in %	Amount	Date of Allotment	Redemption Date/ Schedu	Credit Rating
Tranche J	2008	9.70	200.0	09-02-2016	09-08-2021	ICRA AA(Stable) / IND AA/Stable
Tranche K	2008	9.70	100.0	26-02-2016	26-08-2021	ICRA AA(Stable) / IND AA/Stable
Tranche AD-Option II	1826	9.00	100.0	23-03-2017	23-03-2022	ICRA AA(Stable) / IND AA/Stable
Tranche AL-Option I	1278	Zero Coupon	500.0	12-03-2018	10-09-2021	ICRA AA(Stable) / IND AA/Stable
Tranche AL-Option II	1369	Zero Coupon	200.0		10-12-2021	
Tranche AR	2556	9.75	1,000.0	18-07-2019	17-07-2026	ICRA AA(Stable) / IND AA/Stable
Tranche AR	2923	9.75	1,000.0		19-07-2027	
Tranche AR	3288	9.75	1,000.0		18-07-2028	
Tranche AR	3653	9.75	1,000.0		18-07-2029	
Tranche AS	1826	10.00	6,000.0	24-07-2019	23-07-2024	ICRA AA(Stable) / IND AA/Stable
Tranche AT-Option I	731	10.50	200.0	23-08-2019	23-08-2021	ICRA AA(Stable) / IND AA/Stable
Tranche AT-Option II	731	Zero Coupon	300.0	23-08-2019	23-08-2021	
Tranche AU	1095	9.40	1,250.0	18-05-2020	18-05-2023	ICRA AA(Stable) / IND AA/Stable
Tranche AV	1084	9.40	750.0	29-05-2020	18-05-2023	ICRA AA(Stable) / IND AA/Stable
Tranche AW	730	9.10	333.3	16-06-2020	16-06-2022	ICRA AA(Stable) / IND AA/Stable
Tranche AW	1095	9.10	333.3		16-06-2023	
Tranche AX	548	8.75	1,000.0	19-08-2020	18-02-2022	ICRA AA(Stable) / IND AA/Stable
Tranche AY	729	9.00	500.0	17-09-2020	16-09-2022	ICRA AA(Stable) / IND AA/Stable
Tranche AZ	3651	9.20	550.0	02-11-2020	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BA	3641	9.20	500.0	12-11-2020	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BB	3612	9.20	450.0	11-12-2020	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BC	3601	9.20	500.0	22-12-2020	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BD	3580	9.20	500.0	12-01-2021	01-11-2030	ICRA AA(Stable) / IND AA/Stable
Tranche BE	731	8.25	100.0	05-02-2021	06-02-2023	ICRA AA(Stable) / IND AA/Stable
Tranche BE	819	8.25	100.0		05-05-2023	
Tranche BE	910	8.25	100.0		04-08-2023	
Tranche BE	1004	8.25	100.0		06-11-2023	
Tranche BE	1095	8.25	100.0		05-02-2024	
Tranche BF	4383	8.60	300.0	25-03-2021	25-03-2033	ICRA AA(Stable) / IND AA/Stable
Public Tranche I -Option I	1157	9.25	1,165.2	07-06-2018	07-08-2021	ICRA AA(Stable) / IND AA/Stable
Public Tranche I -Option II	1157	Zero Coupon	243.9	07-06-2018	07-08-2021	
Public Tranche I -Option III	1826	9.50	3,653.1	07-06-2018	07-06-2023	
Public Tranche I -Option IV	1826	9.11	170.3	07-06-2018	07-06-2023	
Public Tranche I -Option V	3653	9.75	2,148.1	07-06-2018	07-06-2028	
Public Tranche I -Option VI	3653	9.34	119.4	07-06-2018	07-06-2028	
Public Tranche II -Option I	1278	10.00	987.2	13-12-2018	13-06-2022	ICRA AA(Stable) / IND AA/Stable
Public Tranche II -Option II	1278	Zero Coupon	317.3	13-12-2018	13-06-2022	
Public Tranche II -Option III	1826	10.10	490.9	13-12-2018	13-12-2023	
Public Tranche II -Option IV	1826	9.67	428.7	13-12-2018	13-12-2023	
Public Tranche II -Option V	3653	10.25	250.4	13-12-2018	13-12-2028	
Public Tranche II -Option VI	3653	9.81	161.5	13-12-2018	13-12-2028	
		Total	**29,202.7**			

Note: Above NCDs are secured by way of hypothecation of identified book/loan/assets receivables on pari passu charge basis with other investors/lenders.
Above table do not include IND AS adjustments (deduction of Effective Interest Rate of Rs. 25.73 Crore and discount on issue of NCDs of Rs. 15.59 Crore..
Above table do not include accrued interest on NCDs Rs. 139.37 crore.

A.g.iv. List of top 10 Debenture Holders as on June 30, 2021:

A. Private Placement of Non-Convertible Debentures (Face Value – Rs. 10,00,000/- per NCD)

Sr. No.	Name of the Debenture Holder	Face Value (in Rs.)
1.	Life Insurance Corporation of India	400,00,00,000
2.	Aditya Birla Mutual Fund	360,00,00,000
3.	Bank of India	200,00,00,000
4.	Indian Oil Corporation Limited (Refineries Division) Employees Provident Fund	115,00,00,000
5.	Bank of Baroda	100,00,00,000
6.	Star Health and Allied Insurance Company Limited	80,00,00,000
7.	Navodaya Vidyalaya Samiti Contributory Provident Fund A/C	78,00,00,000
8.	Axis Mutual Fund	75,00,00,000
9.	Sporta Technologies Private Limited	69,00,00,000
10.	Nippon India Mutual Fund	51,00,00,000
	Total	**1528,00,00,000**

Name of the debenture holders have been obtained from the beneficiary position statement made available by the RTA, viz., Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited).

B. Public Issue of Non-Convertible Debentures (Face Value – Rs. 1,000/- per NCD)

Sr. No.	Name of the Debenture Holder	Face Value (in Rs.)
1.	Aditya Birla Finance Limited	1,08,00,00,000
2.	Star Health and Allied Insurance Company Limited	65,00,00,000
3.	Sporta Technologies Private Limited	57,00,00,000
4.	Britannia Dairy Private Limited	50,00,00,000
5.	HVPNL Employees Pension Fund Trust	28,00,00,000
6.	Bajaj Holdings & Investment Limited	25,00,00,000
	Kotak Mutual Fund	25,00,00,000
	The Federal Bank Limited	25,00,00,000
7.	RCF Limited Employees Provident Fund	15,00,00,000
	RAMS Investment Unit Trust - India Fixed Income Fund	15,00,00,000
8.	Astute Investments	12,96,88,000
9.	ENAM Asset Management Company Private Limited	10,00,00,000
	HPGCL Employees Pension Fund Trust	10,00,00,000
	Nippon India Mutual Fund	10,00,00,000
	Visakhapatnam Steel Project Employees Provident Fund Trust	10,00,00,000
	UTI Mutual Fund	10,00,00,000
10.	The Nainital Bank Limited	7,50,00,000
	Total	483,46,88,000

Name of the debenture holders have been obtained from the beneficiary position statement made available by the RTA, viz., Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited).

A.g.v. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued:
Nil

A.g.vi. Details of Commercial Paper as on June 30, 2021:

Sr. No.	ISIN Numbers	Amount (Rs. In Million)	Maturity Date
1	INE651J14AU4	1000	July 30, 2021
2	INE651J14AV2	2750	June 14, 2022
	Total	**3750**	

Note: Above table includes unamortised discount of Rs. 177.8 million.

A.g.vii. Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference shares) as on June 30, 2021: Nil

A.g.viii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtness including corporate guarantee issued by the Company, in the past 5 years: None

A.g.ix. Details of any outstanding borrowings taken/ debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option:
None

A.h. Details of Promoters of the Company:
JM Financial Limited holds 46.68% of our Equity Share capital. Pursuant to Section 2(69) of the Companies Act, 2013, JM Financial Limited shall be deemed to be the promoter of the Company.

JM Financial Limited (JM Financial), is the flagship listed company of JM Financial Group. JM Financial is engaged in various financial services businesses on its own and through its subsidiary and associate companies forming a well-diversified yet integrated financial services group. JM Financial holds investments in its subsidiaries that are engaged in various businesses, viz., Non-Banking Financial Services, Asset Reconstruction, Equity Research, Equity Broking to Institutional and Non-Institutional Investors, Wealth Management advisory, Mutual Funds Asset Management, etc.

A.h.i. Details of Promoter holding in the Company:

Sr. No.	Name of the shareholders	Total no. of fully paid-up Equity shares	No. of shares	Total shareholding as % of total share capital	No. of Shares Pledged	% of Shares pledged with respect to shares owned
1.	JM Financial Limited with its nominees	13,19,431	13,19,431	46.68%	0	0%

A.i. & j. Abridged version of audited standalone financial information for the last three financial years :

Abridged version of Balance Sheet as per IndAS

(Rs. In Million)

Sr.No	Particulars	As at 31.03.2021	As at 31.03.2020	As at 31.03.2019
	ASSETS			
1	**Financial Assets**			
A	Cash and cash equivalents	2,326.0	283.9	1,783.3
B	Bank balance other than (A) above		-	45.0
C	Trade receivables	-	3.0	-
D	Loans	68,307.1	71,759.7	80,160.4
E	Investments	20,277.0	9,071.4	2,952.9
F	Other financial assets	59.3	10.9	40.6
		90,971.9	**81,128.9**	**84,982.2**
2	**Non-financial Assets**			
A	Current tax assets (net)	167.2	133.3	12.9
B	Deferred tax assets (net)	887.1	540.0	590.1
C	Property, plant and equipment	151.9	172.2	7.6
D	Other intangible assets	0.9	1.5	2.2
E	Other non-financial assets	22.8	20.9	30.2
		1,229.9	**867.9**	**643.0**
	Total Assets	92,201.8	**81,996.8**	**85,625.2**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
A	**Payables**			
	(I)Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	78.6	98.8	112.3
B	Debt securities	35,076.6	30,454.0	32,485.6
C	Borrowings (Other than Debt securities)	19,994.5	18,075.9	23,564.3
D	Other financial liabilities	491.8	419.1	314.9
	Total Financial Liabilities	**55,641.5**	**49,047.8**	**56,477.1**
2	**Non-Financial Liabilities**			
A	Current tax liabilities (net)	-	-	31.7
B	Provisions	21.9	19.2	16.1
C	Other non-financial liabilities	39.8	17.1	7.3
	Total Non-Financial Liabilities	61.7	**36.3**	**55.1**
3	**EQUITY**			
A	Equity Share capital	28.3	28.3	28.3
B	Other Equity	36,470.3	32,884.4	29,064.7
	Total Equity	**36,498.6**	**32,912.7**	**29,093.0**
	Total Liabilities and Equity	**92,201.8**	**81,996.8**	**85,625.2**

Notes:

- *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.*
- *The above figures for the year ended March 31, 2021, are subject to the approval and adoption by the Members of the Company in the upcoming Annual General Meeting.*

Abridged Statement of Profit & Loss as per IndAS

(Rs. In Million)

Sr. No.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2019
I.	**Income:**			
	Revenue from operations			
	Interest income	11,311.8	12,641.1	12,580.1
	Fees and commission income	9.9	13.7	51.1
	Net gain on fair value changes	351.1	417.6	139.0
	Net gain on derecognition of financial instruments under amortised cost category	-	22.2	17.9
	Other operating income	2.1	3.3	2.8
	Total Revenue from Operations	**11,674.9**	**13,097.9**	**12,790.9**
	Total Income	**11,674.9**	**13,097.9**	**12,790.9**
II.	**Expenses:**			
	Finance costs	4,491.3	5,485.3	5,787.4
	Impairment on financial instruments	1,850.2	1,449.9	159.9
	Employee benefits expense	277.9	274.2	315.2
	Depreciation, amortization and impairment	21.9	21.9	2.3
	Operating and other expenses	246.3	516.9	262.6
	Total expenses	**6,887.6**	**7,748.2**	**6,527.4**
III.	Profit before Tax	**4,787.3**	**5,349.7**	**6,263.5**
IV	**Less: Tax expense**			
	Current tax	1,544.6	1,476.0	2,235.4
	Deferred tax	(347.1)	50.2	(42.0)
	Tax adjustment of earlier years(net)	-	-	6.2
		1,197.5	**1,526.2**	**2,199.6**
V	**Net Profit for the year**	**3,589.8**	**3,823.5**	**4,063.9**
VI	**Other Comprehensive Income**			
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Items that will not be reclassified to profit or loss			
	- Actuarial gain/(losses) on post-retirement benefit plans	0.4	(0.5)	(0.4)
	- Income tax on the above	(0.1)	0.1	0.1
	Total Other Comprehensive Income	**0.3**	**(0.4)**	**(0.3)**
VII	**Total Comprehensive Income**	**3,590.1**	**3,823.1**	**4,063.6**
VIII	**Earnings Per Equity Share**			
	(Face value of Rs. 10/- each)			
	Basic (Rs.)	1,269.89	1,352.58	1,524.01
	Diluted (Rs.)	1,269.89	1,352.58	1,519.43

Notes:

- *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*
- *The above figures for the year ended March 31, 2021, are subject to the approval and adoption by the Members of the Company in the upcoming Annual General Meeting.*

Statement of Cash Flow as per IndAS

(Rs. In Million)

Sr. no	Particulars	For the year ended		
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2019
A	**Cash flow from operating activities**			
	Profit before tax	4,787.3	5,349.7	6263.5
	Adjustment for:			
	Depreciation and authorized expenses	21.9	21.9	2.3
	Profit on sale of investments (net realized and unrealized)	(351.1)	(417.6)	(139.0)
	Provision for gratuity	2.2	2.1	1.6
	Provision for compensated absences	1.0	0.9	1.7
	Write off	-	254.7	-
	Provision for impairment	1,850.2	1,449.9	159.9
	Interest on fixed deposits	(1.3)	(2.7)	(2.7)
	Interest expenses – others	15.4	17.2	5.6
	Operating profit before working capital changes	**6,325.6**	**6,676.1**	**6,292.9**
	Adjustment for:			
	(Increase)/decrease in trade receivables	3.0	(0.3)	-
	(Increase)/decrease in loans	1,633.0	6,945.8	(8,244.8)
	(Increase)/decrease in other financial and non-financial assets	(47.7)	30.1	(225.5)
	Increase in trade payables and other liabilities	84.2	(66.8)	98.2
	Decrease in Provisions	-	(0.4)	1.1
	Cash (used in) operations	**7,998.1**	**13,581.8**	**(2,078.1)**
	Direct taxes paid	(1,614.7)	(1,628.9)	(2,237.9)
	Net cash (used in) operating activities	**6,383.4**	**11,952.9**	**(4,316.0)**
B	**Cash flow from investing activities**			
	Purchase of investments	(76,125.6)	(9,88,846.6)	(398,363.5)
	Sale of investments	65,271.1	9,82,895.8	395,549.6
	Fixed deposits placed with bank	(2.5)	45.0	(45.0)
	Interest received on bank deposits	4.1	2.2	2.8
	Purchase of fixed assets	(1.0)	(1.9)	(5.3)
	Net cash (used in)/ generated from investment activities	**(10,853.90)**	**(5,905.5)**	**(2,861.4)**
C	**Cash flow from financing activities**			
	Proceeds from issue of equity share		-	8,350.0
	Share issue expenses		-	(8.3)
	Dividend paid	(4.2)	(3.4)	-
	Repayment of lease obligations	(24.3)	(23.3)	-
	Interest paid	(0.1)	(0.2)	(0.1)
	Proceeds from debt securities	9,189.6	19,873.5	43,138.5
	Repayment of debt securities	(4,567.0)	(21,905.1)	(41,022.3)
	Proceeds from borrowings other than debt securities	20,612.4	10,886.4	5,110.6
	Repayment of borrowings other than debt securities	(18,693.8)	(16,374.7)	(7,791.1)
	Net cash generated from financing activities	**6,512.6**	**(7,546.8)**	**7,777.3**
	Net increase in Cash and cash equivalents	2,042.1	(1,499.4)	599.9
	Cash and cash equivalents at the beginning of the year	283.9	1,783.3	1,183.4
	Cash and cash equivalents at the end of the year /period	**2,326.0**	**283.9**	**1,783.3**

Notes:

- *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.*
- *The above figures for the year ended March 31, 2021, are subject to the approval and adoption by the Members of the Company in the upcoming Annual General Meeting.*

A.k. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

Save as stated elsewhere in this DD, since the date of the last published audited financial accounts, to the best of the Company's knowledge and belief, no material developments have taken place that will materially affect the performance or prospects of the Company.

A.l. Name of the Debenture Trustee:

The Company has appointed IDBI Trusteeship Services Limited as the Debenture Trustee for the Issue. The address and contact details of the Debenture Trustee are as under:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001
Tel: +91 22 4080 7000
Fax: + 91 22 6631 1776
Contact Person: Mr. Ritobatra Mitra, Chief Manager (Operations)
Email: rmitra@idbitrustee.com
Website: www.idbitrustee.com

IDBI Trusteeship Services Limited has given its consent to the Company under regulation 4 (4) of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended to be appointed as the Debenture Trustee for this Issue.

All the rights and remedies of the Debenture Holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture Holders (other than to the extent as will be set out in the relevant Debenture Trust Deed(s)). All Debenture Holder(s) shall without any further act or deed be deemed to have irrevocably given their authority and consent to IDBI Trusteeship Services Ltd. To act as their Debenture Trustee and authorized the Debenture Trustee or any of its agents or authorized officials to do, inter alia, acts, deeds and things necessary in respect of or relating to their duty in such capacity including accepting the Security to be created by the Company in terms of this DD. No Debenture Holder shall be entitled to proceed directly against the Company unless the Debenture Trustee having become so bound to proceed, fails to do so.

Any payment by the Company to the Debenture Trustee on behalf of the Debenture Holders shall discharge the Company pro tanto to the Debenture Holders. The Debenture Trustee shall carry out its duties and shall perform its functions as per the SEBI Regulations and this DD, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed(s) entered into between the Company and the Debenture Trustee and a notice in writing to the Debenture Holders shall be provided for the same.

The Debenture Trustee will protect the interest of the Debenture Holders on the occurrence of an event of default by the Company in regard to timely payment of interest and repayment of principal and it will take necessary action at the Company's cost as provided in the Debenture Trust Deed.

A.m. The detailed rating rationale(s) adopted/ credit rating letter issued by the rating agencies shall be disclosed:

India Ratings and Research Private Limited has assigned a long term rating of "IND AA/ Stable" with a stable outlook to the captioned Issue. As per India Ratings and Research Private Limited's rating letter, instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and such instruments carry very low credit risk.

ICRA Limited has assigned a long term rating of "[ICRA] AA" with a stable outlook to the captioned Issue. As per ICRA's rating letter, instruments with this rating are considered to have high degree of safety regarding timely payment of financial obligations. Such instruments carry very low credit risk.

Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The Rating Agency has the right to suspend, withdraw or revise the rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the Rating Agency believes may have an impact on the rating.

A copy of the rating letters and rating rationale obtained from India Ratings and Research Private Limited and ICRA Limited (ICRA) rating letter and is enclosed in **Annexure A**.

A.n. Details/Copy of Guarantee or Letter of Comfort or any other Document/Letter with similar intent, if any:

None

A.o. Copy of Consent Letter from the Trustee:

A copy of the consent letter of IDBI Trusteeship Services Limited dated July 15, enclosed in **Annexure B**.

A.p. Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange:

BSE will be the designated stock exchange for the Issue. NCDs will be listed on the wholesale debt market segment of BSE.

As per SEBI Circular dated October 5, 2020 (SEBI/HO/DDHS/CIR/P/2020/198), the Company shall complete the listing of NCDs within T+4 trading day (T being the date of closure of the Issue).

In case of delay in listing of NCDs beyond the timeline specified above, the Company will pay penal interest, of 1% p.a. over and above the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) and the Company would be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchange.

A.q. Other Details:

A.q.i. Debenture Redemption Reserve:

As per the provisions of sub-rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the applicability of creating DRR does not apply as listed privately placed debentures are exempt from the requirement of creation of debenture redemption reserve. Pursuant to this rule, the Company is not required to create any such reserve funds for the redemption of the Debentures.

A.q.ii. Further issue under existing International Securities Identification Number (ISIN):

a. Company reserves the right to make multiple issuances under the same ISIN with reference to SEBI Circular No. CIR/IMD/DF-1/67/2017 dated June 30, 2017 and SEBI Circular No. CIR/DDHS/P/59/2018 dated March 28, 2018; and

b. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium/par/discount as the case may be in line with SEBI Circular CIR/IMD/DF-1/67/2017 dated June 30, 2017 and SEBI Circular No. CIR/DDHS/P/59/2018 dated March 28, 2018.

A.q.iii. Issue/instrument specific regulations:

The Debentures are governed by and will be construed in accordance with the Indian laws. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Act, regulations/guidelines/directions of RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time. The Debenture-holders, by purchasing the Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures.

Further, the said Debentures shall be subject to the terms and conditions as contained in the application form, Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement and other Transaction / Security documents.

A.q.iv. Application Process:

How to Apply

Applications for the NCDs must be made in the prescribed Application Form as provided by the Company and must be completed in block letters in English by the investors. Application Form must be accompanied by either a demand draft or pay order or cheque drawn or made payable in favour of "JM Financial Credit Solutions Limited" only and should be crossed "Account Payee only". Demand Draft(s) / pay Order(s) / cheque(s) may be drawn on any bank including a co-operative bank, which is a member or sub-member of the Banker's clearing house located at Mumbai. However, the amount to be paid for the subscription of NCDs should be paid from the bank account of the person subscribing to such NCDs.

In case the payment is made through any electronic mode of payment such as RTGS/NEFT/NACH/ Direct Credit, the funds have to be credited to the Company's current account, the details of which are provided in the Application Form.

It may be noted that payment by any other means shall not be accepted. The Company assumes no responsibility for any applications/cheques/demand drafts/pay orders lost in mail or in transit or any failure of electronic fund transfer.

Who can apply

Nothing in this DD shall constitute and/or deem to constitute an offer or an invitation to offer, to be made to the public or any section thereof through this DD and this DD and its contents should not be construed to be a prospectus under the Act. The Issue is a domestic issue and is being made in India only. This DD and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and only such recipients are eligible to apply for the NCDs. The categories of investors eligible to subscribe to the NCDs in this Issue, when addressed directly, are:

a. Banks;
b. Financial Institutions;
c. Non-Banking Financial Companies;
d. Companies/LLP;
e. Mutual Funds;
f. Insurance Companies;
g. Provident Funds, Gratuity, Superannuation and Pension Funds, subject to their investment guidelines; and
h. Individuals
i. Hindu Undivided Family (HUF)
j. Any other eligible investor authorized to invest in the Debentures.

All investors are required to check and comply with applicable laws including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of NCDs and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company, are eligible to apply for the Debentures. No other person may apply. Hosting of DD on the website of the NSE should not be construed as an offer or an invitation to offer to subscribe to the NCDs and the same has been hosted only as it is stipulated by the SEBI Regulations. Investors should check their eligibility before making any investment.

Submission of Documents

Investors should submit the following documents, wherever applicable:

a. Memorandum and Articles of Association/Documents governing constitution
b. Government notification/certificate of incorporation
c. SEBI registration certificate, if applicable
d. Resolution authorizing investment along with operating instructions
e. Power of Attorney (original & certified true copy)
f. Form 15AA granting exemption from TDS on interest
g. Form 15H for claiming exemption from TDS on interest on application money, if any
h. Order u/s 197 of IT Act
i. Order u/s 10 of IT Act
j. Specimen signatures of uthorized persons
k. Certified true copy of PAN card
l. Registered / communication address
m. Foreign Account Tax Compliance Act (FATCA) Form

The list of documents required to be provided by an investor as mentioned above is only indicative and an investor will be required to provide all additional documents / authorizations / information, which may be required by the Company. The Company may, but is not bound to revert to any investor for any additional documents / information and can accept or reject an application as it deems fit, without assigning any reasons.

Submission of completed Application Form

All applications duly completed accompanied by fund transfer instrument / fund transfer instructions from the respective investor's account to the account of the Company, shall be submitted at the Registered Office of the Company.

Applications under Power of Attorney / Relevant Authority

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organisations or Trusts etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's office where the application has been submitted failing which the applications are liable to be rejected.

Application by Mutual Funds

In case of applications by Mutual Funds registered with SEBI, a separate application must be made in respect of each scheme of the Mutual Fund and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustee/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason thereof. Application Forms that are not complete in all respects may be rejected at the sole and absolute discretion of the Company. Any application, which has been rejected, would be intimated by the Company along with the refund warrant.

Fictitious Applications

Fictitious Applications will be rejected. Attention of applicants is specially drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447 of the Companies Act, 2013."

Debentures in Dematerialised mode

The Company will make allotment of NCDs to investors in due course after verification of the application form, the accompanying documents and on realization of the application money. The allotted NCDs will be credited in dematerialized form within 2 (two) Business Days from the Deemed Date of Allotment. Investors will have to hold the NCDs in authorized zed form as per the provisions of Depositories Act. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form.

Notwithstanding the foregoing, investors have the option to seek rematerialisation of NCDs (i.e. investors shall have the right to hold the NCDs in physical form) at any time in the future.

C. ISSUE DETAILS

The Company proposes to issue Secured, Rated, Listed, Redeemable, Non-Convertible Debentures – Tranche BG – 2021 (XXVIII) (NCDs), with a base issue size of upto 500 NCDs and with an option to retain oversubscription of upto 1,000 NCDs, together aggregating to 1,500 NCDs, amounting to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crore) on a private placement basis.

Pursuant to a resolution dated October 25, 2018 passed by the Company's shareholders in accordance with provisions of the Companies Act, 2013, the Board has been authorized to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to Rs. 12,500 Crore. The present issue of NCDs in terms of this DD is within the overall powers of the Board as per the above resolution.

This present private placement of NCDs is being made pursuant to the resolution of the Board of Directors passed at its meeting held on October 24, 2018 and by the members at its Extra-ordinary General meeting held on May 17, 2019, who has inter-alia approved the issue of Non-Convertible Debentures of Rs. 4,000 Crore by way of private placement of NCDs and Rs. 4,000 Crore by way of public issuance of NCDs.

The following is a summary of the terms of the Issue.

SUMMARY TERM SHEET – TRANCHE BG – 2021 (XXVIII)

Private Placement of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures ("Debentures" or "NCDS" or "Tranche BG NCDS") of the Face Value Of Rs. 10,00,000/- (Rupees Ten Lakh) each with a base issue size of upto 500 NCDs and with an option to retain oversubscription of upto 1,000 NCDs, together aggregating to 1,500 NCDs, amounting to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crore) on a private placement basis.

A. Common Terms of the Tranche BG NCDs

Security Name	8.50%JMFCSL18/07/2031
Issuer	JM Financial Credit Solutions Limited
Arranger	Darashaw & Company Private Limited
Trustee	IDBI Trusteeship Services Limited
Registrar and Transfer Agents	KFin Technologies Private Limited
Type of Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior, on pari-passu basis with current and future secured NCD holders.
Mode of Issue	Private placement
Eligible Investors	In accordance with paragraph "Who can apply" of this Disclosure Document.
Listing	The NCDs are proposed to be listed on WDM segment of BSE. BSE has given its in-principle approval to list the NCDs to be issued and allotted in terms of this DD vide its letter dated July 15, 2021. As per SEBI Circular dated October 5, 2020 (SEBI/HO/DDHS/CIR/P/2020/198), the Company shall complete the listing of NCDs within T+4 trading day (T being the date of closure of the Issue).

	In case of delay in listing of NCDs beyond the timeline specified above, the Company will pay penal interest, of 1% p.a. over and above the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) and the Company would be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchange.
Rating of the Instrument	ICRA Limited and India Ratings have assigned a rating of "AA/Stable" (Pronounced as double A with Stable Outlook) to the long term non-convertible Debenture issue program of the Company.
Number of Debentures	Upto 1,500 Debentures
Issue Size	NCDs of the face value of Rs. 10,00,000/- each, with base issue size of upto 500 NCDs and with an option to retain oversubscription of upto 1,000 NCDs, together aggregating to 1,500 NCDs, amounting to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crore).
Option to retain oversubscription (Amount)	Upto Rs. 100 Crore.
Objects of the Issue	The object of the Issue is for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the long term resources of the Company and for other eligible purposes.
Details of the utilization of the Proceeds	The proceeds of the Issue would be utilised by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company and for the eligible purposes. Further, the Company, may pending utilization of the proceeds out of the issue of the NCDs, temporarily invest funds in income bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade income bearing securities as may be approved by the Board / any Committee thereof, as the case may be.
Interest/Coupon Rate	8.50% p.a.
Step Up/Step Down Coupon Rate	None
Coupon Payment Frequency	Annually
Coupon payment dates	July 19, 2022 July 19, 2023 July 19, 2024 July 18, 2025 July 20, 2026 July 19, 2027 July 19, 2028 July 19, 2029 July 19, 2030 July 18, 2031
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	None

Day Count Basis	Actual/ Actual
Interest on Application Money	Not Applicable
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @2% (Two percent) p.a over and above the applicable Coupon rate will be payable by the Company from the date of the occurrence of the default until the default is cured or the debentures are redeemed pursuant to such default , as applicable.
Tenor	120 months from the deemed date of allotment
Issue Price	Rs. 10,00,000/- per Tranche BG NCD
Justification of issue price	Tranche BG – 2021 (XXVIII) NCDs are to be issued at par
Redemption Schedule and Date	July 18, 2031
Redemption Premium	Nil
Redemption Amount	Rs. 10,00,000/- per Tranche BG NCD
Discount at which security is issued and the effective yield as a result of such discount.	None
Put Option Date	None
Put Option Price	Not Applicable
Call Option Date	None
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Face Value	Rs. 10,00,000/- (Rs. Ten Lakh only) per Tranche BG NCD
Minimum Application and in multiples of 1 Debt securities thereafter	Minimum 10 Debentures and in multiples of 1 thereafter
Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Deemed Date of Allotment	 July 19, 2021 July 19, 2021 July 19, 2021
Bid Book Type	Open Bid
Allocation Option	Uniform Yield
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Demand Draft / Pay Order / Direct Credit / ECS / NEFT / RTGS / NACH / other permitted mechanisms.
Depository(ies)	NSDL / CDSL
Business Day Convention	If the interest payment date falls on a holiday or non-Business day, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day/Business Day, the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. Also refer Note 10 herein below

Record Date	15 days prior to each Coupon Payment / Redemption Date In the event the Record date falls on a day which is not a Business Day, the next Business day will be considered as the Record Date.
Description regarding Security (where applicable) including type of security movable / immovable/ tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/Information Memorandum.]	A debenture trust deed dated February 9, 2021 has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating security to the extent of Rs. 1,000 Crore in favour of the Debenture Trustee to cover various issuances up to Rs. 1,000 Crore. Under the above Debenture Trust Deed, the NCD issued and outstanding amount is Rs. 225 Crore, as on the date of issue of these NCDs (excluding the amount of the present issue of NCDs). This DD is issued under the said Debenture Trust Deed dated February 9, 2021. The security cover will be maintained post issuance of Tranche BG – 2021 (XXVIII) NCDs. The Issuer undertakes that the assets on which charge is created under this Disclosure Document are free from any encumbrances (except to the extent already disclosed) and the charge is on pari-passu basis. It is further clarified that necessary consent and/or no objection certificate has been obtained from existing lender(s) and/or creditor(s) in respect of the assets provided as security under this Disclosure Document. Further the NCD will be secured as per the terms of this Disclosure Document/ Information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. In terms of the circular issued by SEBI dated November 3, 2020, the Issuer hereby confirms that NCDs shall be considered as secured only if the charged asset is registered with sub-registrar, if required and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.
Minimum Security Cover	The Company shall maintain a security cover of 1.10 times.
Due diligence certificate issued by the Debenture Trustee	The due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI circular dated November 3, 2020 is enclosed as Annexure C to this Disclosure Document.
Terms and conditions of debenture trustee agreement including fees charged by Debenture Trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee	IDBI Trusteeship Services Limited has agreed to act as the debenture trustee for Tranche BG NCDs to be issued by the Company. Copy of consent letter dated July 15, 2021 received from the debenture trustee is enclosed as Annexure B. The details with respect to the fees charged, details of security created and process of due diligence carried out by the debenture trustee, forms part of the Debenture Trustee Agreement entered into by and between the Company and the Debenture Trustee.

Transaction Documents	Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement and any other document that may be designated by the Debenture Trustee as a Transaction Document. This Disclosure Document shall be read in conjunction with the other Transaction Documents and in case of any ambiguity or inconsistency or differences with any Transaction Document including the Debenture Trust Deed, this Disclosure Document shall prevail.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	All covenants of this issue are covered in this Disclosure Document and the Debenture Trust Deed dated February 9, 2021 including any amendment, from time to time.
Conditions Precedent to Disbursement	None
Condition Subsequent to Disbursement	None
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, the Companies Act, 2013 and the rules made thereunder, the Debenture Trustee Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)	As per Note 13 and as per the Debenture Trust Deed dated February 9, 2021 including any amendment, from time to time.
Creation of recovery expense fund	The Company has created the fund in the manner as may be specified by SEBI from time to time.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	All conditions for breach of covenants of this issue are covered in Debenture Trust Deed dated February 9, 2021 including any amendment, from time to time.
Risk Factors pertaining to this Issue	As per Section II of this Disclosure Document.
Governing Law and Jurisdiction	The Debenture Documents shall be governed by the laws of India. The Courts in Mumbai will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.

Illustrative Cash flows for the above Tranche BG NCDs:

Particulars	**Day and Date**	**No. of Days in Coupon / Principal Payment**	**Amount per NCD (in Rs.)**
1st Coupon Payment	Tuesday, July 19, 2022	365	85,000.00
2nd Coupon Payment	Wednesday, July 19, 2023	365	85,000.00
3rd Coupon Payment	Friday, July 19, 2024	366	85,000.00
4th Coupon Payment	Friday, July 18, 2025	364	84,767.12
5th Coupon Payment	Monday, July 20, 2026	367	85,465.75
6th Coupon Payment	Monday, July 19, 2027	364	84,767.12
7th Coupon Payment	Wednesday, July 19, 2028	366	85,000.00
8th Coupon Payment	Thursday, July 19, 2029	365	85,000.00
9th Coupon Payment	Friday, July 19, 2030	365	85,000.00

Particulars	Day and Date	No. of Days in Coupon / Principal Payment	Amount per NCD (in Rs.)
10th Coupon Payment including Principal Payment	Friday, July 18, 2031	364	10,84,767.12

Notes:

- The Company reserves the right to amend the above timetable.
- Amount against 3rd Coupon and 7th Coupon are calculated on the basis of leap year i.e 366 days.

Disclosures related to wilful default as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008

a. Name of the bank declaring the entity as a wilful defaulter – **None**
b. The year in which the entity is declared as a wilful defaulter – **Not Applicable**
c. Outstanding amount when the entity is declared as a wilful defaulter – **Not Applicable**
d. Name of the entity declared as a wilful defaulter - **Not Applicable**
e. Steps taken, if any, for the removal from the list of wilful defaulters – **Not Applicable**
f. Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions - **Not Applicable**
g. Any other disclosure as specified by the Board - **Not Applicable**

Note 1. Interest on coupon bearing NCDs:

a. Interest rate

The Interest Rate may be fixed or floating.

Any interest payable on the Debentures may be subject to deduction at source at the rates prevailing from time to time under the provisions of the Income tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by the Company. Please refer to the note 15 on Tax Deduction at Source (TDS) for further details.

b. Computation of Interest

Interest for each of the interest periods shall be computed on an actual / 365 days a year basis on the principal outstanding on the relevant NCDs at the applicable Interest Rate. However, where the interest period (start to end date) includes 29th February, interest shall be computed on 366 days a year basis, on the principal outstanding on the relevant Tranche of NCDs at the applicable Interest Rate.

c. Payment of Interest

Payment of interest on the NCDs will be made to those of the Debenture Holder(s) whose name(s) appear in the register of Debenture Holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and/or as per the list provided by the Depository to the Company of the beneficiaries who hold NCDs in dematerialized form on such Record Date, and are eligible to receive interest. The first interest payment due in respect of the NCDs shall be for the period calculated from the Deemed Date of Allotment till the end of the month/quarter/half year/full year /other frequency as per the DD and the last interest payment due in respect of the NCDs shall be for the period calculated from the preceding Interest Payment Date till the Redemption Date and shall be paid along with the redemption payments towards principal. Other interest payments will be paid at the end of the month/quarter/half year/full year /other frequency as per the DD. The interest periods applicable in respect of the issue shall be specified in the DD issued.

Note 2. Zero coupon NCDs:

Zero coupon NCDs shall carry an implicit yield at the rate mentioned in the DD based on which discount at which the NCDs are to be issued or the redemption premium payable by the Company at maturity shall be calculated. The yield may be subject to deduction at source at the rates prevailing from time to time under the provisions of the Income tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by the Company. Please refer to the paragraph on Tax Deduction at Source (TDS) for further details.

Note 3. Interest on Application Money:

Interest on application money will be paid to investors at the Interest Rate / implicit yield from the date of realization of subscription money up to one day prior to the Deemed Date of Allotment. Such interest shall be payable within 7 (seven) Business Days from the Deemed Date of Allotment. This clause will not be applicable where the Deemed Date of Allotment is the same as the Issue Closing Date and Pay-in-Date. Please also refer to the paragraph on Tax Deduction at Source (TDS) for further details.

Note 4. Redemption:

Unless previously redeemed or purchased and cancelled as specified below, the NCDs shall be redeemed at such price, at the expiry of the tenor and/or at the exercise of put/call option, if any, as mentioned in the DD.

Note 5. Payment on Redemption:

The Company shall compute the redemption proceeds to be paid to the Debenture Holder(s) based on the DD. The Company's liability to the Debenture Holders of the NCDs in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity of the NCDs, in all events save and except for the Debenture Holder's right of redemption. Upon dispatching the payment instrument towards payment of the redemption amount in respect of the NCDs the NCDs, the liability of the Company in respect of such NCDs shall stand extinguished.

Note 6. Redemption Payment Procedure:

a) NCDs held in physical form:
The Debenture certificate(s), duly discharged by the sole / all the joint holders (signed on the reverse of the Debenture certificate(s)) will have to be surrendered for redemption on maturity and should be sent by the Debenture Holder(s) by registered post with acknowledgment due or by hand delivery to the Company or to such persons at such addresses as may be notified by the Company from time to time, seven days prior to the Redemption Date. In case of any delay in surrendering the Debenture certificate(s) for redemption, the Company will not be liable to pay any interest, income or compensation of any kind for the late redemption due to such delay.

The Company may, at its discretion, redeem the NCDs without the requirement of surrendering of the certificates by the Debenture Holder(s). In case the Company decides to do so, the redemption proceeds would be paid on the Redemption Date to those Debenture Holder(s) whose names stand in the register of Debenture Holders maintained by the Company on the Record Date fixed for the purpose of redemption. Hence the transferee(s), if any, should ensure lodgement of the transfer documents with the Company before the Record Date. In case the transfer documents are not lodged before the Record Date and the Company dispatches the redemption proceeds to the transferor, the Company shall be fully discharged and claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against the Company.

b) NCDs held in dematerialised form:

Payment of the redemption amount of the NCDs will be made by the Company to the beneficiaries as per the beneficiary list provided by the Depositories as on the Record Date. The NCDs shall be taken as discharged on payment of the redemption amount by the Company to the Debenture Holders as per the beneficiary list. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holders of the NCDs. On such payment being made, the Company will inform the Depositories and accordingly the account of the Debenture Holders of the NCDs with Depositories will be adjusted.

Note 7. Issue Schedule:

The schedule for the Debentures issued under this Issue has been specified in the Summary Term Sheet.

The Company shall have the sole discretion to issue such number of Debentures on such terms as it may deem fit.

Note 8. Deemed Date of Allotment:

The Deemed Date of Allotment is mentioned in this DD issued. All benefits relating to the NCDs will be available to the investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. The Deemed Date of Allotment may be changed (advanced/ postponed) by the Company at its sole and absolute discretion.

Note 9. Payment of outstanding amounts on the NCDs:

In terms of the Debt Listing Agreement, the Company shall ensure that services of ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) are used for payment of all outstanding amounts on the NCDs, including the principal and interest accrued thereon.

Note 10. Effect of Holidays:

If the date of payment of Coupon does not fall on a Business Day, then the succeeding Business Day will be considered as the effective date for such payment of Coupon. However, the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the NCDs.

In case the Redemption Date (also being the last Coupon payment date) does not fall on a Business Day, the payment will be made on the preceding Business Day, along with Coupon accrued on the NCDs until but excluding the date of such payment.

Note 11. Security:

The NCDs being issued under the DD are secured through a first ranking pari passu charge / hypothecation over portions of the moveable properties or such other property as may be identified by the Company as set out in the relevant debenture trust deed / security documents.

The Company has created Security for NCDs in accordance with applicable laws in India.

Subject to the provisions of the relevant Deed of Hypothecation / Debenture Trust Deed, the Company shall be entitled to replace / substitute any of the Moveable Property provided as Security in terms of the DD with other Moveable Property. The Company shall for such replacement issue a letter to the Debenture Trustee describing both the original Moveable Property being replaced and the Moveable Property with which such original Moveable Property is being replaced, which letter shall be duly acknowledged by the Debenture Trustee ("**Replacement Security Letter**"). The Debenture Holders upon subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to execute such documents as may be required by the Debenture Trustee to give effect to such replacement / substitution by acknowledging the Replacement Security Letter, without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due and the Auditor of the Company/ independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs shall be maintained post such replacement.

Further, in the event that the Moveable Property provided as Security by the Company is of a value greater than the Security Cover stipulated in the DD, the Company shall be entitled to require the Debenture Trustee to release the excess Moveable Property and the same shall cease to form part of the Security on such release. The Company shall, for such release, issue a letter to the Debenture Trustee describing the Moveable Property to be released and the Debenture Trustee shall release the same by duly acknowledging the letter so addressed by the Company. The Debenture Holders upon subscription to the Debentures shall be deemed to have authorized the Debenture Trustee to give effect to such release without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due and the Auditor of the Company / independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs of a particular Tranche as stipulated in the DD for that Tranche shall be maintained post such release.

The Company may provide or cause to be provided (without being obliged to) such further security (including over immoveable property) for securing its obligations in respect of the Debentures or any Tranche(s) thereof as may be decided by the Company after obtaining the consent of the Debenture Trustee and/or the Debenture Holders ("Further Security Option").

If the Company in exercise of the Further Security Option has provided or caused to be provided security over immoveable property, the Company (or an affiliate which has created the mortgage over the immoveable property) shall be entitled to offer the immoveable property which is part of the Security in terms of the Deed of Hypothecation / Debenture Trust Deed as security for any other borrowing of the Company or any of its affiliates (including borrowings raised by issue of debentures) on a pari passu / subservient charge basis, as the Company (or an affiliate which has created the mortgage over the immoveable property) may deem fit with the prior written consent from the Debenture Trustee and after following the procedure as stated in the Debenture Trust Deed. The Debenture Holders upon subscription to the Debentures shall be deemed to have consented to the creation of such additional security over the immoveable property, without providing notice to or obtaining consent from the Debenture Holders, so long as the Company has not defaulted in relation to any payment due in respect of Debentures and the Auditor of the Company/ independent chartered accountant confirms to the Debenture Trustee in writing that the Security Cover for the NCDs including further borrowings shall be maintained post such borrowings.

In case the actual Security Cover falls below that stipulated in this DD, the Company shall restore the Security Cover to the stipulated level within a period of 45 Business Days from the date of such shortfall.

The Company shall be entitled, from time to time, to make further issue of non-convertible debentures or such other instruments to any other person(s) and/or raise further loans / advances and/or avail of further financial and/or guarantee(s) facilities from Indian and/or international financial institutions, banks and/or any other person(s) on the security of the Moveable Property or any part thereof (other than that comprising the Security) and/or such other assets and properties as may be decided by the Company from time to time with the prior written consent from the Debenture Trustee and after following the procedure as stated in the Deed of Hypothecation / Debenture Trust Deed.

Notwithstanding anything contained in this DD, so long as the stipulated Security Cover is maintained, the Company shall have all rights to deal with the charged assets in normal course of business including inter-alia the right to securitise and/or to assign, lien mark the Moveable Property comprising part of the Security and/or to create a further first and pari passu (subject to maintaining the required Security Cover) vis-à-vis the entire financial indebtedness secured by such Moveable Property or a subservient charge on the Security after obtaining consent from the Debenture Trustee.

Note 12. Time Limit for creation of Security:

A debenture trust deed dated February 9, 2021 has been executed between the Issuer and the Debenture Trustee viz., IDBI Trusteeship Services Limited creating an upfront security in favour of the Debenture Trustee to cover various issuances up to Rs. 1,000 Crore. The issued and outstanding amount under this Debenture Trust Deed as on the date of issue of these NCDs is Rs. 225 Crore (excluding the amount of the present issue of NCDs). This DD is issued under the said Debenture Trust Deed dated February 9, 2021. The security cover will be maintained post issuance of Tranche BG – 2021 (XXVIII) NCDs.

The Debenture Trustee shall not be required to obtain any prior consent of or provide any intimation to the Debenture Holders for the creation of any additional charge on the Movable, provided that no Event of Default has occurred as specifically laid out in Debenture Trust Deed.

Note 13. Events of Default:

The occurrence of any of the following events shall be deemed to be an Event of Default in terms of this Deed:

a) When the Company fails to make payment when due on any given series/tranche of Debentures which ought to have been paid in accordance with the terms of the issue of such series/tranche of Debentures;

b) When the Company without the consent of Debenture Holders ceases to carry on its business or gives notice of its intention to do so;

c) When an order has been made by the Tribunal or a special resolution has been passed by the members of the Company for winding up of the Company;

d) When any material breach of the terms / covenants of this Information Memorandum is committed by the Company;

e) When the Company creates or attempts to create any charge on the Mortgaged Properties or any part thereof without the prior approval of the Debenture Trustee/Debenture Holders;

f) When the value of the Security not being sufficient to maintain the Security Cover, and the Company fails to cure such default within a maximum period of 45 (Forty Five) days from the date on which the Security Cover was breached and in the opinion of the Debenture Trustee the Security by reason of this is in jeopardy;

g) When in the opinion of the trustees the security of debenture holders is in jeopardy; and

h) Any governmental or other authority (whether de jure or de facto) compulsorily acquires, expropriates or seizes all or any part of the principal business of the Company or the Secured Properties for the Debenture Holders, provided that the Company fails to provide alternate or additional security.

Consequence of Event of Default

a) On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall, if so directed by Debenture Holder(s) of the relevant series/ tranche of the Debentures (holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the relevant tranche or series of the Debentures for the time being outstanding), be entitled to:

  i. accelerate the redemption of the relevant series/ tranche of the Debentures and the amounts due under the security documents shall become immediately due and payable; and/or
  ii. enforce its charge over the Security in terms of the security documents to recover the amounts due in respect of the relevant series/ tranche of the Debentures; and/or
  iii. exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.

b) If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default has happened, the Company shall, promptly give notice thereof to the Debenture Trustee, in writing, specifying the nature of such Event of Default.

c) In addition to the above, and without prejudice to the Company's obligation to make payment of default interest on account of any delay in relation to making of any payments due in relation to the Debentures, so long as there shall be an Event of Default other than an event of default pertaining to as payment default, the Company shall pay an additional interest of 2% (two per cent) per annum over the implicit yield / Coupon Rate until such Event of Default is rectified, without any prejudice to the remedies available to the Debenture Holder(s) or the consequences of Events of Default.

Additional covenants:

a. **Default in Payment:** In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the interest/coupon rate / implicit yield will be payable by the Company for the defaulting period;

b. **Delay in Listing:** In case of delay in listing of the NCDs, the Company will pay penal interest, of 1% p.a. over and above the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) and the Company would be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchange.

The interest rates mentioned in above three cases are independent of each other.

Note 14. Governing Law and Jurisdiction:

The Debentures are governed by and will be construed in accordance with the Indian Law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Act, regulations/guidelines /directions of RBI, SEBI and Stock Exchanges and other applicable laws and regulations from time to time. The Debenture-holders, by purchasing the Debentures, agree that the courts in Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures.

The investor would also be required to comply with the Foreign Account Tax Compliance Act (FATCA) laws and would be required to fill the FATCA form while making the investment.

Note 15. Tax Deduction at Source (TDS):

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source for which a certificate will be issued by the Company. As per the provisions of the Income Tax Act, 1961, with effect from June 1, 2008, no tax is deductible at source from the amount of interest payable on any listed dematerialised security, held by a person resident in India. Since the NCDs shall be issued in dematerialised mode and shall be listed on the WDM segment of NSE, no tax will be deductible at source on the payment/credit of interest/implicit yield on NCDs held by any person resident in India. In the event of rematerialisation of the NCDs, or NCDs held by person resident outside India or a change in applicable law governing the taxation of the NCDs, the following provisions shall apply:

a) In the event the NCDs are rematerialized and the Company is required to make a tax deduction, the Company shall make the payment required in connection with that tax deduction within the time allowed and in the minimum amount required by applicable law;
b) The Company shall within 30 (thirty) days after the due date of payment of any tax or other amount which it is required to pay, deliver to the Debenture Trustee evidence of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

Interest on Application Money shall be subject to TDS at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company.

For seeking TDS exemption / lower rate of TDS, relevant certificate / document must be lodged by the Debenture Holder(s) at the Registered Office of the Company atleast 15 days before the interest payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money should be submitted along with the application form.

For detailed tax implications of the investment in NCDs, investors should get in touch with their tax consultant.

Note 16. Currency of Payment:

All obligations under the NCDs are payable in Indian Rupees only.

Note 17. Right of the Company to Purchase, Re-sell and Re-issue NCDs:

a. Purchase and Resale of NCDs:
   The Company may, subject to applicable law at any time and from time to time, at its sole and absolute discretion purchase some or all of the NCDs held by the Debenture Holders at any time prior to the specified date(s) of redemption / put / call as specified in the DD. Such buy- back of NCDs may be at par or at discount / premium to the face value at the sole discretion of the Company. The NCDs so purchased may, at the option of the Company, be cancelled, held or resold.

b. Reissue of Debentures:
   Where the Company has repurchased / redeemed any such NCDs, subject to the applicable provisions of the Companies Act, 2013 and other applicable legal provisions, the Company shall have and shall be deemed always to have had the right to keep such NCDs alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such NCDs either by reissuing the same NCDs or by issuing other NCDs in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

Note 18. Future Borrowings:

The Company shall be entitled, from time to time, to make further issue of debentures and or such other instruments to the public, members of the Company and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) on the security or otherwise of its assets / properties without the consent of the Debenture Trustee or the Debenture Holders.

Note 19. Rights of Debenture Holders:

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The NCDs shall not confer upon its holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

Note 20. Modification of Rights:

The Debenture Holders' rights, privileges, terms and conditions attached to the NCDs may be varied, modified or abrogated with the consent, in writing, of the majority Debenture Holders of the outstanding amount of the NCDs or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the NCDs, if the same are not acceptable to the Company.

Note 21. Notices:

The Company agrees to send notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013 shall be applicable for such meeting. The notices, communications and writings to the Debenture Holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post to the sole / first allottee or sole/first registered Debenture Holder as the case may be at its address registered with the Company.

All notices, communications and writings to be given by the Debenture Holder(s) shall be sent by registered post or by hand delivery to the Company at its Registered Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

Note 22. Splitting and Consolidation:

Splitting and consolidation of the NCDs is not applicable in the dematerialised mode form since the saleable lot is 1 (one) Debenture.

In case the NCDs are in physical mode as a consequence of rematerialisation of the NCDs by any Debenture Holder, the request from Debenture Holder(s) for splitting/consolidation of Debenture certificates will be accepted by the Issuer only if the original Debentures certificate(s) is/are enclosed along with an acceptable letter of request. No requests for splits below the Market Lot will be entertained.

Note 23. Transfers:

The NCDs may be transferred to any person duly qualified to acquire such NCDs under the applicable laws.

Note 24. Succession:

In the event of demise of a Debenture Holder, the Company will recognize the executor or administrator of the demised Debenture Holder or the holder of succession certificate or other legal representative of the demised Debenture Holder as the registered holder of such NCDs, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may, in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the NCDs standing in the name of the demised Debenture Holder on production of sufficient documentary proof or indemnity. In case a person other than individual holds the NCDs, the rights in the NCDs shall vest with the successor acquiring interest therein, including liquidator or any such person appointed as per the applicable law.

Note 25. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed:

The list of documents which has been executed or will be executed in connection with the Issue and subscription of NCDs are as follows:

a. Debenture Trustee Agreement;
b. Debenture Trust Deed including Supplemental Trust Deed, if any;
c. Deed of Confirmation.

Note 26. Additional information

a. The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
b. It shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed within specified time frame;
c. Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding;
d. It shall use a common form of transfer for the NCDs;
e. The Company shall disclose the complete name and address of the Debenture Trustee in its Annual Report;
f. The Company undertakes that the necessary documents for the creation of the charge, including the addendum to the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of NSE, where the debt securities have been listed, within five working days of execution of the same;
g. The Company undertakes that permission / consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favor of the trustees to the proposed issue would be obtained.

A statement containing particulars of the dates of and parties to all material contracts, agreements involving financial obligations of the issuer:

By the very nature of its business, the Company is involved in a large number of transaction involving financial obligations and therefore it may not be possible to furnish details of all material contracts / agreements / documents involving financial obligations of the Company. However, the contracts / agreements / documents listed below which are or may be deemed to be material, have been entered into / executed by the Company:

1. Memorandum and Articles of Association of the Company, as amended from time to time
2. NBFC registration certificate dated August 27, 2003 issued by Reserve Bank of India
3. Resolution of the Board of Directors passed at its meeting held on October 24, 2018 approving, inter-alia, the issue of Non-Convertible Debentures aggregating upto Rs. 4000,00,00,000/- on private placement basis (Rupees Four Thousand Crore only)
4. Resolution passed by the Board of Directors at its meeting held on May 4, 2020 and by the Members at their meeting held July 21, 2020, appointing Deloitte Haskins & Sells LLP as Auditors of the Company
5. Resolution passed by the shareholders of the Company at the Extra-ordinary General Meeting held on October 25, 2018 authorising the Board of Directors to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to Rs. 1250,00,00,000/- (Rupees One Thousand Two Hundred and Fifty Crore only)
6. Resolution passed by the shareholders of the Company at the Extra-ordinary General Meeting held on May 17, 2019 authorising the Board of Directors to offer, issue and allot secured/unsecured, listed/unlisted, rated Redeemable Non-Convertible Debentures (NCDs), in one or more series/Tranches, aggregating up to Rs. 4,000 Crore (Rupees Four Thousand Crore only), on private placement basis and Rs. 4,000 Crore (Rupees Four Thousand Crore only) on public issue basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine in the best interests of the Company.
7. Annual Reports of the Company for the five years ended March 31, 2017, March 31, 2018, March 31, 2019, March 31, 2020, and March 31, 2021.
8. Letter dated July 5, 2021, from India Ratings and Research Private Limited and letter dated July 13, 2021 from ICRA Limited, assigning credit rating to the NCDs.
9. Tripartite agreement between the Company, Registrar and CDSL.
10. Tripartite agreement between the Company, Registrar and NSDL.
11. Consent letter issued by KFin Technologies Private Limited dated July 15, 2021, to act as the Registrar to the Issue and inclusion of its name in the form and context in which it appears in this Shelf Disclosure Document
12. Consent letter issued by IDBI Trusteeship Services Limited dated July 15, 2021, to act as the Debenture Trustee to this Issue.
13. Letter dated July 15, 2021 from BSE Limited giving its in-principle approval to the Issue.

Certified true copy of the above documents are available for inspection at the Registered Office of the Company situated at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 until the date of closure of the respective tranche of the Issue.

DECLARATION BY THE DIRECTORS THAT -

a. the Company has complied with the provisions of the Act and the rules made thereunder;
b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

I am authorized by the Board of Directors of the Company vide resolution dated October 24, 2018 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this DD.

For JM Financial Credit Solutions Limited

HEMANT VIJAY PANDYA

Digitally signed by HEMANT VIJAY PANDYA
Date: 2021.07.16 16:11:34 +05'30'

Hemant Pandya
Company Secretary

Place: Mumbai
Date: July 16, 2021

SECTION IV

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

(Pursuant to Section 42 and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014)

The table below sets out the disclosure requirements as provided in Form PAS-4 and the relevant pages in this DD where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Page No.
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	18 www.jmfinancialcreditsolutions.com
b.	Date of incorporation of the company.	May 15, 1980
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	19
d.	Brief particulars of the management of the company.	25-26
e.	Names, addresses, DIN and occupations of the directors.	25
f.	Management's perception of risk factors.	9-17
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of: (i)Statutory dues; (ii)Debentures and interest thereon; (iii)Deposits and interest thereon; and (iv)Loan from any bank or financial institution and interest thereon.	None
h.	Name, designation, address, phone number, email ID of the compliance officer of the company, if any, for the private placement offer process.	18
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	October 24, 2018
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	May 17, 2019
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Non-Convertible Debentures
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	44
e.	Name and address of the valuer who performed valuation of the security offered.	Not Applicable

Sr. No.	Disclosure Requirements	Page No.
f.	Amount which the company intends to raise by way of securities.	43
g.	Terms of raising of securities: (i)Duration, if applicable; (ii)Rate of dividend; (iii)Rate of interest; (iv)Mode of payment; and (v)Repayment.	 44 Not Applicable 43 44 44
h.	Proposed time schedule for which the offer letter is valid.	44
i.	Purposes and objects of the offer.	43
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not Applicable
k.	Principle terms of assets charged as security, if applicable.	
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	None
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	None
c.	Remuneration of directors (during the current year and last three financial years).	Apart from the sitting fees and commission to Director(s), no other remuneration is paid to them.
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	Refer to the Annexures provided in DD.
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	None

Sr. No.	Disclosure Requirements	Page No.
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	None
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	None
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of the company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	22
(b)	Size of the present offer; and	Not Applicable
(c)	Paid up capital: (A)After the offer; and (B)After conversion of convertible instruments (if applicable);	 Not Applicable Not Applicable
(d)	Securities premium account (before and after the offer).	Not Applicable
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	22-24
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	22-24
b.	Profits of the company, before and after making provision for tax, for the three financial years (audited) immediately preceding the date of circulation of offer letter.	34
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (audited) (Cash profit after tax plus interest paid/interest paid).	Re. 1/- per share, for the financial year 2018-19. Rs. 1.50/- per share, for the financial year 2019-20. Rs. 2/- per share, for the financial year 2020-21.
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	33

Sr. No.	Disclosure Requirements	Page No.
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	35
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	None

SECTION - V

ANNEXURES

A – CREDIT RATING LETTERS FROM INDIA RATINGS AND RESEARCH PRIVATE LIMITED AND ICRA LIMITED

B – CONSENT LETTER OF THE DEBENTURE TRUSTEE

C – DUE DILIGENCE CERTIFICATE

D – AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR 2020-21, 2019-20 AND 2018-19

E – APPLICATION FORM

IndiaRatings & Research
A Fitch Group Company

FitchGroup

Mr. Gagan Kothari
Chief Financial Officer
JM Financial Credit Solutions Limited,
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025

July 05, 2021

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of JM Financial Credit Solutions Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of

INR 45 billion Non-convertible debentures (NCDs) : IND AA/Stable.
Out of the above rated amount, INR29.2bn of NCD is outstanding

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

India Ratings & Research
A Fitch Group Company

FitchGroup

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Prakash Agarwal

Prakash Agarwal
Director

J.Z.Haria

Jindal Zaverchand Haria
Director

Annexure: Facilities Breakup

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDs	INE651J07101	9-Feb-16	9.7	9-Aug-21	0.2	IND AA/Stable
NCDs	INE651J07119	26-Feb-16	9.7	26-Aug-21	0.1	IND AA/Stable
NCDs	INE651J07192	6-May-16	9.5	6-May-21	0.05	WD(Paid in full)
NCDs	INE651J07200	24-May-16	9.5	24-May-21	0.1	WD(Paid in full)
NCDs	INE651J07218	31-May-16	9.50%	31-May-21	0.1	WD(Paid in full)
NCDs	INE651J07416	23-Mar-17	9	23-Mar-22	0.1	IND AA/Stable
NCDs	INE651J07465	15-Jun-17	9.05	15-Jun-21	1.75	WD(paid in full)
NCDs	INE651J07473	22-Jun-17	9.05	22-Jun-20	0.3	WD(Paid in full)
NCDs	INE651J07499	12-Sep-17	Zero coupon	15-Sep-20	0.25	WD(Paid in full)
NCDs	INE651J07507	28-Dec-17	9.15	28-Dec-20	0.5	WD(Paid in full)
NCDs	INE651J07507	22-Jan-18	9.15	28-Dec-20	0.179	WD(Paid in full)
NCDs	INE651J07531	12-Mar-18	Zero coupon	4-May-21	0.135	WD(Paid in full)
NCDs	INE651J07515	12-Mar-18	Zero coupon	10-Sep-21	0.5	IND AA/Stable
NCDs	INE651J07523	12-Mar-18	Zero coupon	10-Dec-21	0.2	IND AA/Stable

NCDs	INE651J07556	22-Mar-18	Zero coupon	15-Jun-21	1	WD(Paid in full)
NCDs	INE651J07572	23-Mar-18	9.36	23-Mar-21	0.4	WD(Paid in full)
NCDs	INE651J07556	23-Mar-18	Zero coupon	15-Jun-21	0.149	WD(Paid in full)
NCDs	INE651J07556	26-Mar-18	Zero coupon	15-Jun-21	0.051	WD(Paid in full)
NCDs	INE651J07572	26-Mar-18	9.36	23-Mar-21	0.028	WD(Paid in full)
NCDs	INE651J07531	28-Mar-18	Zero coupon	4-May-21	0.454	WD(Paid in full)
NCDs	INE651J07580	7-Jun-18	Public Issue - TR 1 - 38 Mnth - Annual - Opt I	7-Aug-21	1.165	IND AA/Stable
NCDs	INE651J07598	7-Jun-18	Public Issue - TR 1 - 38 Mnth - Cumm - Opt II	7-Aug-21	0.2439	IND AA/Stable
NCDs	INE651J07606	7-Jun-18	Public Issue - TR 1 - 5 year - Annual - Opt III	7-Jun-23	3.653	IND AA/Stable
NCDs	INE651J07614	7-Jun-18	Public Issue - TR 1 - 5 year - Monthly - Opt IV	7-Jun-23	0.1703	IND AA/Stable
			Public Issue - TR 1 -			

NCDs	INE651J07622	7-Jun-18	10 year - Annual - Opt V	7-Jun-28	2.148	IND AA/Stable
NCDs	INE651J07630	7-Jun-18	Public Issue - TR 1 - 10 year - Monthly - Opt VI	7-Jun-28	0.119	IND AA/Stable
NCDs	INE651J07648	13-Dec-18	Public Issue - TR 2 - 42 Mnth - Annual - Opt I	13-Jun-22	0.987	IND AA/Stable
NCDs	INE651J07655	13-Dec-18	Public Issue - TR 2 - 42 Mnth - Cumm - Opt II	13-Jun-22	0.317	IND AA/Stable
NCDs	INE651J07663	13-Dec-18	Public Issue - TR 2 - 5 year - Annual - Opt III	13-Dec-23	0.491	IND AA/Stable
NCDs	INE651J07671	13-Dec-18	Public Issue - TR 2 - 5 year - Monthly - Opt IV	13-Dec-23	0.428	IND AA/Stable
NCDs	INE651J07689	13-Dec-18	Public Issue - TR 2 - 10 year - Annual - Opt V	13-Dec-28	0.25	IND AA/Stable

NCDs	INE651J07697	13-Dec-18	Public Issue - TR 2 - 10 year - Monthly - Opt VI	13-Dec-28	0.1615	IND AA/Stable
NCDs	INE651J07705	10-Jun-19	10.29	10-Dec-20	0.5	WD(Paid in full)
NCDs	INE651J07713	10-Jun-19	Zero coupon	10-Jun-21	0.25	WD(Paid in full)
NCDs	INE651J07713	10-Jun-19	Zero coupon	10-Jun-21	0.25	WD(Paid in full)
NCDs	INE651J07721	18-Jul-19	9.75	17-Jul-26	1	IND AA/Stable
NCDs	INE651J07721	18-Jul-19	9.75	19-Jul-27	1	IND AA/Stable
NCDs	INE651J07721	18-Jul-19	9.75	18-Jul-28	1	IND AA/Stable
NCDs	INE651J07721	18-Jul-19	9.75	18-Jul-29	1	IND AA/Stable
NCDs	INE651J07739	24-Jul-19	10.85	23-Jul-24	6	IND AA/Stable
NCDs	INE651J07754	23-Aug-19	10.5	23-Aug-21	0.2	IND AA/Stable
NCDs	INE651J07747	23-Aug-19	10.5	23-Aug-21	0.3	IND AA/Stable
NCDs	INE651J07762	18-May-20	9.4	18-May-23	1.25	IND AA/Stable
NCDs	INE651J07762	29-May-20	9.4	18-May-23	0.75	IND AA/Stable
NCDs	INE651J07770	16th june 2020	9.1 Annual	16-Jun-21	0.33	WD(Paid in full)
NCDs	INE651J07770	16th june 2020	9.1 Annual	16-Jun-22	0.33	IND AA/Stable
NCDs	INE651J07770	16th june 2020	9.1 Annual	16-Jun-23	0.34	IND AA/Stable

NCDs	INE651J07788	19th aug 2020	8.75	18-Feb-22	1	IND AA/Stable
NCDs	INE651J07796	17th sept 2020	9	16-Sep-22	0.5	IND AA/Stable
NCDs	INE651J07804	2nd Nov 2020	9.2	1st Nov 2030	0.55	IND AA/Stable
NCDs	INE651J07804	12th Nov 2020	9.2	1st Nov 2030	0.5	IND AA/Stable
NCDs	INE651J07804	11-Dec-20	9.2	1st Nov 2030	0.45	IND AA/Stable
NCDs	INE651J07804	22-Dec-20	9.2	1st Nov 2030	0.5	IND AA/Stable
NCDs	INE651J07804	12-Jan-21	9.2	1st Nov 2030	0.5	IND AA/Stable
NCDs	INE651J07812	5-Feb-21	8.25	5-Feb-24	0.5	IND AA/Stable
NCDs	INE651J07820	25-Mar-21	8.6	25-Mar-33	0.3	IND AA/Stable
NCDs	INE651J07770	16th June 2020	9.1 Annual	16-Jun-21	0.33	WD(Paid in full)

CONFIDENTIAL

Ref: ICRA/JM Financial Credit Solutions Limited/13072021/01
Date: July 13, 2021

Mr. Gagan Kothari
Chief Financial Officer
JM Financial Credit Solutions Limited
5B, 5th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

Dear Sir,

Re: ICRA Credit Rating for the Rs. 5,500.00 crore Non-convertible Debenture (NCD) Programme of JM Financial Credit Solutions Limited (instrument details in Annexure)

Please refer to our rating communication letters with reference no. ICRA/JM Financial Credit Solutions Limited/02072021/01 dated July 2, 2021 communicating reaffirmation of the [ICRA]AA (pronounced as ICRA double A) rating with Stable outlook to the Rs. 4,060.40 crore NCD Programme and ICRA/JM Financial Credit Solutions Limited/02072021/03 dated July 2, 2021 communicating assignment of the [ICRA]AA (pronounced as ICRA double A) rating with Stable outlook to the Rs. 1,439.60 crore NCD Programme. Thus, ICRA now has [ICRA]AA (Stable) rating outstanding on an aggregate of Rs. 5,500 crore NCD programme (the limit is interchangeable with secured and unsecured redeemable non-convertible debentures issued by way of public or private issue) of the company.

Please let us know if you need any clarification. We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

KARTHIK SRINIVASAN
2021.07.13 10:17:05 +05'30'

Authorised Signatory

KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com

Annexure

List of All Instrument Rated (With Amount Outstanding)

Rated Instrument	Rated Amount (In Rs. crore)	Amount Outstanding as on June 30, 2021 (In Rs. crore)	Rating
NCD Programme (fully interchangeable between Private Placement and Public Issue)	5,500.00*	2,953.61	[ICRA]AA (Stable)

***** *of the rated NCD Programme, Rs. 2,546.39 crore is unutilised and available for placement (as on July 2, 2021); the same is interchangeable between private placement and public issue of NCDs*

Ref. No. 30103/ITSL/OPR/ CL/20-21/DEB/837/5
Date: 15th July, 2021

JM Financial Credit Solutions Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

Kind Attn: Mr. Hemant Pandya - Company Secretary

Dear Sir,

Subject: Consent to act as Debenture Trustee for the proposed NCD issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures -Tranche BG – 2021 (XXVIII) (NCDs), of the Face Value of Rs. 10,00,000/- each with a base issue size of upto 500 NCDs with an option to retain oversubscription of upto 1,000 NCDs, together aggregating upto 1,500 NCDs, on private placement basis aggregating to Rs. 150 Crore

This is with reference to the discussion we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed NCD issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures -Tranche BG – 2021 (XXVIII) (NCDs), of the Face Value of Rs. 10,00,000/- each with a base issue size of upto 500 NCDs with an option to retain oversubscription of upto 1,000 NCDs, together aggregating upto 1,500 NCDs, on private placement basis aggregating to Rs. 150 Crore In this connection we confirm our acceptance of the assignment.

We are agreeable for inclusion of our name as trustee in the offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required subject to the following conditions:

1. The Company shall enter into Written Debenture Trustee Agreement (DTA) for the said issue before the opening of issue for issue of debentures.

2. The Company agrees and undertakes to create the securities over such of its immovable and/or moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed (DTD) and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed in the Information Memorandum or Disclosure Document.

3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.

4. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Companies Act, 1956/the Companies Act, 2013 and the Rules thereunder as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms of the same on regular basis.

5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorised Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture Holder (who is a FII).

6. The Issuer Company confirms that all necessary disclosures have been made in the Information Memorandum/Disclosure document including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum/Disclosure document. Each prospective investor should make its own independent assessment of the merit of the investment in NCDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

7. The Trustees, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the debentures/Bonds.

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Thanking you,

Yours faithfully,
For IDBI Trusteeship Services Limited

IDBI Trusteeship Services Ltd. ITSL

(Authorized Signatory)

We accept the above terms
For JM Financial Credit Solutions Limited

JM Financial Credit Solutions Limited Mumbai

(Authorized Signatory)

30103/ITSL/OPR/2021-22

To,	To,
National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G. Block, Bandra-Kurla Complex, Mumbai – 400 051	**BSE Limited** 25th Floor, P.J. Towers, Dalal Street, Mumbai – 400 001

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR INFORMATION MEMORANDUM

Dear Sir/Madam,

SUB.: ISSUE OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES - TRANCHE BG – 2021 (XXVIII) (NCDS), OF THE FACE VALUE OF RS. 10,00,000/- EACH WITH A BASE ISSUE SIZE OF UPTO 500 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 1,000 NCDS, TOGETHER AGGREGATING UPTO 1,500 NCDS, ON PRIVATE PLACEMENT BASIS AGGREGATING TO RS. 150 CRORE BY JM FINANCIAL CREDIT SOLUTIONS LIMITED.

We, the debenture trustee(s) to the above mentioned forthcoming issue state as follows:

1. We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2. On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:

   a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

   b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

   c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.

   d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

   e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum.

   f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

PLACE: Mumbai
DATE: 15th July, 2021
For IDBI Trusteeship Services Limited

Ruchira

IDBI Trusteeship Services Ltd. ITSL

Authorised Signatory

Independent Auditors' Report

To the Members of JM Financial Credit Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of JM Financial Credit Solutions Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

A. Application of new Accounting Standards (refer note 4 to the financial statements)

Nature of Key Audit Matter

As per roadmap to Ind AS, under Phase I, NBFCs with networth of Rs. 500 Crores or more, shall be required to prepare financial statements in accordance with Ind AS for accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018 or thereafter. The Company being an NBFC has adopted Ind AS with effect from April 01, 2018 and April 01, 2017 being the transition date in terms of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The transition date balance sheet and the comparative financial statements for the year ended March 31, 2018 included in the financial statement, is based on the statutory financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 and have been restated to comply with Ind AS. The adoption of Ind AS involves significant level of judgment by the management for application of mandatory and optional transitional adjustment, restatement adjustments and significant increase in the disclosure requirements under Ind AS. Hence this has been identified as a key audit matter.

How our Audit addressed the Key Audit Matter

- Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls over the basis of preparation of the financial information in accordance with Ind AS.
- Examined the Company's assessment of the mandatory and optional exemption considered in preparation of the opening balance sheet and the restatement of the previous year balances and performed the following procedures:
  a. Agreed the various accounting positions and exemptions opted by the Company with the permitted exemptions as per Ind AS 101.
  b. Tested the restatement adjustments identified by the Company for the comparable years with the revisions in the accounting policies arising from adoption of Ind AS.
  c. Verified and confirmed the appropriateness of the reconciliations as disclosed in the financial statements of the previously published retained earnings and profits with the restated Ind AS balances.
  d. Ensured that accounting policies considered for the current year are in accordance with the applicable Ind AS.

B. Impairment of loans (refer note 40.B to the financial statements)

Nature of Key Audit Matter

As at the year end, the Company has reported financial assets carried at amortised cost in form of loans granted aggregating to Rs. 8,016.04 crore net of provision for expected credit loans of Rs. 75.06 crore. Management estimates impairment provision using individual model based approach for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Timely identification and classification of the impaired loans.
- Determination of probability of defaults based on comparative external ratings and estimation of loss given defaults based on the value of collaterals and relevant factors.

How our Audit addressed the Key Audit Matter

- Tested the design and effectiveness of internal controls implemented by the management for following:
  a. Identification and classification of loans which have impaired in correct buckets
  b. Validation of the Model used for the impairment provision
  c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
  d. Completeness and accuracy of the data inputs used
- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands. The auditors critically assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by management as potentially impaired, examined on a sample basis, checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and formed their own judgement as to whether that was appropriate through reviewing information such as the counterparty's payment history.
- Involved specialists for evaluation of the methodology and approach applied by the management.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors Report (the "reports"), but does not include the financial statements and our auditors' report thereon. The reports are expected to be made available to us after the date of this auditors' report.

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

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

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

Independent Auditors' Report (Contd.)

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    (d) In our opinion, the aforesaid 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 and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. the Company does not have any pending litigations, as at the year-end which would impact its financial position

ii. the Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses;

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

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place: Mumbai
Date: April 30, 2019

Independent Auditors' Report (Contd.)

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

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

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

We have audited the internal financial controls over financial reporting of JM Financial Credit Solutions Limited (the "Company") as at March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

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

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

Place: Mumbai
Date: April 30, 2019

Independent Auditors' Report (Contd.)

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its fixed assets:
  a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, The Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.

(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 CARO 2016 are not applicable to the Company.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:
  (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.
  (b) There are no dues of Income-tax and Goods & Service Tax, as at March 31, 2019 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company does not have loans or borrowings from Government and financial institutions.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has raised monies by way of initial public offer of debt instruments. In respect of the above issue, we further report that the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised other than temporary deployment pending application.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.
  In respect of the above issue, we further report that:
  (a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
  (b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion and according to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

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

Place: Mumbai
Date: April 30, 2019

Standalone Balance Sheet

as at 31st March, 2019

₹ in Crore

	Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Assets					
1	**Financial Assets**				
A	Cash and cash equivalents	5	178.33	118.34	1.70
B	Bank balance other than (A) above	6	4.50	-	-
C	Loans	7	8,016.04	7,191.56	5,558.51
D	Investments	8	295.29	-	-
E	Other financial assets	9	4.06	0.04	1.47
			8,498.22	**7,309.94**	**5,561.68**
2	**Non-financial Assets**				
A	Current tax assets (net)	10	1.29	0.83	1.28
B	Deferred tax assets (net)	11	59.01	54.51	43.97
C	Property, plant and equipment	12	0.76	0.39	0.50
D	Other intangible assets	12	0.22	0.29	0.35
E	Other non-financial assets	13	3.02	0.49	0.55
			64.30	**56.51**	**46.65**
	Total Assets		**8,562.52**	**7,366.45**	**5,608.33**
	Liabilities and Equity				
	Liabilities				
1	**Financial Liabilities**				
A	Payables				
	(I) Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises	14.a	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	11.23	2.85	1.96
B	Debt securities	15	3,248.56	3,036.93	2,285.75
C	Borrowings (Other than Debt securities)	16	2,356.43	2,624.48	1,942.76
D	Other financial liabilities	17	31.49	25.46	22.40
	Total Financial Liabilities		**5,647.71**	**5,689.72**	**4,252.87**
2	**Non-Financial Liabilities**				
A	Current tax liabilities (net)	18	3.17	1.78	-
B	Provisions	19	1.61	1.14	0.68
C	Other non-financial liabilities	20	0.73	5.32	1.19
	Total Non-Financial Liabilities		**5.51**	**8.24**	**1.87**
3	**Equity**				
A	Equity Share capital	21	2.83	2.50	2.47
B	Other Equity	22	2,906.47	1,665.99	1,351.12
	Total Equity		**2,909.30**	**1,668.49**	**1,353.59**
	Total Liabilities and Equity		**8,562.52**	**7,366.45**	**5,608.33**
The accompanying notes form an integral part of the financial statements		1 to 48			

In terms of our report of even date attached
For and on behalf of

Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

G. K. Subramaniam
Partner
Membership No. 109839

For and on behalf of the Board of Directors

Hariharan Aiyar
Vice Chairman
DIN – 01374306

V P Shetty
Non Executive Director
DIN – 00021773

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place : Mumbai
Date: April 30, 2019

Standalone Statement of Profit and Loss

for the year ended 31st March, 2019

₹ in Crore

		Note	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Income			
	Revenue from operations			
	Interest income	23	1,258.01	923.11
	Fees and commission income	24	5.11	15.08
	Net gain on fair value changes	25	0.29	-
	Other operating income	26	15.68	1.96
	Total Revenue from Operations		**1,279.09**	**940.15**
	Total Income		**1,279.09**	**940.15**
II.	Expenses:			
	Finance costs	27	578.74	389.90
	Impairment on financial instruments	28	15.99	19.20
	Employee benefits expense	29	31.52	23.56
	Depreciation, amortization and impairment	12	0.23	0.23
	Operating and other expenses	30	26.26	23.65
	Total expenses		**652.74**	**456.54**
III.	Profit before Tax		626.35	483.61
IV	Less: Tax expense	31		
	Current tax		223.54	179.22
	Deferred tax		(4.20)	(10.53)
	Tax adjustment of earlier years(net)		0.62	-
			219.96	**168.69**
V	Net Profit for the year		**406.39**	**314.92**
VI	Other Comprehensive Income			
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Items that will not be reclassified to profit or loss			
	- Actuarial gain/(losses) on post-retirement benefit plans		(0.04)	(0.03)
	- Income tax on the above		0.01	0.01
	Total Other Comprehensive Income		**(0.03)**	**(0.02)**
VII	Total Comprehensive Income		**406.36**	**314.90**
VIII	Earnings Per Equity Share	34		
	(Face value of ₹ 10/- each)			
	Basic (₹)		1,524.01	1,265.20
	Diluted (₹)		1,519.43	1,265.20
The accompanying notes form an integral part of the financial statements		1 to 48		

In terms of our report of even date attached
For and on behalf of

Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

G. K. Subramaniam
Partner
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DIN – 00021773

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place : Mumbai
Date: April 30, 2019

Statement of Changes in Equity

A. Equity share capital

₹ in Crore

Particulars	Balance as at April 01, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
Equity Share Capital	2.47	0.03	2.50	0.33	2.83

B. Other Equity

₹ in Crore

Particulars	Compulsory Convertible Preference Shares	Reserves and Surplus					Total Other Equity
		Securities Premium	General Reserve	Debenture Redemption Reserve	Statutory Reserve	Retained earnings	
Balance as at April 1, 2017	0.03	881.16	0.17	-	105.43	364.33	1,351.12
Addition/Reduction during the year							
Profit for the year	-	-	-	-	-	314.92	314.92
Other comprehensive income for the year	-	-	-	-	-	(0.02)	(0.02)
Transfer to statutory reserves	-	-	-	-	65.66	(65.66)	-
Conversion to equity shares	(0.03)	-	-	-	-	-	(0.03)
Balance at March 31, 2018	**-**	**881.16**	**0.17**	**-**	**171.09**	**613.57**	**1,665.99**
Addition/Reduction during the year							
On issue of shares	-	834.66	-	-	-	-	834.66
Share issue expenses	-	(0.55)	-	-	-	-	(0.55)
Profit for the year	-	-	-	-	-	406.39	406.39
Other comprehensive income for the year	-	-	-	-	-	(0.03)	(0.03)
Transfer to statutory reserves	-	-	-		81.28	(81.28)	-
Transfer to debenture redemption reserve	-	-	-	33.76	-	(33.76)	-
Balance at March 31, 2019	**-**	**1,715.27**	**0.17**	**33.76**	**252.37**	**904.89**	**2,906.46**

The accompanying notes form an integral part of the financial statements – Note No.1 to 48

In terms of our report of even date attached
For and on behalf of

Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

G. K. Subramaniam
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Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place : Mumbai
Date: April 30, 2019

Statement of Cash Flow

for the year ended March 31, 2019

₹ in Crore

		For the year ended March 31, 2019	For the year ended March 31, 2018
A	**Cash flow from operating activities**		
	Profit before tax	626.35	483.61
	Adjustment for:		
	Depreciation and amortisation expenses	0.23	0.23
	Profit on sale of investments (net realized and unrealized)	(13.90)	(1.96)
	Provision for gratuity	0.16	0.28
	Provision for compensated absences	0.17	0.15
	Provision for impairment	15.99	19.20
	Interest on fixed deposits	(0.27)	-
	Interest expenses – others	0.56	0.40
	Operating profit before working capital changes	**629.29**	**501.91**
	Adjustment for:		
	(Increase)/decrease in loans	(824.48)	(1,633.05)
	(Increase)/decrease in other financial and non-financial assets	(22.55)	(17.71)
	Increase in trade payables and other liabilities	9.82	8.07
	Decrease in Provisions	0.11	0.01
	Cash (used in) operations	**(207.81)**	**(1,140.77)**
	Direct taxes paid	(223.79)	(177.37)
	Net cash (used in) operating activities	**(431.60)**	**(1,318.14)**
B	**Cash flow from investing activities**		
	Purchase of investments	(39,836.35)	(7,456.00)
	Sale of investments	39,554.96	7,457.96
	Fixed deposits placed with bank	(4.50)	-
	Interest received on bank deposits	0.28	-
	Purchase of fixed assets	(0.53)	(0.06)
	Net cash (used in)/ generated from investment activities	**(286.14)**	**1.90**

Statement of Cash Flow

for the year ended March 31, 2019

₹ in Crore

		For the year ended March 31, 2019	For the year ended March 31, 2018
C	Cash flow from financing activities		
	Proceeds from issue of equity share	835.00	-
	Share issue expenses	(0.83)	-
	Interest paid	(0.01)	(0.01)
	Proceeds from debt securities	4,313.85	3,312.62
	Repayment of debt securities	(4,102.23)	(2,561.45)
	Proceeds from borrowings other than debt securities	511.06	1,270.00
	Repayment of borrowings other than debt securities	(779.11)	(588.28)
	Net cash generated from financing activities	**777.73**	**1,432.88**
	Net increase in Cash and cash equivalents	59.99	116.64
	Cash and cash equivalents at the beginning of the year	118.34	1.70
	Cash and cash equivalents at the end of the year (refer note 5)	**178.33**	**118.34**

The accompanying notes form an integral part of the financial statements – Note No.1 to 48

Notes

1 The cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - "Statement of Cash Flow ".

In terms of our report of even date attached
For and on behalf of

Deloitte Haskins & Sells LLP
Chartered Accountants
Registration No. 117366W/W-100018

G. K. Subramaniam
Partner
Membership No. 109839

For and on behalf of the Board of Directors

Hariharan Aiyar
Vice Chairman
DIN – 01374306

V P Shetty
Non Executive Director
DIN – 00021773

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place : Mumbai
Date: April 30, 2019

Significant Accounting Policies

and notes to the Financial Statements

1 Corporate Information

JM Financial Credit Solutions Limited (the "Company") was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". The Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, the Company's name was changed to "JM Financial Credit Solutions Limited". The Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

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.

Effective April 1, 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Historical cost convention

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 that 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 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 17, and measurements that have some similarities to fair value but are not fair value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised 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 Company can access at 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 valuation of assets or liabilities

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 crores 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.

2.2 Property, plant and equipment and Intangible Assets

a. 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. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs and impairment of assets below).

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

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

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

Assets taken on finance lease are depreciated over a period of lease.

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

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

Intangible assets

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

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation 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.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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 recognised as an impairment loss in the Statement of Profit and Loss.

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

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a. Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

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The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

b. Fees and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in this part of the statement of profit and loss include among other things fees charged for servicing a loan.

c. Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

d. Investment Income

The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

2.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance Lease

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.6 below).

Operating Lease

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Effective from April 1, 2019 Ind AS 116, the new leases standard will be applicable to the Company. As per Ind AS 116 all leases will form part of the balance sheet, applying a "right-of-use asset" model that would recognise an asset on the lessee's balance sheet (representing its right to use the leased asset over the lease term), and recognise a corresponding liability to make future lease payments.

As such, a lessee's current operating lease accounting model will change significantly. The lessor accounting model will largely remain unchanged from that applied under current guidance.

2.5 Foreign currency transactions

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.

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Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.6 Borrowing costs

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

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.7 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

Payments to defined contribution plans are recognised as expense in the Statement of Profit & 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 recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payment is available.

Defined Benefit Obligation:

The Company's Gratuity liability 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's 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 calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the 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 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 Company in respect of services provided by employees up to the reporting date.

2.8 Share-based payment arrangements

Equity-settled share-based payments to employees of the Company are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 43.

The fair value determined at the grant date of the equity-settled share-based payments to employees of the Company is expensed on a straight-line basis over the vesting period with a corresponding increase in equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in the Statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair

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value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year

Fair valuation of grants on transition to Ind AS

For transition to Ind AS, the Company has availed the option to fair value grants that vest after the transition date, April 1, 2017

2.9 Income tax

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

Current Tax

The tax currently payable is based on the taxable profit for the year of the 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 realised, 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 Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.10 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.

2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

i. an entity has a present obligation (legal or constructive) as a result of a past event; and

ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

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

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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 recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

i. 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

ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.12 Commitments

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

i. estimated amount of contracts remaining to be executed on capital account and not provided for;

ii. uncalled liability on shares and other investments partly paid;

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

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

2.13 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:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. 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.

2.14 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

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

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

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

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After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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 amortised 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.

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

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling 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 or a financial guarantee

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

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

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss.

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Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at 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 remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

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

Impairment of financial assets

Overview of the Expected Credit Loss principles

The company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

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

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

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, 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.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, 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 assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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 derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company 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 Instrument

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 are recognised at the proceeds received, net of direct issue costs.

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

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company'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 Company's own equity instruments.

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

Significant Accounting Policies

and notes to the Financial Statements

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised 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 amortised 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 amortised 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

Derecognition of financial liabilities

The Company derecognises 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 recognised in profit or loss.

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits 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 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.

2.18 Standards Issued but net yet effective

Ind AS 116 Leases was notified on March 28, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

3 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note 40 B(i)

Fair Valuation

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Corporation has applied appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 40 A.

4 Transition to Ind AS:

Overall principle:

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS transition balance sheet as at April 1, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows are set out note 39.

Exemptions and Exceptions availed:

We have set out below the applicable Ind AS 101 optional and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS Exemptions:

Deemed cost for property, plant and equipment and other intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

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5. Cash and Cash Equivalents

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash in hand	-	-	0#
Balances with banks			
- in current accounts	177.81	68.34	1.70
- in earmarked accounts (refer note (a) below)	0.52	-	-
- in deposit accounts	-	50.00	-
	178.33	**118.34**	**1.70**

# Denotes amount less than Rs.50,000/-

Notes:

(a Balance in earmarked account pertains to NCD application money refundable and thus having restrictions.

(b Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period ranging from one day to 90 days.

6 Other bank balances

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
- in deposit accounts	4.50	-	-
Total	**4.50**	**-**	**-**

Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates.

Balances with banks in deposit accounts are held as margin money or security against the borrowings, guarantees and other commitments.

7 Loans

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
Term Loans (refer note a)	8,028.70	7,244.57	5,583.62
Interest accrued	62.40	6.06	14.76
Gross loan	**8,091.10**	**7,250.63**	**5,598.38**
Less: Impairment loss allowance (refer note b)	(75.06)	(59.07)	(39.87)
Net loan	**8,016.04**	**7,191.56**	**5,558.51**
Break up of loans into secured and unsecured			
Secured by tangible assets	8,091.10	7,125.63	5,576.99
Unsecured	-	125.00	21.39
Gross loan	**8,091.10**	**7,250.63**	**5,598.38**
Less: Impairment loss allowance (refer note b)	(75.06)	(59.07)	(39.87)
Net loan	**8,016.04**	**7,191.56**	**5,558.51**

Note:

a) Includes impact of Effective interest rates amounting to ₹ 94.36 crore as at March 31, 2019 (₹ 94.31 crore as at March 31, 2018 and Rs.74.53 crore as at March 31, 2017).

b) Impairment loss allowance includes provision on undisbursed loan commitment amounting to ₹ 1.50 crore as at March 31, 2019.

c) The loans are given in India to other than Public sectors.

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8 Investments

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At Fair Value Through profit and loss account			
Mutual fund units	270.29	-	-
Debt instruments	25.00	-	-
Equity instruments	0#	-	-
Total	**295.29**	**-**	**-**

# Denotes amount below ₹ 50,000/-

9 Other Financial assets

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	3.74	0.04	1.47
Accrued interest but not due on deposits with banks	0.24	-	-
Others	0.08	-	-
Total	**4.06**	**0.04**	**1.47**

10 Current tax assets (net)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance tax (net of provisions)	1.29	0.83	1.28
Total	**1.29**	**0.83**	**1.28**

11 Deferred tax Assets (net)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Impairment of Financial instruments	20.48	17.82	13.80
Measurement of Financial instruments at amortised cost	33.07	30.92	24.67
Disallowances under section 43B of the Income Tax Act, 1961	(1.47)	5.77	5.46
Preliminary expense under section 35(d) of the Income Tax Act, 1961	6.97	0.07	0.13
Difference between books and tax written down value of fixed assets	(0.04)	(0.07)	(0.09)
Total	**59.01**	**54.51**	**43.97**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2019

₹ in Crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2018	Recognised in profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31 2019
Fiscal allowance on fixed assets	(0.07)	0.03	-	(0.04)
Fiscal allowance on expenditure, etc.	5.84	(0.63)	0.29	5.50
Measurement of Financial instruments at amortised cost	30.92	2.15	-	33.07
Impairment allowance for financial assets	17.82	2.66	-	20.48
Total	**54.51**	**4.21**	**0.23**	**59.01**

For the year ended March 31, 2018

₹ in Crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2017	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balance as at March 31, 2018
Fiscal allowance on fixed assets	(0.09)	0.02	-	(0.07)
Fiscal allowance on expenditure, etc.	5.59	0.25	-	5.84
Measurement of Financial instruments at amortised cost	24.67	6.25	-	30.92
Impairment allowance for financial assets	13.80	4.02	-	17.82
Total	**43.97**	**10.54**	**-**	**54.51**

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12 Property, Plant and Equipment

₹ in Crore

Description	Gross Block			Depreciation/Amortisation			Net Block
	As at March 31, 2018	Additions for the year	As at March 31, 2019	Up to March 31, 2018	Additions for the year	Up to March 31, 2019	As at March 31, 2019
Property, Plant and Equipment							
Owned Assets:							
Freehold land	0.05	-	0.05	-	-	-	0.05
Computers	0.23	0.02	0.25	0.09	0.07	0.16	0.09
Furniture and fixtures	0.05	0.03	0.08	-	0.01	0.01	0.07
Office Equipment	0.01	0.01	0.02	-	0.01	0.01	0.01
Leasehold improvements	0.13	0.47	0.60	0.03	0.04	0.07	0.53
Leased Assets:							
Vehicles	0.08	-	0.08	0.04	0.03	0.07	0.01
Total	**0.55**	**0.53**	**1.08**	**0.16**	**0.16**	**0.32**	**0.76**
Intangible Assets							
Software	0.36	-	0.36	0.07	0.07	0.14	0.22

₹ in Crore

Description	Gross Block			Depreciation/Amortisation			Net Block
	As at March 31, 2017	Additions for the year	As at March 31, 2018	Up to March 31, 2017	Additions for the year	Up to March 31, 2018	As at March 31, 2018
Property, Plant and Equipment							
Owned Assets:							
Freehold land	0.05	-	0.05	-	-	-	0.05
Computers	0.18	0.05	0.23	-	0.09	0.09	0.14
Furniture and fixtures	0.05	-	0.05	-	-	-	0.05
Office Equipment	0.01	-	0.01	-	-	-	0.01
Leasehold improvements	0.13	-	0.13	-	0.03	0.03	0.10
Leased Assets:							
Vehicles	0.08	-	0.08	-	0.04	0.04	0.04
Total	**0.50**	**0.05**	**0.55**	**-**	**0.16**	**0.16**	**0.39**
Intangible Assets							
Software	0.35	0.01	0.36	-	0.07	0.07	0.29

The Company has availed the deemed cost exemption in relation to the property, plant and equipment (except freehold land) on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2017 under the previous GAAP.

₹ in Crore

Property, Plant and Equipment	Gross Block	Accumulated Depreciation	Net Block
Owned Assets			
Freehold land	0.05	-	0.05
Computers	0.29	0.11	0.18
Furniture and fixtures	0.06	0.01	0.05
Office Equipment	0.02	0.01	0.01
Leasehold improvements	0.15	0.02	0.13
Leased Assets:			
Vehicles	0.18	0.10	0.08
Total	**0.75**	**0.25**	**0.50**
Intangible Assets			
Software	0.41	0.06	0.35

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13 Other non-financial assets

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured and considered good unless otherwise stated			
Capital advances	-	0.01	-
Prepaid Expenses	1.16	0.34	0.24
Balances with government authorities	1.83	0.13	0.31
Others	0.03	0.01	-
Total	**3.02**	**0.49**	**0.55**

14 Trade Payables

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
total outstanding dues of creditors other than micro enterprises and small enterprises	11.23	2.85	1.96
	11.23	**2.85**	**1.96**

Due to related parties as at March 31, 2019 is ₹ 6.16 crore (as at March 31, 2018 is ₹ 2.33 crore and as at March 31, 2017 is ₹ 0.99 crore)

14. a) There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

₹ in Crore

		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv)	The amount of interest due and payable for the year	-	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-
Total		**-**	**-**	**-**

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15. Debt Securities

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
Secured			
Non-convertible debentures (refer note 15.1 and 15.2)	2,543.12	2,144.57	1,414.60
Interest Payable	180.53	105.79	84.70
Unsecured			
Commercial paper (refer note 15.3 and 15.4)	555.00	815.00	810.00
Less: Unamortised interest on commercial paper	(30.09)	(28.43)	(23.55)
Total	**524.91**	**786.57**	**786.45**
Grand Total	**3,248.56**	**3,036.93**	**2,285.75**

Debt securities are issued in India.

15.1 Non-Convertible Debentures:

Non-convertible debentures aggregating ₹ 2,543.12 crore (As at March 31, 2018: ₹ 2,144.57 crore and As at April 1, 2017: ₹1,414.60 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on pool of certain loan fund balances of the Company.

15.2 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Private Placement - Face value of ₹ 10,00,000 each			
0% NCD redeemable in year 2017-18*	-	-	50.00
10.1674 % NCD redeemable in year 2017-18	-	-	75.00
10.1687 % NCD redeemable in year 2017-18	-	-	100.00
10.5 % NCD redeemable in year 2017-18	-	-	60.00
9.9756 % NCD redeemable in year 2017-18	-	-	75.00
0% NCD redeemable in year 2018-19*	-	3.00	3.00
10.2609 % NCD redeemable in year 2018-19	-	300.00	300.00
10.2946 % NCD redeemable in year 2018-19	-	100.00	100.00
9.7307 % NCD redeemable in year 2018-19	-	40.00	40.00
9.3133 % NCD redeemable in year 2019-20	50.00	200.00	-
0% NCD redeemable in year 2019-20*	143.10	143.10	143.10
8.75 % NCD redeemable in year 2019-20	125.00	125.00	-
9.3037 % NCD redeemable in year 2019-20	125.00	125.00	-
10.5 % NCD redeemable in year 2019-20	50.00	50.00	50.00
9.7 % NCD redeemable in year 2019-20	100.00	100.00	100.00
9.25 % NCD redeemable in year 2019-20	50.00	50.00	50.00
9.69 % NCD redeemable in year 2019-20	100.00	100.00	100.00
9.7665 % NCD redeemable in year 2019-20	10.00	10.00	10.00
9.78 % NCD redeemable in year 2019-20	7.50	7.50	7.50
0 % NCD redeemable in year 2020-21*	91.00	91.00	16.00
9.15 % NCD redeemable in year 2020-21	67.90	67.90	-
9.3606 % NCD redeemable in year 2020-21	42.80	42.80	-
9.05 % NCD redeemable in year 2020-21	30.00	30.00	-
0 % NCD redeemable in year 2021-22*	248.90	248.90	-
9.05 % NCD redeemable in year 2021-22	175.00	175.00	-
9.00 % NCD redeemable in year 2021-22	10.00	10.00	10.00
9.20 % NCD redeemable in year 2021-22	70.00	70.00	70.00
9.50 % NCD redeemable in year 2021-22	25.00	25.00	25.00
9.70 % NCD redeemable in year 2021-22	30.00	30.00	30.00
Public issue - Face value of ₹ 1000 each			
9.25 % Tranche I -Option I redeemable in year 2021-22	116.52	-	-
0 % Tranche I -Option II redeemable in year 2021-22	24.39	-	-
9.50% Tranche I -Option III redeemable in year 2023-24	365.31	-	-

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₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
9.11% Tranche I -Option IV redeemable in year 2023-24	17.03	-	-
9.75% Tranche I -Option V redeemable in year 2028-29	214.81	-	-
9.34% Tranche I -Option VI redeemable in year 2028-29	11.94	-	-
10.00% Tranche II -Option I redeemable in year 2022-23	98.72	-	-
0 % Tranche II -Option II redeemable in year 2022-23	31.73	-	-
10.10% Tranche II -Option III redeemable in year 2023-24	49.09	-	-
9.67% Tranche II -Option IV redeemable in year 2023-24	42.87	-	-
10.25% Tranche II -Option V redeemable in year 2028-29	25.04	-	-
9.81% Tranche II -Option VI redeemable in year 2028-29	16.15	-	-
Total	**2,564.80**	**2,144.20**	**1,414.60**

* Redeemable at premium

Maturity profile above is disclosed at face value which excludes premium amounting to ₹ 0.25 crore (2017-18 : ₹ 0.37 crore and 2016-17 : nil) and impact of effective interest rate adjustment amounting to ₹ 21.93 crore (As at March 31, 2018 : nil and As at April 1, 2017 : nil).

15.3 The maximum amount of commercial paper outstanding at any time during the year was ₹ 1,540.00 crore (Previous year ₹ 955.00 crore for FY 2017-18, ₹ 810 crore for FY 2016-17).

15.4 Commercial paper has interest ranging from 7.59% to 10.50% p.a (6.78% to 8.90% p.a for FY 2017-18 and 7.35% to 8.25% p.a for FY 2016-17) and are repayable within a period upto 365 days from the date of disbursement

16 Borrowings (Other than Debt securities)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortized cost			
Term loans			
(i) from banks			
-Secured (refer note 16.1)	2,089.70	2,436.12	1,868.70
(ii) from other parties			
-Secured (refer note 16.1)	125.00	125.00	-
Interest payables	5.48	9.51	7.90
Cash Credit Facility from Banks (refer note 16.2)	136.23	53.80	66.08
Finance lease obligations (secured by way of hypothecation of vehicles)	0.02	0.05	0.08
Total	**2,356.43**	**2,624.48**	**1,942.76**

Borrowings are made within India.

16.1 Term loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company. Also includes impact of effective interest rate of ₹ 2.22 crore (As at March 31, 2018: ₹ 2.69 crore and As at April 1, 2017 : ₹ 2.36 crore).

Maturity profile and rate of interest of term loans:

₹ in Crore

Residual Maturities	As at March 31, 2019		
	Up to one year (April 2019 to March 2020)	1-3 years (April 2020 to March 2022)	3 years & above (April 2022 onwards)
8.00 % to 9.00%	245.00	229.73	-
9.01 % to 10.00%	708.85	755.52	77.82
10.01% to 11.00%	40.00	160.00	-
Total	**993.85**	**1,145.25**	**77.82**

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Maturity profile shown excluding effective interest rate impact amounting to ₹ 2.11 crore

₹ in Crore

Residual Maturities	As at March 31, 2018		
	Up to one year (April 2018 to March 2019)	1-3 years (April 2019 to March 2021)	3 years & above (April 2021 onwards)
8.00 % to 9.00%	592.07	1,661.73	175.00
9.01 % to 10.00%	60.00	75.00	-
10.01% to 11.00%	-	-	-
Total	**652.07**	**1,736.73**	**175.00**

Maturity profile shown excluding effective interest rate impact amounting to ₹ 2.68 crore

₹ in Crore

Residual Maturities	As at April 01, 2017		
	Up to one year (April 2017 to March 2018)	1-3 years (April 2018 to March 2020)	3 years & above (April 2020 onwards)
8.00 % to 9.00%	240.07	910.99	320.00
9.01 % to 10.00%	53.08	139.42	7.50
10.01% to 11.00%	64.99	135.01	-
Total	**358.14**	**1,185.42**	**327.50**

Maturity profile shown excluding effective interest rate impact amounting to ₹ 2.36 crore

*The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

16.2 Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.

17 Other financial liabilities

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Employee benefits payable	30.97	25.46	22.40
NCD Application Money	0.52	-	-
	31.49	**25.46**	**22.40**

18 Current tax liabilities (net)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for tax (net)	3.17	1.78	-
	3.17	**1.78**	**-**

19 Provisions

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
For employee benefits:			
Gratuity (refer note 36)	1.00	0.68	0.37
Compensated absences	0.61	0.46	0.31
	1.61	**1.14**	**0.68**

20 Other non-financial liabilities

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues	0.73	5.32	1.19
	0.73	**5.32**	**1.19**

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21. Equity Share capital

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Authorised			
30,00,000 Equity shares of ₹ 10/- each	3.00	3.00	3.00
20,00,000 Preference shares of ₹ 10/- each	2.00	2.00	2.00
	5.00	**5.00**	**5.00**
Issued, Subscribed and Paid-up			
28,26,816 (F.Y 2018- 24,99,500) (F.Y 2017 24,65,296) Equity shares of ₹ 10/- each fully paid-up	2.83	2.50	2.47
19,837 (F.Y 2018- nil) (F.Y 2017 nil) Equity shares of ₹ 2/- each partly paid-up	0#	-	-
	2.83	**2.50**	**2.47**

₹ 39,674/-

Reconciliation of the number of equity shares outstanding

₹ in Crore

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,499,500	2.50	2,465,296	2.47
Shares issued during the year pursuant to private placement - fully paid up	327,316	0.33	-	-
Shares issued during the year pursuant to private placement - partly paid up	19,837	0#	-	-
Shares issued during the year pursuant to conversion	-	-	34,204	0.03
Shares outstanding at the end of the year	**2,846,653**	**2.83**	**2,499,500**	**2.50**

₹ 39,674/-

Details of shareholding in excess of 5%

	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	Number	%	Number	%	Number	%
JM Financial Limited along with its nominees*	1,339,268	47.05%	12,50,000	50.01%	12,50,000	50.70%
INH Mauritius 1	**1,384,087**	**48.62%**	**12,15,296**	**48.62%**	**12,15,296**	**49.30%**

*includes 19,837 partly paid up shares having paid up amount of ₹ 2/- per share

Terms and rights attached to each class of shares:

Equity Shares:

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

22 Other Equity

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Compulsory Convertible Preference Shares	-	-	0.03
Securities premium account	1,715.27	881.16	881.16
General reserve	0.17	0.17	0.17
Statutory reserve	252.37	171.09	105.43
Debenture redemption reserve	33.76	-	-
Retained earnings	904.89	613.57	364.33
Grand Total	**2,906.46**	**1,665.99**	**1,351.12**

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₹ in Crore

	As at March 31, 2019	As at March 31, 2018
Compulsory Convertible Preference Shares		
Opening balance	-	0.03
Addition	-	-
Pursuant to conversion into equity shares	-	(0.03)
Closing balance	**-**	**-**
Securities premium account		
Opening balance	881.16	881.16
(+) on issue of share	834.67	-
(-) utilised for share issue expenses	(0.55)	-
Closing balance	**1,715.28**	**881.16**
General reserve		
Opening balance	0.17	0.17
Addition	-	-
Closing balance	**0.17**	**0.17**
Statutory reserve (Section 45-IC of the RBI Act, 1934)		
Opening balance	171.09	105.43
Addition	81.28	65.66
Closing balance	**252.37**	**171.09**
Debenture redemption reserve		
Opening balance	-	-
Addition	33.76	-
Closing balance	**33.76**	**-**
Retained earnings:		
Opening balance	613.57	364.33
(+) Profit for the year	406.39	314.92
(+/-) Other Comprehensive Income	(0.03)	(0.02)
	1,019.93	**679.23**
(-) Appropriations		
Transferred to statutory reserve	81.28	65.66
Transferred to Debenture redemption reserve	33.76	-
	115.04	**65.66**
Closing balance	**904.89**	**613.57**
Grand Total	**2,906.47**	**1,665.99**

Note:

The Board of Directors of the Company has recommended a final dividend of ₹1 per equity share of the face value of ₹10/- each (in proportion to the partly paid-up amount) for the year ended March 31, 2019. The said dividend will be paid, if approved by the shareholders at the Thirty Ninth Annual General Meeting.

Securities premium reserve

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory reserve:

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit after tax every year in terms of Section 45-IC of the RBI Act, 1934.

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Debenture redemption reserve:

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

23 Interest Income

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
At Amortised Cost		
Interest on loans	1,258.01	923.11
	1,258.01	**923.11**

24 Fees and Commission Income

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Other fees	5.11	15.08
	5.11	**15.08**

25 Net gain on fair value changes

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Gain on financial instruments (investments) designated at fair value through profit and loss (Unrealised)	0.29	-
Total gain on fair value changes	**0.29**	**-**

*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense

26 Other Operating Income

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Profit on sale of investments (net)	13.61	1.96
Profit on early redemption of debentures	1.79	-
Interest income – others	0.28	-
	15.68	**1.96**

27 Finance costs

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
At Amortised Cost		
Debt securities	327.39	199.85
Borrowings(Other than debt securities)	239.87	180.26
Other interest expense	11.48	9.79
	578.74	**389.90**

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28 Impairment on financial instruments

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
At Amortised Cost		
On loans	15.99	19.20
	15.99	**19.20**

29 Employee benefits expense

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, bonus, other allowances and benefits	30.73	22.80
Contribution to provident and other funds	0.56	0.43
Gratuity (refer note 36)	0.16	0.28
Staff welfare expenses	0.07	0.05
	31.52	**23.56**

30 Other expenses

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Rates & taxes	1.14	1.28
Legal & professional fees	2.18	1.73
Support service charges	8.37	10.7
Space and related charges	2.29	1.75
Information technology expenses	0.33	0.30
Travelling & conveyance	0.83	0.82
Auditors remuneration (Refer note 33)	0.12	0.11
Repairs and maintenance	0.18	0.13
Electricity expenses	0.16	0.13
Donation	9.14	6.01
Insurance expense	0.11	0.06
Bank charges	0.06	0.06
Printing & stationery	0.06	0.06
Membership and subscription	0.25	0.22
Communication expenses	0.07	0.06
Director sitting Fees	0.09	0.08
Director commission	0.65	-
Miscellaneous expenses	0.23	0.15
	26.26	**23.65**

31 Income Tax

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	223.54	179.22
Deferred tax	(4.20)	(10.53)
Tax adjustment in respect of earlier years	0.62	-
Total income tax expenses recognised in the current year	**219.96**	**168.69**
Income tax expense recognised in other comprehensive income	0.01	0.01

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Reconciliation of total tax charge

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	626.35	483.61
Income tax rate	34.94%	34.61%
Income tax expense	218.87	167.37
Tax Effect of:		
Items that are allowable or disallowable in determining taxable profits (net)	1.80	1.32
Adjustment in respect of earlier years (net)	(0.71)	-
Total	**1.09**	**1.32**
Income tax expense recognised in profit and loss	**219.96**	**168.69**

The tax rate used for reconciliation above is the corporate tax rate applicable to companies in India on taxable profit under the tax laws in Indian Jurisdiction i.e. Income tax Act, 1961.

32 Contingent Liabilities and Commitments

₹ in Crore

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Contingent liability	-	-	-
Commitments			
Undisbursed Commitment *	226.29	941.01	62.26
Capital Commitments	-	-	-

*This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.

33 Payment to Auditors: (Excluding Goods and Services Tax)

₹ in Crore

	Year ended March 31, 2019	Year ended March 31, 2018
Audit fees	0.09	0.08
In any other manner (Certifications, limited reviews, etc.)*	0.02	0.03
Out of pocket	0.01	0#
Total	**0.12**	**0.11**
Fees paid in connection with Public issue of NCD included for measurement of financial liabilities at amortized cost	0.08	-

# Denotes amount below ₹ 50,000/-

34 Earnings per share

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

	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (In ₹ Crore)	406.39	314.92
Profit attributable to equity shareholders (In ₹ Crore)	406.39	314.92
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	2,666,591	2,489,098
Basic earnings per share (Rupees)	1,524.01	1,265.20
Dilutive potential equity shares (Nos.)	8,043	-
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	2,674,634	2,489,098
Diluted earnings per share (Rupees)	1,519.43	1,265.20
Nominal value per share (Rupees)	10	10

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35 Lease Transactions

A Operating leases

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of agreements are executed for the period ranging from 60 months to 108 months with a non-cancellable period at the beginning of the agreement range for 36 months to 60 months and having a renewable clause.

The future minimum rental payments in respect of non-cancellable lease for premises are as follows:

₹ in Crore

Due	Total minimum lease payments outstanding as at March 31, 2019	Total minimum lease payments outstanding as at March 31, 2018	Total minimum lease payments outstanding as at March 31, 2017
Not later than one year	2.26	1.89	1.32
Later than one year and not later than five years	9.10	7.12	5.06
Later than five years	13.47	-	-
Total	**24.83**	**9.01**	**6.38**

Lease payments recognised in the Statement of Profit and Loss for the current year are ₹ 2.06 crore (2017-18 : ₹ 1.62 crore and 2016-17 : ₹ 1.33 crore) excluding GST and Service tax.

B Finance leases

The Company has taken vehicles on finance lease for a period of 36 months. The minimum lease rentals outstanding as at the year-end are as under:

₹ in Crore

	Minimum lease Payments			Present Values of Minimum lease Payments		
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Not later than one year	0.02	0.04	0.05	0.02	0.03	0.04
Later than one year and not later than five years	-	0.02	0.06		0.02	0.05
Later than five years	-	-	-		-	-
Total	**0.02**	**0.06**	**0.11**	**0.02**	**0.05**	**0.09**
Less: future finance charges	0#	0.01	0.02			
Present value of minimum lease payments	0.02	0.05	0.09			

# Denotes amount below ₹ 50,000/-

The Company has option to purchase the vehicle for a nominal amount at the end of lease terms.

36 Employee Benefits

Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. 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 ₹ 0.57 crore (2018: ₹ 0.43 crore; 2017: ₹ 0.32 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

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

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

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Interest Rate Risk:

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

Longevity Risks:

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

Salary Risks:

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

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Discount rate	7.55%	7.85%	7.20%
Expected rate of salary increase	7.00%	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2006-08) Ult table.	Indian Assured Lives Mortality (2006-08) Ult table.

b) Amount recognised in statement of profit and loss in respect of these defined benefit obligation

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Current service cost	0.11	0.05
Net interest cost	0.05	0.02
Past service cost	-	0.21
Total amount recognised in statement of profit and loss	0.16	0.28
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	0#	0#
- Actuarial (gain)/loss from change in financial assumptions	0.02	(0.05)
- Actuarial (gain)/loss from change in experience adjustments	0.02	0.08
Total amount recognised in other comprehensive income	**0.04**	**0.03**
Total	**0.20**	**0.31**

#Denotes below ₹ 50,000/-

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

c) 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, 2019	As at March 31, 2018	As at April 01, 2017
Present value of defined benefit obligation	1.00	0.68	0.37
Fair value of plan assets	-	-	-
Net liabilities arising from defined benefit obligation	**1.00**	**0.68**	**0.37**

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

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	0.68	0.37
Current service cost	0.11	0.05
Past service cost	-	0.21
Interest cost	0.05	0.02
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	0#	-
Actuarial (gain)/loss from change in financial assumptions	0.03	(0.05)
Actuarial (gain)/loss from change in experience adjustments	0.01	0.08
Benefits paid	-	-
Liabilities assumed/(settled)	0.12	-
Closing defined benefit obligation	**1.00**	**0.68**

#Denotes amount less than ₹ 50,000/-

e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase 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 are as follows:

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Defined benefit obligation (base)	1.00	0.68	0.37

Particulars	As at 31.03.2019		As at 31.03.2018	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	0.95	1.03	0.64	0.70
Impact of increase in 50 bps on DBO	-4.80%	2.45%	-5.36%	2.57%
Defined benefit obligation on decrease in 50 bps	1.05	0.98	0.72	0.66
Impact of decrease in 50 bps on DBO	5.20%	-2.31%	5.84%	-2.79%

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 to note (a) 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 recognised in the balance sheet.

f) Projected benefits payable:

₹ in Crore

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Expected benefits for year 1	0.05	0.03
Expected benefits for year 2	0.05	0.04
Expected benefits for year 3	0.05	0.04
Expected benefits for year 4	0.23	0.04
Expected benefits for year 5	0.05	0.04
Expected benefits for year 6	0.05	0.04
Expected benefits for year 7	0.21	0.04
Expected benefits for year 8	0.04	0.20
Expected benefits for year 9	0.20	0.03
Expected benefits for year 10 and above	1.70	1.57

The weighted average duration of the defined benefit obligation is 9.98 years (previous year 11.19 years)

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37 Related Party Disclosure

Names of related parties and description of Relationship

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

Holding Company

JM Financial Limited

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

(A) Holding Company

JM Financial Limited

(B) Fellow Subsidiaries

JM Financial Institutional Securities Limited (up to December 31, 2017)

JM Financial Services Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

CR Retail Malls (India) Limited

Infinite India Investment Management Limited

JM Financial Asset Reconstruction Limited

JM Financial Commtrade Limited

(C) Key management personnel of the reporting entity or of a parent of the reporting entity:

Mr. Vishal Kampani (KMP of the parent of the reporting entity)

Ms. Amishi Gambhir (close relative of VNK)

Mr. Shashwat Belapurkar (CEO) (KMP of the reporting entity)

Non-Executive Directors

Mr. Vikram Pandit

Mr. Hariharan Aiyar

Mr. V P Shetty

Ms.Dipti Neelakantan

Independent Directors

Dr. Anup Shah

Mr. Darius E Udwadia

(D) Enterprise over which close members of family (relatives) of key management personnel are able to exercise significant influence

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)

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(iii) Details of transactions with related parties;

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018
JM Financial Limited	(A)		
Infusion of equity (Fully Paid up)		175.00	-
Infusion of equity (Partly Paid up)		10.00	-
Gratuity Received		0.15	-
Inter corporate deposit taken		100.00	-
Inter corporate deposit repaid		100.00	-
Interest expenses on inter corporate deposits taken		0.55	-
Rating support fees		9.30	6.79
Support service charges		1.98	1.98
Lead Manager Fees		0.16	-
Reimbursement of employee expenses		0.68	-
Reimbursement of expenses		0.04	0.01
JM Financial Properties and Holdings Limited	(B)		
Space and related charges		1.82	1.55
Reimbursement of expenses (paid)		0.33	0.32
Rent deposit taken		1.43	-
Rent deposit repaid		-	1.43
JM Financial Services Limited	(B)		
Brokerage on Debenture issue		5.51	-
Demat charges		-	-
JM Financial Institutional Securities Limited	(B)		
Reimbursement of expenses (paid)		-	0.01
JM Financial Products Limited	(B)		
Inter corporate deposits taken		-	125.00
Inter corporate deposits repaid		-	125.00
Interest expenses on inter corporate deposits taken		-	0.19
Support service charges		5.70	8.00
CR Retail Malls (India) Limited	(B)		
Inter corporate deposits given		-	25.00
Inter corporate deposits received back		-	25.00
Interest income on inter corporate deposits given		-	0.03
JM Financial Asset Reconstruction Company Limited	(B)		
Inter corporate deposits given		100.00	-
Inter corporate deposits received back		100.00	-
Interest income on inter corporate deposits given		0.11	-
Infinite India Investment Management Limited	(B)		
Inter corporate deposits given		100.00	-
Inter corporate deposits received back		100.00	-
Interest income on inter corporate deposits given		0.63	-
JM Financial Commtrade Limited	(B)		
Inter corporate deposits given		-	42.00
Inter corporate deposits received back		-	42.00
Interest income on inter corporate deposits given		-	0.07
Ms. Amishi Gambhir	(C)		
Remuneration		-	0.62
Contribution to provident fund		-	0.01
Key management personnel, (Refer Note (a) below)	(C)		
Remuneration		7.43	6.86
J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)	(D)		
Employee related liability transferred to		0.03	-

Notes

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(iv) Balances of related parties:

₹ in Crore

Name of the related party	Nature of relationship	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Payables				
JM Financial Limited	(A)	-	2.34	-
JM Financial Services Limited	(B)	-	-	0#
JM Financial Products Limited	(B)	6.16	-	0.99
Ms. Amishi Gambhir	(C)	0.16	0.66	0.62
Key management personnel (Refer note (a) below)	(C)	11.19	8.83	9.86
Security Deposits				
JM Financial Properties and Holdings Limited	(B)	1.43	-	1.43

#Denotes amount less than ₹ 50,000/-

a. 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.

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

37.2 The transactions disclosed above are exclusive of service tax and GST.

38 Maturity Analysis of Assets and Liabilities

₹ in Crore

		As at March 31, 2019			As at March, 2018			As at April 01, 2017		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS									
1	**Financial Assets**									
A	Cash and cash equivalents	178.33	-	178.33	118.34	-	118.34	1.70	-	1.70
B	Bank Balance other than (A) above	4.50	-	4.50	-	-	-	-	-	-
B	Loans	2,126.09	5,889.95	8,016.04	2,486.66	4,704.90	7,191.56	1,785.14	3,773.37	5,558.51
D	Investments	270.29	25.00	295.29	-	-	-	-	-	-
E	Other Financial assets	3.32	0.74	4.06	-	0.04	0.04	1.47	-	1.47
		2,582.53	**5,915.69**	**8,498.22**	**2,605.00**	**4,704.94**	**7,309.94**	**1,788.31**	**3,773.37**	**5,561.68**
2	**Non-financial Assets**									
A	Current tax assets (net)	-	1.29	1.29	-	0.83	0.83	-	1.28	1.28
B	Deferred tax Assets (Net)	-	59.01	59.01	-	54.51	54.51	-	43.97	43.97
C	Property, Plant and Equipment	-	0.76	0.76	-	0.39	0.39	-	0.50	0.50
D	Other Intangible assets	-	0.22	0.22	-	0.29	0.29	-	0.35	0.35
E	Other non-financial assets	2.07	0.95	3.02	0.48	0.01	0.49	0.55	-	0.55
		2.07	**62.23**	**64.30**	**0.48**	**56.03**	**56.51**	**0.55**	**46.10**	**46.65**
	Total Assets	**2,584.60**	**5,977.92**	**8,562.52**	**2,605.48**	**4,760.97**	**7,366.45**	**1,788.86**	**3,819.47**	**5,608.33**

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₹ in Crore

		As at March 31, 2019			As at March, 2018			As at April 01, 2017		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
A	**Payables**									
	(I) Trade Payables									
	(i) total outstanding dues of micro enterprises and small enterprises									
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11.23	-	11.23	2.85	-	2.85	1.96	-	1.96
B	Debt Securities	1,461.56	1,787.00	3,248.56	1,335.36	1,701.57	3,036.93	1,231.15	1,054.60	2,285.75
C	Borrowings (Other than Debt Securities)	1,098.18	1,258.25	2,356.43	680.67	1,943.81	2,624.48	419.05	1,523.71	1,942.76
D	Other financial liabilities	18.90	12.59	31.49	13.18	12.28	25.46	10.61	11.79	22.40
	Total Financial Liabilities	**2,589.87**	**3,057.84**	**5,647.71**	**2,032.06**	**3,657.66**	**5,689.72**	**1,662.77**	**2,590.10**	**4,252.87**
2	**Non-Financial Liabilities**									
A	Current tax liabilities (Net)	3.17	-	3.17	1.78	-	1.78	-	-	-
B	Provisions	-	1.61	1.61	-	1.14	1.14	-	0.68	0.68
C	Other non-financial liabilities	0.73	-	0.73	5.32	-	5.32	1.19	-	1.19
	Total Non-Financial Liabilities	**3.90**	**1.61**	**5.51**	**7.10**	**1.14**	**8.24**	**1.19**	**0.68**	**1.87**
	Total	**2,592.74**	**3,060.48**	**5,653.22**	**2,039.16**	**3,658.80**	**5,697.96**	**1,663.96**	**2,590.78**	**4,254.74**
	Net	**(9.17)**	**2,918.47**	**2,909.30**	**566.32**	**1,102.17**	**1,668.49**	**124.89**	**1,228.70**	**1,353.59**

39 First-time Ind AS adoption reconciliations

Reconciliation of equity as at April 1, 2017 and March 31, 2018 and profit or loss for the year ended March 31, 2018

₹ in Crore

Particulars	Note No	Total Comprehensive income Reconciliation	Equity Reconciliation	
		Year ended March 31, 2018	As at March 31, 2018	As at April 01, 2017
Net profit / Total Equity as per previous Indian GAAP		328.29	1,741.56	1,413.27
IndAS Adjustments:				
Measurement of Financial Liabilities at Amortised Cost	2	1.74	4.98	3.24
Measurement of Financial Assets at Amortised Cost	1	(19.79)	(94.32)	(74.53)
Expected Credit Loss allowance on Investments and loans	4	(2.41)	(22.39)	(19.98)
Actuarial Loss on Employee Benefits (net of tax)	3	0.02	-	-
Impact of deferred tax on above adjustment	5	7.07	38.66	31.59
Total		(13.37)	(73.07)	(59.68)
Net profit / Total Equity as per Ind AS		**314.92**	**1,668.49**	**1,353.59**
Other comprehensive income (net of tax)		0.02	-	-
Total Comprehensive income / Total Equity as per Ind AS		**314.90**	**1,668.49**	**1,353.59**

1. Under previous GAAP, loans were carried at cost whereas under IND AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method.

2. Under Previous GAAP, transaction costs on borrowings were charged to Statement of Profit and Loss as and when incurred. Under Ind AS, these costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.

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3. Under previous GAAP, Company recognises actuarial gains/losses on defined benefit plan in the profit and loss account. Under Ind AS, the actuarial gains and losses will be recognised in other comprehensive income as remeasurements.
4. Under previous GAAP, provision for doubtful loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, are determined using the expected credit loss model.
5. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. It also includes impact of deferred tax arising on account of transition to IND AS

Impact of Ind AS adoption on the statements of Cash flows for the year ended March 31, 2018 ₹ in Crore

Particulars	Previous GAAP	Adjustments	Ind AS
Cash flow from operating activities	(1,295.79)	(22.35)	(1,318.14)
Cash flow from investing activities	1.90	0.00	1.90
Cash flow from financing activities	1,410.53	22.35	1,432.88
Net increase in Cash and cash equivalents	**116.64**	**0.00**	**116.64**

The adjustments are primarily on account of Ind AS reclassifications.

40. Financial Instruments

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.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value and minimize cost of capital. 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 adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in Crore

Borrowings	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Debt	5,604.99	5,661.41	4,228.51
Less - Cash and cash equivalents*	177.81	118.34	1.70
Less - Investment in liquid mutual funds**	270.29	-	-
Less - Other bank deposits	-	-	-
Adjusted net debt	**5,156.89**	**5,543.07**	**4,226.81**
Total equity	2,909.29	1,668.49	1,353.59
Adjusted net debt to equity ratio	**1.77**	**3.32**	**3.12**

*excludes balances in earmarked account.

**Investment in mutual funds are matured and the money is received on next working day.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2019, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, is disclosed in Note 48.2. We believe that our high capital adequacy gives us significant headroom to grow our business.

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Financial instruments

A. Fair Value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Set out below, is the accounting classification of financial instruments by category:

₹ in Crore

As at March 31, 2019	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	178.33	178.33
Bank Balance other than (a) above	-	4.50	4.50
Loans	-	8,016.04	8,016.04
Investments	295.29	-	295.29
Other Financial assets	-	4.06	4.06
Total	**295.29**	**8,202.93**	**8,498.22**
Financial liabilities			
Debt securities	-	3,248.56	3,248.56
Borrowings	-	2,356.43	2,356.43
Trade payables	-	11.23	11.23
Other Financial Liabilities	-	31.49	31.49
Total	**-**	**5,647.71**	**5,647.71**

₹ in Crore

As at March 31, 2018	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	118.34	118.34
Bank Balance other than (a) above	-	-	-
Loans	-	7,191.56	7,191.56
Investments	-	-	-
Other Financial assets	-	0.04	0.04
Total	**-**	**7,309.94**	**7,309.94**
Financial liabilities			
Debt securities	-	3,036.93	3,036.93
Borrowings	-	2,624.48	2,624.48
Trade payables	-	2.85	2.85
Other Financial Liabilities	-	25.46	25.46
Total	**-**	**5,689.72**	**5,689.72**

₹ in Crore

As at April 01, 2017	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	1.70	1.70
Bank Balance other than (a) above	-	-	-
Loans	-	5,558.51	5,558.51
Investments	-	-	-
Other Financial assets	-	1.47	1.47
Total	**-**	**5,561.68**	**5,561.68**
Financial liabilities			
Debt securities	-	2,285.75	2,285.75
Borrowings		1,942.76	1,942.76
Trade payables	-	1.96	1.96
Other Financial Liabilities	-	22.40	22.40
Total	**-**	**4,252.87**	**4,252.87**

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a. The Company considers that the carrying amounts recognised in the financial statements for Loans, Debt Securities and Borrowings approximate their fair values.

b. For financial assets / liabilities ("financial instruments") that are measured at fair value, except those included in point (a) above, the carrying amounts are equal to the fair values, as these financial instruments are maturing within 12 months or repayable on demand.

Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the 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.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation processes and Technique

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO and the team at least once every three months, in line with the Company's quarterly reporting periods."

Type of Financial Instrument	Valuation Technique
Investment in Mutual Funds	NAV as on the reporting date.

₹ in Crore

As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	270.29	270.29	-	-	270.29
Investments in Debentures or Bonds	25.00	-	-	25.00	25.00
Investments in Equity instrument	0#	-	-	0#	0#
Total	**295.29**	**270.29**	**-**	**25.00**	**295.29**

# Denotes amount less than Rs.50,000/-

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk ; and
- Market risk (including interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee.

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Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Company.

i. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. Company has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Credit Risk Assessment Methodology

The Company has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters subject to review and approval of BOD

Finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

The Company has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

The Company believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

We also require the borrower to submit periodic reports. The Credit Committee of the Company, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board for its information. The Company continue to monitor the credit exposure until our loans are fully repaid.

The Company's is currently using the external rating given to the customers which they review on a timely basis.

The credit impaired assets as at the reporting dates were secured by collateral and the asset cover is upto 2.7 times of the outstanding balance.

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The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is no significant increase in credit risk	Lifetime ECL
Stage 3	Assets for which there is significant increase in credit risk	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors. ___

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	7,582.46	52.32	7,530.14	2.07 to 3.49
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	423.57	6.30	417.27	5.95 to 11.13
Stage 3 - Assets for which there is significant increase in credit risk	Loan	85.07	16.44	68.63	Refer note

Note: The Company has used discounted casflow methodology to determine provision for significantly impaired assets.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending

₹ in Crore

	2018-19			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance*	**7,046.50**	**128.33**	**75.80**	**7,250.63**
New assets originated or purchased	3,601.54	2.28	-	3,603.82
Assets derecognised or repaid (excluding write offs)	(2,675.53)	(87.82)	-	(2,763.35)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(390.05)	390.05	-	-
Transfers to Stage 3	-	(9.27)	9.27	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**7,582.46**	**423.57**	**85.07**	**8,091.10**

*Including interest accrued

₹ in Crore

	2017-18			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**5,217.78**	**380.60**	**-**	**5,598.38**
New assets originated or purchased	4,810.24	-	-	4,810.24
Assets derecognised or repaid (excluding write offs)	(2,854.58)	(304.80)	-	(3,159.38)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(126.94)	128.33	-	1.39
Transfers to Stage 3		(75.80)	75.80	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**7,046.50**	**128.33**	**75.80**	**7,250.63**

*Including interest accrued

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Reconciliation of ECL balance is given below

₹ in Crore

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**49.57**	**1.92**	**7.58**	**59.07**
New assets originated or purchased	21.40	0.03	-	**21.43**
Assets derecognised or repaid (excluding write offs)	(15.85)	(1.08)	-	**(16.93)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	(2.80)	5.82	-	**3.02**
Transfers to Stage 3	-	(0.39)	8.86	**8.47**
"Impact on year end ECL of exposures transferred between stages during the year"	(2.80)	5.43	8.86	**11.49**
Unwind of discount	-	-	-	**-**
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	**-**
Changes to models and inputs used for ECL calculations	-	-	-	**-**
Recoveries	-	-	-	**-**
Amounts written off	-	-	-	**-**
ECL allowance - closing balance	**52.32**	**6.30**	**16.44**	**75.06**

₹ in Crore

	2017-18			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**34.22**	**5.65**	**-**	**39.87**
New assets originated or purchased	35.43	-	-	**35.43**
Assets derecognised or repaid (excluding write offs)	(19.22)	(4.57)	-	**(23.79)**
Transfers to Stage 1	-	-	-	**-**
Transfers to Stage 2	(0.86)	1.93	-	**1.07**
Transfers to Stage 3		(1.09)	7.58	**6.49**
"Impact on year end ECL of exposures transferred between stages during the year"	(0.86)	0.84	7.58	**7.56**
Unwind of discount	-	-	-	**-**
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	**-**
Changes to models and inputs used for ECL calculations	-	-	-	**-**
Recoveries	-	-	-	**-**
Amounts written off	-	-	-	**-**
ECL allowance - closing balance	**49.57**	**1.92**	**7.58**	**59.07**

ii) Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews

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strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

“The Company has undrawn lines of credit of Rs.148 Crore, Rs. 241 Crore and Rs. 169 Crore as of March 31, 2019, March 31, 2018 and April 1, 2017 respectively, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

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.

₹ in Crore

March 31, 2019	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	11.23	11.23	-	-	-
Debt Securities	3,248.56	1,417.18	966.51	596.96	267.91
Borrowings	2,356.43	1,142.59	1,181.02	32.82	-
Other financial liabilities	31.49	18.72	6.42	4.21	2.14
Total	**5,647.71**	**2,589.72**	**2,153.95**	**633.99**	**270.05**
Financial Assets					
Cash and cash equivalents	178.33	178.33	-	-	-
Bank Balance	4.50	4.50	-	-	-
Loans	8,016.04	2,126.09	4,678.59	818.49	392.87
Investments	295.29	270.29	-	-	25.00
Other Financial assets	4.06	4.06	-	-	-
Total	**8,498.22**	**2,583.27**	**4,678.59**	**818.49**	**417.87**

₹ in Crore

March 31, 2018	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	2.85	2.85	-	-	-
Debt Securities	3,036.93	1,302.01	1,174.91	560.01	-
Borrowings	2,624.48	712.74	1,736.74	175.00	-
Other financial liabilities	25.46	13.42	12.04	(0.00)	-
Total	**5,689.72**	**2,031.02**	**2,923.69**	**735.01**	**-**
Financial Assets					
Cash and cash equivalents	118.34	118.34	-	-	-
Bank Balance	-	-	-	-	-
Loans	7,191.56	2,486.66	3,656.82	1,048.08	-
Investments	-	-	-	-	-
Other Financial assets	0.04	0.04	-	-	-
Total	**7,309.94**	**2,605.04**	**3,656.82**	**1,048.08**	**-**

₹ in Crore

April 1, 2017	Carrying amount	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	1.96	1.96	-	-	-
Debt Securities	2,285.75	1,219.16	906.76	159.83	-
Borrowings	1,942.76	429.84	1,185.42	327.50	-
Other financial liabilities	22.40	10.61	9.59	2.20	-
Total	**4,252.87**	**1,661.57**	**2,101.77**	**489.53**	**-**
Financial Assets					
Cash and cash equivalents	1.70	1.70	-	-	-
Bank Balance	-	-	-	-	-
Loans	5,558.51	1,785.14	3,166.70	606.67	-
Investments	-	-	-	-	-
Other Financial assets	1.47	1.47	-	-	-
Total	**5,561.68**	**1,788.31**	**3,166.70**	**606.67**	**-**

Notes

to the Financial Statements

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii) Market risk - Interest rate risk

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. 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 run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Company's exposures to interest rates on loans and borrowings are detailed in the liquidity risk management section of this note

₹ in Crore

	March 31, 2019	March 31, 2018	April 1, 2017
Loans			
Fixed-rate instruments	5,337.82	6,033.53	5,031.14
Floating-rate instruments	2,690.88	1,211.04	552.48
Total	**8,028.70**	**7,244.57**	**5,583.62**
Borrowings			
Fixed-rate instruments	3,193.05	3,055.82	2,201.13
Floating-rate instruments	2,225.93	2,489.92	1,934.78
Total	**5,418.98**	**5,545.74**	**4,135.91**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

₹ in Crore

	March 31, 2019		March 31, 2018	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	26.91	(26.91)	12.11	(12.11)
Floating rate borrowings	(22.26)	22.26	(24.90)	24.90
	4.65	**(4.65)**	**(12.79)**	**12.79**

41 Utilisation of Issue Proceeds

There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Tranche I and Tranche II document dated May 16, 2018 and November 12, 2018 respectively.

42 Employee Stock Option Scheme:

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

May 06, 2013	339,099 Stock Options
April 01, 2014	518,394 Stock Options
April 12, 2019	88,233 Stock Options

Notes

to the Financial Statements

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

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (In Rupees)
12th April 2019	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
12th April 2020	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
12th April 2021	Series - XI	29,411	Unvested	Seven years from the date of Grant	1

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

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	-	1,66,397
Granted during the year	88,233	-
Exercised during the year	-	1,66,397
Outstanding at the end of the year	88,233	-
Exercisable at the end of the year	-	-

The charge on account of the above scheme is included in employee benefit expense aggregating Rs.0.68 crore (Previous year nil).Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

43 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in Crore

Name of the company	Relationship	Maximum Balance	Closing Balance
Infinite India Investment Management Limited	Fellow Subsidiary	100.00	-
		(-)	(-)
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	100.00	-
		(-)	(-)
JM Financial Commtrade Limited	Fellow Subsidiary	-	-
		(42.00)	(-)
CR Retail Malls (India) Limited	Fellow Subsidiary	-	-
		(25.00)	(-)

Loans and advances shown above are interest bearing and are repayable on demand.

(Figures in brackets indicates previous year figures)

44 Expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

(a) Gross amount required to be spent by the company during the year – Rs 8.42 crore (Previous year Rs. 5.39 crore)

(b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 8.42 crore (Previous year Rs.5.41 crore) for purposes other than Construction/acquisition of any assets.

45 The Company operates only in one Operating Segment i.e Mortgage Loans - Financial Services and all other activities are incidental to the main business activity, hence has only one reportable Segment as per Indian Accounting Standard 108 “Operating Segments”. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

The Company has its operations within India and all revenue is generated within India

Notes
to the Financial Statements

46 Unhedged Foreign Currency Exposure

₹ in Crore

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

#Note: Covered Option(s) is/are not included

47 Expenditure in Foreign Currency

₹ in Crore

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Travelling expenses	0.13	0.11
Total	**0.13**	**0.11**

48 Disclosures as per RBI master directions and other notifications.

48.1 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006

Sr No	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Total Number of transactions wherein Loan assets securitized	-	-
(ii)	Total book value of loan assets securitised – Rupees	-	-
(iii)	Total sales consideration received for the securitised assets – Rupees	-	-
(iv)	Gain on sale on account of securitisation – Rupees	-	-
(v)	Gain recognized in the Statement of Profit and Loss – Rupees	-	-
(vi)	Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc.	-	-
		-	-

48.2 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008 :-

(i) Capital risk adequacy ratio (CRAR):

Particulars	As at March 31, 2019	As at March 31, 2018
CRAR	34.26%	22.44%
CRAR - Tier I capital	33.57%	22.07%
CRAR - Tier II capital	0.69%	0.37%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Notes

to the Financial Statements

(ii) Exposures:

A. Exposure to Real Estate Sector

₹ in Crore

	Category	As at March 31, 2019	As at March 31, 2018
a)	**Direct Exposure**		
(i)	**Residential Mortgages-**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)		
(ii)	**Commercial Real Estate-**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	8,091.10	7,125.63
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
	a) Residential,		
	b) Commercial Real Estate.		

B. Exposures to Capital Market

₹ in Crore

	Category	As at March 31, 2019	As at March 31, 2018
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to Capital Market	-	-

Notes

to the Financial Statements

iii. Asset Liability Management:

Maturity pattern of certain items of assets and liabilities:

₹ in Crore

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Assets									
Deposits	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances	218.82	55.64	206.00	463.33	1,187.71	4,678.59	820.17	392.86	8,023.12
	(56.35)	(65.88)	(369.39)	(172.87)	(1,822.64)	(3,725.63)	(979.33)	-	(7,192.09)
Investments	270.29	-	-	-	-	-	-	25.00	295.29
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Liabilities									
Borrowing	87.88	43.86	267.52	998.58	1,161.93	2,147.53	629.77	267.92	5,604.99
	(43.18)	(208.74)	(463.47)	(643.41)	(656.72)	(2,910.87)	(735.01)	-	(5,661.40)
Foreign currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

# Denotes amount below ₹ 50,000/-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) Figures in brackets are for previous year.

48.3 Schedule to the Balance Sheet (as required in terms of Paragraph 18 of Master Directions – Non-Banking Financial Company - “Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016

1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

₹ in Crore

	Particulars	Amount outstanding	Amount overdue
	Liabilities side		
(a)	Debentures		
	(i) Secured	2,723.65	-
		(2,250.36)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
		(-)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	Term Loans	2,220.18	-
		(2,570.63)	(-)
(d)	Inter-corporate loans and borrowing	-	-
		(-)	-
(e)	Commercial Paper	524.91	-
		(786.57)	(-)
(f)	Other Loans (Please Specify)		
	Working Capital Loan	-	-
		(-)	(-)
	Cash Credits	136.23	-
		(53.80)	(-)
	Due under finance lease	0.02	-
		(0.05)	(-)

Notes

to the Financial Statements

2 Break up of Loans and Advances including bills receivables (other than those included in (3) below):

₹ in Crore

	Particulars	Amount outstanding
	Assets side	
(a)	Secured	8,091.10
		(7,125.63)
(b)	Unsecured	-
		(125.00)

3. Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

₹ in Crore

	Particulars	Amount outstanding
	Assets side	
(i)	Lease assets including lease rentals under sundry debtors:	
	(a) Financial Lease	-
		(-)
	(b) Operating Lease	-
		(-)
(ii)	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
		(-)
(iii)	Other loans counting towards AFC activities:	
	(a) Loans where assets have been repossessed	-
		(-)
	(b) Loans other than (a) above	-
		(-)

4. Break – up of Investments:

₹ in Crore

Particulars	Amount outstanding
Current Investment	
1. Quoted:	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
	(-)
(iii) Units of Mutual Funds	270.29
	(-)
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	-
2. Unquoted:	
(i) Shares:	
(a) Equity	0#
(b) Preference	-
	(-)
(ii) Debentures and Bonds	25.00
	(-)
(iii) Units of Mutual Funds	-
	(-)
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	-
	(-)

# Denotes amount less than ₹ 50,000/-

Notes
to the Financial Statements

5. Borrower group – wise classification of assets financed as in (2) and (3) above:

₹ in Crore

	Category	Amount (net of provisions) Secured	Unsecured	Total
1)	Related Parties			
	(a) Subsidiaries	-	-	-
		(-)	(-)	(-)
	(b) Companies in the same group	-	-	-
		(-)	(-)	(-)
	(c) Other related parties	-	-	-
		(-)	(-)	(-)
2)	Other than related parties	8,091.10	-	8,091.10
		(7,125.63)	(125.00)	(7,250.63)
		8,091.10	**-**	**8,091.10**
		(7,125.63)	(125.00)	(7,250.63)
	Less: Provision for non-performing assets	16.44	-	16.44
		(7.58)	(-)	(7.58)
		8,074.66	**-**	**8,074.66**
		(7,118.05)	**(125.00)**	**(7,243.05)**

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹ in Crore

	Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
1)	Related Parties		
	(a) Subsidiaries	-	-
		(-)	(-)
	(b) Companies in the same group	-	-
		(-)	(-)
	(c) Other related parties	-	-
		(-)	(-)
2)	Other than related parties	295.29	295.00
		(-)	(-)
		295.29	**295.00**
		(-)	**(-)**

7. Other Information:

₹ in Crore

	Particulars	Amount (In Rupees)
(i)	Gross Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	85.07
		(75.80)
(ii)	Net Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	68.63
		(68.22)
(iii)	Assets acquired in satisfaction of debt	-
		(-)

(Figures in brackets indicates previous year figures)

48.4 There are no restructured advances as on March 31, 2019, Hence disclosure of information as required in terms of Paragraph 24 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 (as amended vide Notification No. DNBS(PD) No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

Notes

to the Financial Statements

48.5 Investments

₹ in Crore

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Value of Investments		
(i)	Gross Value of Investments		
	(a) in India	295.29	-
	(b) Outside India	-	-
(ii)	Provision for depreciation		
	(a) in India*	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments		
	(a) in India	295.29	-
	(b) Outside India	-	-
(b)	Movement of provisions held towards depreciation on investments		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

48.6 Additional & Miscellaneous Disclosures:

(I) Registration obtained from other financial sector regulators

Company has not registered with other financial sector regulators except with Reserve Bank of India

(II) Disclosure of Penalties imposed by RBI and other regulators

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018
Penalties imposed	Nil	Nil

(III) Net Profit or Loss for the period, prior period items and changes in accounting policies:

There are no prior period items and changes in accounting policies impacting net profit for the year

(IV) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

(V) Premium utilised for share issue expenses

₹ in Crore

	As at March 31, 2019	As at March 31, 2018
Premium utilised for share issue expenses	0.55	Nil

48.7 Ratings assigned by credit rating agencies and migration of ratings during the year:

		As at March 31, 2019	As at March 31, 2018
	ICRA Limited		
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA/Stable
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA/Stable
	CRISIL Limited		
(i)	Commercial Paper programme	CRISIL A1+	CRISIL A1+
(ii)	Bank loan facility	CRISIL AA/stable	CRISIL AA/stable
(iii)	Non-Convertible Debentures	CRISIL AA/stable	CRISIL AA/stable
	India Rating		
(i)	Commercial Paper programme	IND A1+	IND A1+
(ii)	Bank loan facility	IND AA/Stable	IND AA/Stable
(iii)	Non-Convertible Debentures	IND AA/Stable	IND AA/Stable

Notes

to the Financial Statements

48.8 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

₹ in Crore

	For the year March 31, 2019	For the year March 31, 2018
Provisions for depreciation on Investment	-	-
Provision towards NPA / ECL stage 3	8.86	7.58
Provision made towards Income tax	224.16	179.22
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets / ECL stage 1 and 2	7.13	11.62

48.9 Concentration of Deposits, Advances and Exposures and NPAs:

Concentration of Deposits (for deposit taking NBFCs)

₹ in Crore

	As at March 31, 2019	As at March 31, 2018
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

Concentration of Advances

	As at March 31, 2019	As at March 31, 2018
Total Advances to twenty largest borrowers – (In Rs Crore)	3,411.50	2,809.39
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	42.49%	38.78%

Concentration of Exposures

	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers / customers – (In Rs Crore)	3,442.46	2,811.42
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	42.55%	38.77%

Concentration of NPAs

₹ in Crore

	As at March 31, 2019	As at March 31, 2018
Total exposure to top four NPA accounts	85.07	75.80

Sector-wise NPAs

₹ in Crore

	As at March 31, 2019	As at March 31, 2018
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers	85.07	75.80
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil

Notes
to the Financial Statements

48.10 Movement of NPAs:

₹ in Crore

	As at March 31, 2019	As at March 31, 2018
Net NPAs to Net Advances (%)		
Movement of NPAs (Gross)		
(a) Opening balance	75.80	-
(b) Additions during the year	9.27	75.80
(c) Reductions during the year	-	-
(d) Closing balance	**85.07**	**75.80**
Movement of Net NPAs		
(a) Opening balance	68.22	-
(b) Additions during the year	0.41	68.22
(c) Reductions during the year	-	-
(d) Closing balance	**68.63**	**68.22**
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	7.58	-
(b) Provisions made during the year	8.86	7.58
(c) Write-off / write-back of excess provisions	-	-
(d) Closing balance	**16.44**	**7.58**

48.11 Disclosures of Complaints

Complaints

Particulars	As at March 31, 2019	As at March 31, 2018
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	56	-
No. of complaints redressed during the year	56	-
No. of complaints pending at the end of the year	**-**	**-**

48.12 Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company since there is no exposure.

For and on behalf of the Board of Directors

Hariharan Aiyar
Vice Chairman
DIN – 01374306

V P Shetty
Non Executive Director
DIN – 00021773

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: April 30, 2019

Independent Auditors' Report

To the Members of
JM FINANCIAL CREDIT SOLUTIONS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **JM Financial Credit Solutions Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 49 to the financial statements, which describes that the potential impact of the COVID-19 Pandemic on the Company's results are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

A. Impairment of loans (refer note 41.B to the financial statements)

Nature of Key Audit Matter

As at the year end, the Company has reported financial assets carried at amortised cost in form of loans granted aggregating to Rs. 7,175.97 crore net of provision for expected credit loans of Rs. 204.91 crore. Management estimates impairment provision using individual model based approach for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. Accordingly the significant judgements that are Key Audit Matter are:

- Timely identification and classification of the impaired loans which also include considering the impact of recent RBI's Covid-19 regulatory circulars.
- Determination of probability of defaults based on comparative external ratings and estimation of loss given defaults based on the value of collaterals and relevant factors.
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 Pandemic.
- The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 49 to the financial statements.

How our Audit addressed the Key Audit Matter

- Tested the design and effectiveness of internal controls implemented by the management for following:
  a. Identification and classification of loans which have impaired in correct buckets
  b. Validation of the Model used for the impairment provision
  c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
  d. Completeness and accuracy of the data inputs used
- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands.

Independent Auditors' Report (Contd.)

The auditors critically assessed and tested the key underlying assumptions and significant judgements used by management.

- For loans identified by management as potentially impaired, we examined these on a sample basis, we checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and tested their judgement by reviewing information such as the counterparty's payment history and other documentary evidence and representations.
- We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
- We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditors' report thereon.

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

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

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    (d) In our opinion, the aforesaid 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 and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    (g) With respect to the other matters to be included in the Auditors' 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the

Independent Auditors' Report (Contd.)

best of our information and according to the explanations given to us:

i. the Company does not have any pending litigations, as at the year-end which would impact its financial position

ii. the Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses;

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

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAFH3098

Place : Mumbai
Date : May 4, 2020

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

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

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

We have audited the internal financial controls over financial reporting of JM Financial Credit Solutions Limited (the "Company") as at March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Independent Auditors' Report (Contd.)

2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

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

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAFH3098

Place : Mumbai
Date : May 4, 2020

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, The Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause (iv) of paragraph 3 of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of paragraph 3 of the Order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) There are no dues of Goods and Service Tax as at March 31, 2020 on account of disputes. Details of dues of Income Tax which have not been deposited as on March 31, 2020 on account of disputes is given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ In crore)
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	AY 2017-18	0.44

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company does not have loans or borrowings from Government and financial institutions.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. During the year, the Company has not raised monies by way of initial public offer of debt instruments.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related

Independent Auditors' Report (Contd.)

parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion and according to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAFH3098

Place : Mumbai
Date : May 4, 2020

Balance Sheet

as at 31st March, 2020

₹ in Crore

Sr. No.	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS				
1	**Financial Assets**			
A	Cash and cash equivalents	4	28.39	178.33
B	Bank balance other than (A) above	5	-	4.50
C	Trade receivables	6	0.30	-
D	Loans	7	7,175.97	8,016.04
E	Investments	8	907.14	295.29
F	Other financial assets	9	1.09	4.06
			8,112.89	**8,498.22**
2	**Non-financial Assets**			
A	Current tax assets (net)	10	13.33	1.29
B	Deferred tax assets (net)	11	54.00	59.01
C	Property, plant and equipment	12	17.22	0.76
D	Other intangible assets	12	0.15	0.22
E	Other non-financial assets	13	2.09	3.02
			86.79	**64.30**
	Total Assets		**8,199.68**	**8,562.52**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
A	**Payables**			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	14.a	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	9.88	11.23
B	Debt securities	15	3,045.40	3,248.56
C	Borrowings (Other than Debt securities)	16	1,807.59	2,356.43
D	Other financial liabilities	17	41.91	31.49
	Total Financial Liabilities		**4,904.78**	**5,647.71**
2	**Non-Financial Liabilities**			
A	Current tax liabilities (net)	18	-	3.17
B	Provisions	19	1.92	1.61
C	Other non-financial liabilities	20	1.71	0.73
	Total Non-Financial Liabilities		**3.63**	**5.51**
3	**EQUITY**			
A	Equity Share capital	21	2.83	2.83
B	Other Equity	22	3,288.44	2,906.47
	Total Equity		**3,291.27**	**2,909.30**
	Total Liabilities and Equity		**8,199.68**	**8,562.52**
The accompanying notes form an integral part of the financial statements		1 to 50		

In terms of our report of even date attached

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

G. K. Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Statement of Profit and Loss

for the year ended 31st March, 2020

₹ in Crore

Sr. No.	Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
I.	**Income:**			
	Revenue from operations			
	Interest income	23	1,264.11	1,258.01
	Fees and commission income	24	1.37	5.11
	Net gain on fair value changes	25	41.76	13.90
	Net gain on derecognition of financial instruments under amortised cost category	26	2.22	1.79
	Other operating income	27	0.33	0.28
	Total Revenue from Operations		**1,309.79**	**1,279.09**
	Total Income		**1,309.79**	**1,279.09**
II.	**Expenses:**			
	Finance costs	28	548.53	578.74
	Impairment on financial instruments	29	144.99	15.99
	Employee benefits expense	30	27.42	31.52
	Depreciation, amortization and impairment	31	2.19	0.23
	Operating and other expenses	32	51.69	26.26
	Total expenses		**774.82**	**652.74**
III.	**Profit before Tax**		**534.97**	**626.35**
IV.	**Less: Tax expense**			
	Current tax		147.60	223.54
	Deferred tax		5.02	(4.20)
	Tax adjustment of earlier years(net)		-	0.62
			152.62	**219.96**
V.	**Net Profit for the year**		**382.35**	**406.39**
VI.	**Other Comprehensive Income**			
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Items that will not be reclassified to profit or loss			
	- Actuarial gain/(losses) on post-retirement benefit plans		(0.05)	(0.04)
	- Income tax on the above		0.01	0.01
	Total Other Comprehensive Income		**(0.04)**	**(0.03)**
VII.	**Total Comprehensive Income**		**382.31**	**406.36**
VIII.	**Earnings Per Equity Share**	36		
	(Face value of ₹ 10/- each)			
	Basic (₹)		1,352.58	1,524.01
	Diluted (₹)		1,352.58	1,519.43
	The accompanying notes form an integral part of the financial statements	1 to 50		

In terms of our report of even date attached

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

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

G. K. Subramaniam
Partner
Membership No. 109839

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Place: Mumbai
Date: May 4, 2020

Statement of Cash Flow

for the Year Ended 31st March 2020

₹ in Crore

Sr. No.	Particulars	For the year ended As at 31.03.2020	For the year ended As at 31.03.2019
A	**Cash flow from operating activities**		
	Profit before tax	534.97	626.35
	Adjustment for:		
	Depreciation and amortisation expenses	2.19	0.23
	Profit on sale of investments (net realized and unrealized)	(41.76)	(13.90)
	Provision for gratuity	0.21	0.16
	Provision for compensated absences	0.09	0.17
	Write off	25.47	-
	Provision for impairment	144.99	15.99
	Interest on fixed deposits	(0.27)	(0.27)
	Interest expenses - others	1.72	0.56
	Operating profit before working capital changes	**667.61**	**629.29**
	Adjustment for:		
	(Increase) in Trade receivables	(0.30)	-
	Decrease / (Increase) in loans	694.58	(824.48)
	Decrease / (Increase) in other financial and non-financial assets	3.01	(22.55)
	(Decrease) / Increase in trade payables and other liabilities	(6.68)	9.82
	(Decrease) / Increase in Provisions	(0.04)	0.11
	Cash generated from / (used in) operations	**1,358.18**	**(207.81)**
	Direct taxes paid	(162.89)	(223.79)
	Net cash generated from / (used in) operating activities	**1,195.29**	**(431.60)**
B	**Cash flow from investing activities**		
	Purchase of investments	(98,884.66)	(39,836.35)
	Sale of investments	98,289.58	39,554.96
	Fixed deposits matured / (placed) with bank	4.50	(4.50)
	Interest received on bank deposits	0.22	0.28
	Purchase of Property, plant and equipment	(0.19)	(0.53)
	Net cash (used in) investment activities	**(590.55)**	**(286.14)**
C	**Cash flow from financing activities**		
	Proceeds from issue of equity share	-	835.00
	Share issue expenses	-	(0.83)
	Dividend paid	(0.34)	-
	Repayment of lease obligations	(2.33)	-
	Interest paid	(0.02)	(0.01)
	Proceeds from debt securities	1,987.35	4,313.85
	Repayment of debt securities	(2,190.51)	(4,102.23)
	Proceeds from borrowings other than debt securities	1,088.64	511.06
	Repayment of borrowings other than debt securities	(1,637.47)	(779.11)
	Net cash (used in) / generated from financing activities	**(754.68)**	**777.73**
	Net (decrease) / increase in Cash and cash equivalents	(149.94)	59.99
	Cash and cash equivalents at the beginning of the year	178.33	118.34
	Cash and cash equivalents at the end of the year (refer note 4)	**28.39**	**178.33**

The accompanying notes form an integral part of the financial statements – Note No.1 to 50

Note

1 The cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - "Statement of Cash Flow".

In terms of our report of even date attached

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

G. K. Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 4, 2020

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Statement of Changes in Equity

as at March 31, 2020

A. Equity share capital

₹ in Crore

	Balance as at 31.03.2019	Changes in equity share capital during the year	Balance as at March 31, 2020
Equity Share Capital	2.83	#	2.83

B. Other Equity

₹ in Crore

Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium	General Reserve	Debenture Redemption reserve	Capital Reserve	Statutory Reserve	Retained earnings	
Balance at March 31, 2018	**881.16**	**0.17**	**-**	**-**	**171.09**	**613.57**	**1,665.99**
Addition/Reduction during the year							
On issue of shares	834.67	-	-	-	-	-	834.67
Share issue expenses	(0.55)	-	-	-	-	-	(0.55)
Profit for the year	-	-	-	-	-	406.39	406.39
Other comprehensive income for the year	-	-	-	-	-	(0.03)	(0.03)
Transfer to statutory reserves	-	-	-	-	81.28	(81.28)	-
Transfer to debenture redemption reserve	-	-	33.76	-	-	(33.76)	-
Balance at March 31, 2019	**1,715.28**	**0.17**	**33.76**	**-**	**252.37**	**904.89**	**2,906.47**
Addition/Reduction during the year							
Profit for the year	-	-	-	-	-	382.35	382.35
Other comprehensive income for the year	-	-	-	-	-	(0.04)	(0.04)
Forfeiture of shares	-	-	-	#	-	-	#
Final Dividend	-	-	-	-	-	(0.28)	(0.28)
Dividend Distribution Tax	-	-	-	-	-	(0.06)	(0.06)
Transfer to statutory reserves	-	-	-	-	76.47	(76.47)	-
Transfer to retained earnings	-	-	(33.76)	-	-	33.76	-
Balance at March 31, 2020	**1,715.28**	**0.17**	**-**	**#**	**328.84**	**1,244.15**	**3,288.44**

The accompanying notes form an integral part of the financial statements – Note No.1 to 50

# Denotes amount less than ₹50,000/-

In terms of our report of even date attached

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

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

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G. K. Subramaniam
Partner
Membership No. 109839

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Place: Mumbai
Date: May 4, 2020

Significant Accounting Policies

and notes to the Financial Statements

1 Corporate Information

JM Financial Credit Solutions Limited (the "Company") was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". The Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, the Company's name was changed to "JM Financial Credit Solutions Limited". The Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

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.

Historical cost convention

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 that 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 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 17, and measurements that have some similarities to fair value but are not fair value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised 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 Company can access at 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 valuation of assets or liabilities

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 crores 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.

2.2 Property, plant and equipment and Intangible Assets

a. 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. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs and impairment of assets below).

Significant Accounting Policies

and notes to the Financial Statements

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

Property, plant and equipment	No. of years
Vehicles	5 years
Computers	3 years
Servers and Networks	6 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Leasehold improvements	10 years or lease period whichever is lower
Intangible Assets	Useful Life
Computer Software	5 years

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

Assets taken on finance lease are depreciated over a period of lease.

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

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

Intangible assets

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

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation 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.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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 recognised as an impairment loss in the Statement of Profit and Loss.

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

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a. Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective

Significant Accounting Policies

and notes to the Financial Statements

interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

b. Fees and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in this part of the statement of profit and loss include among other things fees charged for servicing a loan.

c. Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

2.4 Leasing

Operating lease:

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

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.

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

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

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

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

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

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

Significant Accounting Policies

and notes to the Financial Statements

Finance Lease

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

2.5 Foreign currency transactions

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 recognised in profit or loss in the period in which they arise.

2.6 Borrowing costs

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

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.7 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

Payments to defined contribution plans are recognised as expense in the Statement of Profit & 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 recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payment is available.

Defined Benefit Obligation:

The Company's Gratuity liability 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's 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 calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the 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

Significant Accounting Policies

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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 Company in respect of services provided by employees up to the reporting date.

2.8 Share-based payment arrangements

Equity-settled share-based payments to employees of the Company are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 42.

The fair value determined at the grant date of the equity-settled share-based payments to employees of the Company is expensed on a straight-line basis over the vesting period with a corresponding increase in equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in the Statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year

2.9 Income tax

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

Current Tax

The tax currently payable is based on the taxable profit for the year of the 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 realised, 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

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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 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.

2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

i. an entity has a present obligation (legal or constructive) as a result of a past event; and

ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii. 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 recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

i. 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

ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.12 Commitments

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

i. estimated amount of contracts remaining to be executed on capital account and not provided for;

ii. uncalled liability on shares and other investments partly paid;

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

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

2.13 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:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. 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.

2.14 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

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.

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Initial Measurement of Financial Instruments

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

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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 amortised 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.

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

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling 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 or a financial guarantee

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.

Significant Accounting Policies

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

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

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at 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 remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

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

Impairment of financial assets

Overview of the Expected Credit Loss principles

The company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Significant Accounting Policies

and notes to the Financial Statements

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

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

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

- Stage 1: Defined as performing assets with upto 30 days past due (DPD). Stage 1 loans will also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.
- Stage 2: Defined as under-performing assets having 31 to 90 DPD. Stage 2 loans will also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2. Accounts with overdue more than 30 DPD will be assessed for significant increase in credit risks.
- Stage 3: Defined as assets with overdue more than 90 DPD. The Company will record an allowance for the life time expected credit losses. These accounts will be assessed for credit impairment.

  For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

  Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, 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.

  The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

  The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, 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 assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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 derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Significant Accounting Policies

and notes to the Financial Statements

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company 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 Instrument

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 are recognised at the proceeds received, net of direct issue costs.

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

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company'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 Company's own equity instruments.

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised 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 amortised 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 amortised 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

Derecognition of financial liabilities

The Company derecognises 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 recognised in profit or loss.

2.16 Cash and Cash Equivalents

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

Significant Accounting Policies

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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 Earnings Per Share

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

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

3 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note 41 B(i)

Fair Valuation

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Corporation has applied appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 41 A.

Notes

to the Financial Statements

4 Cash and cash equivalents

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Cash in hand	0#	-
Balances with banks		
- in current accounts	24.41	177.81
- Cheques, drafts on hand	1.73	-
- in earmarked accounts (Refer Note a below)	-	0.52
- in deposit accounts	2.25	-
	28.39	**178.33**

# Denotes amount less than ₹50,000/-

Notes:

(a) Balance in earmarked account pertains to NCD application money refundable and thus having restrictions.

(b) Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period ranging from one day to 90 days.

5 Other bank balances

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
- in deposit accounts (Refer Note b below)	-	4.50
	-	**4.50**

Notes:

a) Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates.

b) Balances with banks in deposit accounts are held as margin money or security against the borrowings, guarantees and other commitments.

6 Trade receivables

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Unsecured considered good	0.30	-
	0.30	**-**

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to the Financial Statements

7 Loans

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Term Loans (refer note a)	7,291.37	8,028.70
Interest accrued	89.51	62.40
Gross loan	**7,380.88**	**8,091.10**
Less: Impairment loss allowance (refer note b)	(204.91)	(75.06)
Net loan	**7,175.97**	**8,016.04**
Break up of loans into secured and unsecured		
Secured by tangible assets	7,380.88	8,091.10
Unsecured	-	-
Gross loan	**7,380.88**	**8,091.10**
Less: Impairment loss allowance (refer note b)	(204.91)	(75.06)
Net loan	**7,175.97**	**8,016.04**

Note:

a) Includes impact of Effective interest rates amounting to ₹50.88 crore as at March 31, 2020 (₹94.36 crore as at March 31, 2019).

b) Impairment loss allowance includes provision on undisbursed loan commitment amounting to ₹3.55 crore as at March 31, 2020 (₹1.50 crore as at March 31, 2019).

c) The loans are given in India to other than Public sectors.

8 Investments

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
At Fair Value Through profit and loss		
Mutual fund units	907.14	270.29
Debt instruments	-	25.00
Equity instruments	0#	0#
Total	**907.14**	**295.29**

# Denotes amount below ₹50,000/-

Note:

All the above investments are within India.

9 Other Financial assets

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Unsecured and considered good unless otherwise stated		
Security deposits	0.80	3.74
Accrued interest but not due on deposits with banks	0.29	0.24
Others	-	0.08
Total	**1.09**	**4.06**

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10 Current tax assets (net)

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Advance tax (net of provisions)	13.33	1.29
Total	**13.33**	**1.29**

11 Deferred tax Assets (net)

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Impairment of Financial instruments	43.31	20.48
Change in fair value	(0.90)	-
Measurement of Financial instruments at amortised cost	10.83	33.07
Disallowances under section 43B of the Income Tax Act, 1961	4.57	6.97
Preliminary expense under section 35(d) of the Income Tax Act, 1961	(2.33)	(1.47)
Donation	(1.76)	-
Difference between books and tax written down value of Property, plant and equipment	0.28	(0.04)
Total	**54.00**	**59.01**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2020

₹ in Crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2019	Recognised in profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31 2020
Fiscal allowance on Property, plant and equipment	(0.04)	0.32	-	0.28
Fiscal allowance on expenditure, etc.	5.50	(3.26)	-	2.24
Measurement of Financial instruments at amortised cost	33.07	(22.24)	-	10.83
Impairment allowance for financial assets	20.48	22.83	-	43.31
Donation	-	(1.76)	-	(1.76)
Fair value of financial instruments	-	(0.90)	-	(0.90)
Total	**59.01**	**(5.01)**	**-**	**54.00**

For the year ended March 31, 2019

₹ in Crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2018	Recognised in profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31 2019
Fiscal allowance on Property, plant and equipment	(0.07)	0.03	-	(0.04)
Fiscal allowance on expenditure, etc.	5.84	(0.63)	0.29	5.50
Measurement of Financial instruments at amortised cost	30.92	2.15	-	33.07
Impairment allowance for financial assets	17.82	2.66	-	20.48
Total	**54.51**	**4.21**	**0.29**	**59.01**

Notes
to the Financial Statements

12 Property, Plant and Equipment:

₹ in Crore

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK
	As at 31.03.2019	Additions for the year	As at 31.03.2020	Up to 31.03.2019	Additions for the year	Up to 31.03.2020	As at 31.03.2020
PROPERTY, PLANT AND EQUIPMENT - CURRENT YEAR							
Owned Assets:							
Freehold land	0.05	-	0.05	-	-	-	0.05
Computers	0.25	0.06	0.31	0.16	0.06	0.22	0.09
Furniture and fixtures	0.08	-	0.08	0.01	0.01	0.02	0.06
Office Equipment	0.02	#	0.02	0.01	0.01	0.02	0.01
Leasehold improvements	0.60	-	0.60	0.07	0.07	0.14	0.46
Leased Assets:							
Vehicles	0.08	0.12	0.20	0.07	0.03	0.10	0.10
Right to use of office premises	-	18.40	18.40	-	1.94	1.94	16.46
Total	**1.08**	**18.58**	**19.66**	**0.32**	**2.12**	**2.44**	**17.22**
Intangible Assets - Acquired							
Software	0.36		0.36	0.14	0.07	0.21	0.15

# Denotes amount less than ₹50,000/-

₹ in Crore

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK
	As at 31.03.2018	Additions for the year	As at 31.03.2019	Up to 31.03.2018	Additions for the year	Up to 31.03.2019	As at 31.03.2019
PROPERTY, PLANT AND EQUIPMENT – PREVIOUS YEAR							
Owned Assets:							
Freehold land	0.05	-	0.05	-	-	-	0.05
Computers	0.23	0.02	0.25	0.09	0.07	0.16	0.09
Furniture and fixtures	0.05	0.03	0.08	-	0.01	0.01	0.07
Office Equipment	0.01	0.01	0.02	-	0.01	0.01	0.01
Leasehold improvements	0.13	0.47	0.60	0.03	0.04	0.07	0.53
Leased Assets:							-
Vehicles	0.08	-	0.08	0.04	0.03	0.07	0.01
Total	**0.55**	**0.53**	**1.08**	**0.16**	**0.16**	**0.32**	**0.76**
Intangible Assets - Acquired							
Software	0.36	-	0.36	0.07	0.07	0.14	0.22

13 Other non-financial assets

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Unsecured and considered good unless otherwise stated		
Prepaid Expenses	0.26	1.16
Balances with government authorities	1.82	1.83
Others	0.01	0.03
Total	**2.09**	**3.02**

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14 Trade Payables

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
total outstanding dues of creditors other than micro enterprises and small enterprises	9.88	11.23
Total outstanding dues to micro enterprises and small enterprises	#	-
	9.88	**11.23**

# Denotes amount less than ₹50,000/-

Due to related parties as at March 31, 2020 is ₹ 6.22 crore (as at March 31, 2019 is Rs 6.16 crore)

14. a There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

₹ in Crore

		As at 31.03.2020	As at 31.03.2019
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	#	-
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the year	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total		**#**	**-**

# Denotes amount less than ₹50,000/-

15 Debt Securities

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
At amortised cost		
Secured		
Non-convertible debentures (refer note 15.1 and 15.2)	2,838.35	2,543.12
Interest Payable	207.05	180.53
Total	**3,045.40**	**2,723.65**
Unsecured		
Commercial paper (refer note 15.3 and 15.4)	-	555.00
Less: Unamortised interest on commercial paper	-	(30.09)
Total	**-**	**524.91**
Grand Total	**3,045.40**	**3,248.56**

Debt securities are issued in India.

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15.1 Non-Convertible Debentures:

Non-convertible debentures aggregating ₹2,838.35 crore (As at March 31, 2019: ₹ 2,543.12) are secured by way of first charge on freehold land (proportionately) and hypothecation on pool of certain loan fund balances of the Company.

15.2 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Private Placement - Face value of ₹10,00,000 each		
9.3133 % NCD redeemable in year 2019-20	-	50.00
0% NCD redeemable in year 2019-20*	-	143.10
8.75 % NCD redeemable in year 2019-20	-	125.00
9.3037 % NCD redeemable in year 2019-20	-	125.00
10.5 % NCD redeemable in year 2019-20	-	50.00
9.7 % NCD redeemable in year 2019-20	-	100.00
9.25 % NCD redeemable in year 2019-20	-	50.00
9.69 % NCD redeemable in year 2019-20	-	100.00
9.7665 % NCD redeemable in year 2019-20	-	10.00
9.78 % NCD redeemable in year 2019-20	-	7.50
9.20 % NCD redeemable in year 2019-20	-	70.00
9.05 % NCD redeemable in year 2020-21	205.00	205.00
0 % NCD redeemable in year 2020-21*	91.00	91.00
9.15 % NCD redeemable in year 2020-21	67.90	67.90
10.29 % NCD redeemable in year 2020-21	50.00	-
9.3606 % NCD redeemable in year 2020-21	42.80	42.80
0 % NCD redeemable in year 2021-22*	298.90	248.90
9.70 % NCD redeemable in year 2021-22	30.00	30.00
0 % NCD redeemable in year 2021-22*	30.00	-
9.50 % NCD redeemable in year 2021-22	25.00	25.00
10.50 % NCD redeemable in year 2021-22	20.00	-
9.00 % NCD redeemable in year 2021-22	10.00	10.00
10.85 % NCD redeemable in year 2024-25#	600.00	-
9.75 % NCD redeemable in year 2026-27	100.00	-
9.75 % NCD redeemable in year 2027-28	100.00	-
9.75 % NCD redeemable in year 2028-29	100.00	-
9.75 % NCD redeemable in year 2029-30	100.00	-
Public issue - Face value of ₹1000 each		
9.25 % Tranche I -Option I redeemable in year 2021-22	116.52	116.52
0 % Tranche I -Option II redeemable in year 2021-22*	24.39	24.39
10.00% Tranche II -Option I redeemable in year 2022-23	98.72	98.72
0 % Tranche II -Option II redeemable in year 2022-23*	31.73	31.73
9.50% Tranche I -Option III redeemable in year 2023-24	365.31	365.31
10.10% Tranche II -Option III redeemable in year 2023-24	49.09	49.09
9.67% Tranche II -Option IV redeemable in year 2023-24	42.87	42.87
9.11% Tranche I -Option IV redeemable in year 2023-24	17.03	17.03
9.75% Tranche I -Option V redeemable in year 2028-29	214.81	214.81
9.34% Tranche I -Option VI redeemable in year 2028-29	11.94	11.94
10.25% Tranche II -Option V redeemable in year 2028-29	25.04	25.04
9.81% Tranche II -Option VI redeemable in year 2028-29	16.15	16.15
Total	**2,884.20**	**2,564.80**

* Redeemable at premium

\# NCD with floating rate and quarterly reset.

Maturity profile above is disclosed at face value which excludes premium amounting to ₹0.25 crore (2018-19 : ₹0.25 crore), discount of ₹20.50 crore (2018-19 : Nil) and impact of effective interest rate adjustment amounting to ₹25.60 crore (As at March 31, 2019 : 21.93 crore).

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15.3 The maximum amount of commercial paper outstanding at any time during the year was ₹1,065.00 crore (2018-19 : ₹1,540.00 crore).

15.4 Commercial paper are repayable within a period upto 365 days from the date of disbursement and has interest ranging nil for 2019-20 (2018-19: 7.59% to 10.50% p.a).

16 Borrowings (Other than Debt securities)

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
At amortized cost		
Term loans		
(i) from banks		
-Secured (refer note 16.1)	1,580.19	2,089.70
(ii) from other parties		
-Secured (refer note 16.1)	100.00	125.00
Interest payables	2.84	5.48
Cash Credit Facility from Banks (refer note 16.2)	49.46	136.23
Working Capital Demand Loan (refer note 16.2)	75.00	-
Finance lease obligations (secured by way of hypothecation of vehicles)	0.10	0.02
Total	**1,807.59**	**2,356.43**

Borrowings are made within India.

16.1 Term loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company. Also includes impact of effective interest rate of ₹6.92 crore (As at March 31, 2019: Rs 2.22 crore).

Maturity profile and rate of interest of term loans:

₹ in Crore

Residual Maturities	**As at 31.03.2020**		
	Up to one year (April 2020 to March 2021)	**1-3 years (April 2021 to March 2023)**	**3 years & above (April 2023 onwards)**
8.00 % to 9.00%	35.42	-	-
9.01 % to 10.00%	699.05	498.98	168.67
10.01% to 11.00%	204.99	80.00	-
Total	**939.46**	**578.98**	**168.67**

Maturity profile shown excluding effective interest rate impact amounting to ₹6.92 crore

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Maturity profile and rate of interest of term loans:

₹ in Crore

Residual Maturities	As at 31.03.2019		
	Up to one year (April 2019 to March 2020)	1-3 years (April 2020 to March 2022)	3 years & above (April 2022 onwards)
8.00 % to 9.00%	245.00	229.73	-
9.01 % to 10.00%	708.85	755.52	77.82
10.01% to 11.00%	40.00	160.00	-
Total	**993.85**	**1,145.25**	**77.82**

Maturity profile shown excluding effective interest rate impact amounting to ₹2.22 crore

*The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

16.2 Cash credit facility and working capital demand loan from banks are secured by way of hypothecation on certain identified loan fund balances of the Company.

17 Other financial liabilities

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Employee benefits payable	25.18	30.97
Lease liability	16.73	-
NCD Application Money	-	0.52
	41.91	**31.49**

18 Current tax liabilities (net)

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Provision for tax (net)	-	3.17
	-	**3.17**

19 Provisions

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
For employee benefits:		
Gratuity (refer note 38)	1.22	1.00
Compensated absences	0.70	0.61
	1.92	**1.61**

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20 Other non-financial liabilities

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Statutory dues	1.71	0.73
	1.71	**0.73**

21 Equity Share capital

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Authorised		
30,00,000 Equity shares of ₹ 10/- each	3.00	3.00
20,00,000 Preference shares of ₹ 10/- each	2.00	2.00
	5.00	**5.00**
Issued, Subscribed and Paid-up		
2,826,816 (F.Y 2019- 2,826,816) Equity shares of face value of ₹10/- each fully paid-up	2.83	2.83
Nil (F.Y 2019- 19,837) Equity shares of face value of ₹10/- each, (paid-up ₹ 2/- each) partly paid-up	-	0#
	2.83	**2.83**

₹39,674/-

Reconciliation of the number of equity shares outstanding

₹ in Crore

	As at 31.03.2020		As at 31.03.2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,846,653	2.83	2,499,500	2.50
Shares issued during the year pursuant to private placement - fully paid up	-	-	327,316	0.33
Shares issued during the year pursuant to private placement - partly paid up	-	-	19,837	0#
Shares forfeited during the year*	19,837	0#	-	-
Shares outstanding at the end of the year	**2,826,816**	**2.83**	**2,846,653**	**2.83**

₹39,674/-

* The partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. Further the Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020.

Details of shareholding in excess of 5%

	As at 31.03.2020		As at 31.03.2019	
	Number	%	Number	%
JM Financial Limited along with its nominees	1,319,431	46.68%	1,339,268*	47.05%
INH Mauritius 1	1,384,087	48.96%	1,384,087	48.62%

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Terms and rights attached to each class of shares:

Equity Shares:

The Company has only one class of shares referred to as equity shares having a face value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

22 Other Equity

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Securities premium account	1,715.28	1,715.28
General reserve	0.17	0.17
Capital reserve	#	-
Statutory reserve	328.84	252.37
Debenture Redemption Reserve	-	33.76
Retained Earnings	1,244.15	904.89
Grand Total	**3,288.44**	**2,906.47**

# Denotes amount less than ₹ 50,000/-

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Securities premium account		
Opening balance	1,715.28	881.16
(+) on issue of share	-	834.67
(-) utilised for share issue expenses	-	(0.55)
Closing balance	**1,715.28**	**1,715.28**
General reserve		
Opening balance	0.17	0.17
Addition	-	-
Closing balance	**0.17**	**0.17**
Capital reserve		
Opening balance	-	-
Addition*	#	-
Closing balance	**#**	**-**
Statutory reserve ***(Section 45-IC of the RBI Act, 1934)***		
Opening balance	252.37	171.09
Addition	76.47	81.28
Closing balance	**328.84**	**252.37**
Debenture Redemption Reserve		
Opening balance	33.76	-
(-) transferred to Retained earnings	(33.76)	33.76
Closing balance	**-**	**33.76**

Notes

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₹ in Crore

	As at 31.03.2020	As at 31.03.2019
Retained earnings:		
Opening balance	904.89	613.57
(+) Profit for the year	382.35	406.39
(+/-) Other Comprehensive Income	(0.04)	(0.03)
(+)Transferred from Debenture redemption reserve	33.76	-
	1,320.96	**1,019.93**
(-) Appropriations		
Transferred to statutory reserve	76.47	81.28
Transferred to Debenture redemption reserve	-	33.76
Final Dividend	0.28	-
Dividend Distribution Tax	0.06	-
	76.81	**115.04**
Closing balance	**1,244.15**	**904.89**
Grand Total	**3,288.44**	**2,906.47**

₹39,674/-

Note:

The Board of Directors of the Company has recommended a final dividend of ₹1.50 per equity share of the face value of ₹10/- each for the financial year 2019-2020 subject to the approval of the members at their ensuing Annual General Meeting.

* The partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. Further the Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve:

Capital reserve is created pursuant to the forfeiture and extinguishment of the partly paid up shares.

Statutory Reserve:

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit after tax every year in terms of Section 45-IC of the RBI Act, 1934.

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Debenture Redemption Reserve:

As per amendment in Companies Act, 2013, Debenture Redemption Reserve is not required for debentures issued by Non-Banking Finance Companies regulated by Reserve Bank of India for both public as well as privately placed debentures.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

23 Interest Income

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
At Amortised Cost		
Interest on Loans	1,264.11	1,258.01
	1,264.11	**1,258.01**

24 Fees and Commission Income

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Other Fees	1.37	5.11
	1.37	**5.11**

25 Net gain on fair value changes

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio	-	-
Investments	41.76	13.90
Fair value changes		
Realised	38.19	13.61
Unrealised	3.57	0.29
	41.76	**13.90**

* Fair value changes in this schedule are other than those arising on account of accrued interest income/expense

26 Net gain on derecognition of financial instruments

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Net gain on derecognition of financial instruments under amortised cost category	2.22	1.79
	2.22	**1.79**

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27 Other Operating Income

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest income - Bank deposits	0.27	0.28
Interest income – Others	0.06	-
	0.33	**0.28**

28 Finance costs

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
At Amortised Cost		
Debt Securities	346.61	327.39
Borrowings(Other than Debt securities)	187.55	239.87
Interest on Lease Liabilities	1.63	0.01
Other Interest expense	12.74	11.47
	548.53	**578.74**

29 Impairment on financial instruments

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
At amortised cost		
Provision for Expected Credit Loss (Stage 1 & 2)	98.46	7.13
Provision for Expected Credit Loss (Stage 3)	46.53	8.86
	144.99	**15.99**

30 Employee benefits expense

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, bonus, other allowances and benefits	26.47	30.73
Contribution to provident and other funds	0.68	0.56
Gratuity (refer note 38)	0.21	0.16
Staff welfare expenses	0.06	0.07
	27.42	**31.52**

31 Depreciation, Amortization

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation	2.12	0.16
Amortisation	0.07	0.07
	2.19	**0.23**

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32 Other expenses

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Rates & taxes	0.96	1.14
Legal & professional fees	2.30	2.18
Support service charges	8.44	8.37
Space and related charges	0.06	2.29
Information technology expenses	0.40	0.33
Travelling & conveyance	0.46	0.83
Auditors remuneration (Refer note 35)	0.16	0.12
Repairs and maintenance	0.26	0.18
Electricity expenses	0.17	0.16
Donation	11.50	9.14
Write off	25.47	-
Insurance Expense	0.15	0.11
Bank charges	0.03	0.06
Printing & Stationery	0.05	0.06
Membership and Subscription	0.28	0.25
Communication expenses	0.10	0.07
Director Sitting Fees	0.12	0.09
Director commission	0.33	0.65
Miscellaneous expenses	0.45	0.23
	51.69	**26.26**

33 Income Tax

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax	147.60	223.54
Deferred tax	5.02	(4.20)
Tax adjustment in respect of earlier years	-	**0.62**
Total income tax expenses recognised in the current year	**152.62**	**219.96**
Income tax expense recognised in other comprehensive income	0.01	0.01

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Reconciliation of total tax charge

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	534.97	626.35
Income tax rate	25.17%	34.94%
Income tax expense	134.64	218.87
Tax Effect of:		
Items that are allowable or disallowable in determining taxable profits (net)	1.47	1.80
Tax rate adjustment in respect of earlier years (net)	16.51	(0.71)
Total	**17.98**	**1.09**
Income tax expense recognised in the statement of profit and loss	**152.62**	**219.96**

The tax rate used for reconciliation above is the corporate tax rate applicable to companies in India on taxable profit under the tax laws in Indian Jurisdiction i.e. Income tax Act, 1961.

The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 1, 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening deferred tax assets as on April 1, 2019, amounting to ₹16.51 crore has been reversed during the year ended March 31, 2020.

34 Contingent Liabilities and Commitments

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Contingent liability	-	-
Commitments		
Undisbursed Commitment *	151.08	226.29

* This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.

35 Payment to Auditors: (Excluding Goods and Services Tax)

₹ in Crore

	Year Ended March 31, 2020	Year Ended March 31, 2019
Audit Fees	0.09	0.09
In any other manner (Certifications, limited reviews, etc.)*	0.07	0.02
Out of pocket	0#	0.01
Total	**0.16**	**0.12**
Fees paid in connection with Public issue of NCD included for measurement of financial liabilities at amortized cost	0.11	0.08

# Denotes amount below ₹50,000/-

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36 Earnings per share

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

	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit for the year (In Rs Crore)	382.35	406.39
Profit attributable to equity shareholders (In Rs Crore)	382.35	406.39
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	2,826,816	2,666,591
Basic earnings per share (Rupees)	1,352.58	1,524.01
Dilutive potential equity shares (Nos.)	-	8,043
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	2,826,816	2,674,634
Diluted earnings per share (Rupees)	1,352.58	1,519.43
Nominal value per share (Rupees)	10	10

37 Lease Transactions

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

On the date of initial application, the adoption of the new standard resulted in recognition of “Right to Use’ asset (premises) of ₹18.40 crore and a lease liability of ₹17.45 crore. The weighted average of discount rate applied to lease liabilities as at April 1, 2019 is 9.40%. Company has recognised depreciation expenses from ROU of ₹1.97 crore (premises and vehicle) and interest expenses on lease liabilities of ₹1.63 crore (premises and vehicle). Lease payments during the year have been disclosed under financial activities in the cash flow statements.

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

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

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

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

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

The difference between the lease obligation recorded as March 31, 2019 under Ind AS 17 disclosed under note 35 of annual standalone financial statements forming part of 2019 annual report and the value of lease liability as of April 1, 2019 is as mentioned below :

Amount in crore

	Amount
Operating non-cancellable lease commitments as at March 31, 2019- considered for disclosure in the financial statements	24.83
Operating cancellable lease commitments as at March 31, 2019- not considered for disclosure in the financial statements	2.80
Total operating lease commitment (on an undiscounted basis)	**27.63**
Less: future finance cost	-10.18
Total operating lease commitment recognised under Ind AS 116 as at April 1, 2019	**17.45**

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

(Amount in crore)

Category of ROU asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				Net block
	As at 01.04.2019	Additions	Deletion	As at 31.03. 2020	As at 01.04.2019	Depreciation	Deductions	As at 31.03. 2020	As at 31.03. 2020
Premises	-	18.40	-	18.40	-	1.94	-	1.94	16.46
Vehicle	0.08	0.12	-	0.20	0.07	0.03	-	0.10	0.10
Total	**0.08**	**18.52**	**-**	**18.60**	**0.07**	**1.97**	**-**	**2.04**	**16.56**

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

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

	Minimum lease Payments As at 31.03.2020	Present Values of Minimum lease Payments As at 31.03.2020
Not later than one year	2.46	0.91
Later than one year and not later than five years	10.88	5.85
Later than five years	12.11	10.07
Total	**25.45**	**16.83**
Less: future finance charges	8.62	
Present value of minimum lease payments	16.83	

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.

The Company has option to purchase the vehicle for a nominal amount at the end of lease terms.

38 Employee Benefits

Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. 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 (2019: ₹0.57 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

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

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

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

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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.

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

	As at 31.03.2020	As at 31.03.2019
Discount rate	6.80%	7.55%
Expected rate of salary increase	7.00%	7.00%
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult table.	Indian Assured Lives Mortality (2012-14) Ult table

b) Amount recognised in statement of profit and loss in respect of these defined benefit obligation

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Current service cost	0.13	0.11
Net interest cost	0.08	0.05
Past service cost	-	-
Total amount recognised in statement of profit and loss	**0.21**	**0.16**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	0#	0#
- Actuarial (gain)/loss from change in financial assumptions	0.09	0.02
- Actuarial (gain)/loss from change in experience adjustments	(0.04)	0.02
Total amount recognised in other comprehensive income	**0.05**	**0.04**
Total	**0.26**	**0.20**

# Denotes below ₹ 50,000/-

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

c) 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 31.03.2020	As at 31.03.2019
Present value of defined benefit obligation	1.22	1.00
Fair value of plan assets	-	-
Net liabilities arising from defined benefit obligation	**1.22**	**1.00**

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

₹ in Crore

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	1.00	0.68
Current service cost	0.13	0.11
Past service cost	-	-
Interest cost	0.08	0.05
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	0#	0#
Actuarial (gain)/loss from change in financial assumptions	0.09	0.03
Actuarial (gain)/loss from change in experience adjustments	(0.04)	0.01
Benefits paid	-	-
Liabilities assumed/(settled)	(0.04)	0.12
Closing defined benefit obligation	**1.22**	**1.00**

# Denotes amount less than ₹ 50,000/-

e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase 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 are as follows:

₹ in Crore

Particulars	31st March 2020	31st March 2019
Defined benefit obligation (base)	1.22	1.00

Particulars	As at 31.03.2020		As at 31.03.2019	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	1.16	1.28	0.95	1.03
Impact of increase in 50 bps on DBO	-4.90%	5.29%	-4.80%	2.45%
Defined benefit obligation on decrease in 50 bps	1.28	1.16	1.05	0.98
Impact of decrease in 50 bps on DBO	5.33%	-4.92%	5.20%	-2.31%

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 to note (a) 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 recognised in the balance sheet.

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f) Projected benefits payable:

₹ in crore

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Expected benefits for year 1	0.06	0.05
Expected benefits for year 2	0.06	0.05
Expected benefits for year 3	0.24	0.05
Expected benefits for year 4	0.06	0.23
Expected benefits for year 5	0.05	0.05
Expected benefits for year 6	0.22	0.05
Expected benefits for year 7	0.05	0.21
Expected benefits for year 8	0.21	0.04
Expected benefits for year 9	0.04	0.20
Expected benefits for year 10 and above	1.93	1.70

The weighted average duration of the defined benefit obligation is 10.36 years (previous year 9.98 years)

39 Related Party Disclosure

Names of related parties and description of Relationship

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

Holding Company

JM Financial Limited

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

(A) Holding Company

JM Financial Limited

(B) Fellow Subsidiaries

JM Financial Institutional Securities Limited

JM Financial Services Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

Infinite India Investment Management Limited

JM Financial Asset Reconstruction Limited

(C) Key management personnel of the reporting entity or of a parent of the reporting entity:

Mr. Vishal Kampani (VNK) (KMP of the parent of the reporting entity)

Ms. Amishi Gambhir (close relative of VNK)

Mr. Shashwat Belapurkar (SB) (CEO) (KMP of the reporting entity)

Ms. Sadhana Belapurkar (close relative of SB)

Non-Executive Directors

Mr. Vikram Pandit

Notes

to the Financial Statements

Mr. Hariharan Aiyar

Mr. V P Shetty

Ms. Dipti Neelakantan

Mr. Vishal Kampani (w.e.f. August 1, 2019)

Independent Directors

Dr. Anup Shah

Mr. Darius E Udwadia

Mr. Satish Chand Mathur (w.e.f. August 1, 2019)

(D) Enterprise over which close members of family (relatives) of key management personnel are able to exercise significant influence

J.M. Financial & Investment Consultancy Services Private Limited (JMFICS)

(iii) Details of transactions with related parties;

Name of the related party	Nature of relationship	As at 31.03.2020 (In ₹ Crore)	As at 31.03.2019 (In ₹ Crore)
JM Financial Limited	(A)		
Infusion of equity (Fully Paid up)		-	175.00
Infusion of equity (Partly Paid up)		-	10.00
Gratuity Received		-	0.15
Inter corporate deposit taken		-	100.00
Inter corporate deposit repaid		-	100.00
Interest expenses on inter corporate deposits taken		-	0.55
Rating support fees		5.93	9.30
Support service charges		1.98	1.98
Lead Manager Fees		-	0.16
Dividend paid		0.13	-
Reimbursement of employee expenses		0.67	0.68
Reimbursement of expenses		0.03	0.04
JM Financial Properties and Holdings Limited	(B)		
Space and related charges		1.91	1.82
Reimbursement of expenses (paid)		0.39	0.33
Rent deposit taken		-	1.43
Security deposit outstanding		1.43	1.43
JM Financial Services Limited	(B)		
Brokerage on Debenture issue		0.05	5.51
Space and related charges		0.05	-
JM Financial Institutional Securities Limited	(B)		
Brokerage expenses		0.03	-

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Name of the related party	Nature of relationship	As at 31.03.2020 (In ₹ Crore)	As at 31.03.2019 (In ₹ Crore)
JM Financial Products Limited	(B)		
Inter corporate deposits taken		12.00	-
Inter corporate deposits repaid		12.00	-
Interest expenses on inter corporate deposits taken		0#	-
Interest paid on NCDs		0.20	-
Sale/Assignment of loan		60.64	-
Gratuity paid		0.04	-
Support service charges		5.76	5.70
Interest payable on NCDs		#	-
Closing balance of Non-convertible debentures		4.18	-
Payables		6.22	6.16
JM Financial Asset Reconstruction Company Limited	(B)		
Inter corporate deposits given		-	100.00
Inter corporate deposits received back		-	100.00
Interest income on inter corporate deposits given		-	0.11
Infinite India Investment Management Limited	(B)		
Inter corporate deposits given		-	100.00
Inter corporate deposits received back		-	100.00
Interest income on inter corporate deposits given		-	0.63
Ms. Amishi Gambhir	(C)		
Payables		0.05	0.16
Key management personnel, (Refer Note (a) below)	(C)		
Interest paid on NCDs		0.33	0.04
Issue of Non-convertible Debentures(NCD) under primary market		-	4.08
Remuneration		5.07	7.43
Interest payable on NCDs		#	#
Closing balance of Non-convertible debentures		5.89	3.79
Payables		5.94	11.19
J.M. Financial & Investment Consultancy Services Private Limited (JMFICS	(D)		
Employee related liability transferred to		-	0.03

#Denotes amount less than ₹50,000/-

a. 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.

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

39.2 The transactions disclosed above are exclusive of GST.

Notes

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40 Maturity Analysis of Assets and Liabilities

₹ in Crore

		As at 31.03.2020			As at 31.03.2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS							
1	**Financial Assets**						
A	Cash and cash equivalents	28.39	-	28.39	178.33	-	178.33
B	Bank Balance other than (A) above	-	-	-	4.50	-	4.50
C	Trade receivables	0.30	-	0.30	-	-	-
D	Loans	2,750.96	4,425.01	7,175.97	2,126.09	5,889.95	8,016.04
E	Investments	907.14		907.14	270.29	25.00	295.29
F	Other Financial assets	0.29	0.80	1.09	3.32	0.74	4.06
		3,687.08	**4,425.81**	**8,112.89**	**2,582.53**	**5,915.69**	**8,498.22**
2	**Non-financial Assets**						
A	Current tax assets (net)	-	13.33	13.33	-	1.29	1.29
B	Deferred tax Assets (Net)	-	54.00	54.00	-	59.01	59.01
C	Property, Plant and Equipment	-	17.22	17.22	-	0.76	0.76
D	Other Intangible assets	-	0.15	0.15	-	0.22	0.22
E	Other non-financial assets	2.09	-	2.09	2.07	0.95	3.02
		2.09	**84.70**	**86.79**	**2.07**	**62.23**	**64.30**
	Total Assets	**3,689.17**	**4,510.51**	**8,199.68**	**2,584.60**	**5,977.92**	**8,562.52**

₹ in Crore

		As at 31.03.2020			As at 31.03.2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
A	**Payables**						
	(I) Trade Payables						
	(i) total outstanding dues of micro enterprises and small enterprises						
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	9.88	-	9.88	11.23	-	11.23
B	Debt Securities	588.60	2,456.80	3,045.40	1,461.56	1,787.00	3,248.56
C	Borrowings (Other than Debt Securities)	1,063.85	743.74	1,807.59	1,098.18	1,258.25	2,356.43
D	Other financial liabilities	15.91	26.00	41.91	18.90	12.59	31.49
	Total Financial Liabilities	**1,678.24**	**3,226.54**	**4,904.78**	**2,589.87**	**3,057.84**	**5,647.71**
2	**Non-Financial Liabilities**						
A	Current tax liabilities (Net)	-		-	3.17	-	3.17
B	Provisions	0.70	1.22	1.92	-	1.61	1.61
C	Other non-financial liabilities	1.71	-	1.71	0.73	-	0.73
	Total Non-Financial Liabilities	**2.41**	**1.22**	**3.63**	**3.90**	**1.61**	**5.51**
	Total	**1,680.65**	**3,227.76**	**4,908.41**	**2,593.77**	**3,059.45**	**5,653.22**
	Net	**2,008.52**	**1,282.75**	**3,291.27**	**(9.17)**	**2,918.47**	**2,909.30**

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41 Financial Instruments

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.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value and minimize cost of capital. 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 adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in crore

Borrowings	As at March 31, 2020	As at March 31, 2019
Debt	**4,852.99**	**5,604.99**
Less - Cash and cash equivalents*	28.39	177.81
Less - Investment in liquid mutual funds	907.14	270.29
Less - Other bank deposits	-	-
Adjusted net debt	**3,917.46**	**5,156.89**
Total equity	3,291.27	2,909.29
Adjusted net debt to equity ratio	**1.19**	**1.77**

*excludes balances in earmarked account.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2020, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, is disclosed in Note 50.2. We believe that our high capital adequacy gives us significant headroom to grow our business.

Financial instruments

A. Fair Value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Notes

to the Financial Statements

Set out below, is the accounting classification of financial instruments by category:

₹ in crore

As at March 31, 2020	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	28.39	28.39
Bank Balance other than (a) above	-	-	-
Trade receivables		0.30	0.30
Loans	-	7,175.97	7,175.97
Investments	907.14	-	907.14
Other Financial assets	-	1.09	1.09
Total	**907.14**	**7,205.75**	**8,112.89**
Financial liabilities			
Debt securities	-	3,045.40	3,045.40
Borrowings	-	1,807.59	1,807.59
Trade payables	-	9.88	9.88
Other Financial Liabilities	-	41.91	41.91
Total	**-**	**4,904.78**	**4,904.78**

₹ in crore

As at March 31, 2019	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	178.33	178.33
Bank Balance other than (a) above	-	4.50	4.50
Loans	-	8,016.04	8,016.04
Investments	295.29	-	295.29
Other Financial assets	-	4.06	4.06
Total	**295.29**	**8,202.93**	**8,498.22**
Financial liabilities			
Debt securities	-	3,248.56	3,248.56
Borrowings	-	2,356.43	2,356.43
Trade payables	-	11.23	11.23
Other Financial Liabilities	-	31.49	31.49
Total	**-**	**5,647.71**	**5,647.71**

a. Debt securities issued at fixed rate of interest for which carrying value and fair value are as under :

As at	Carrying value	Fair Value
March 31, 2020	2,489.44	2,337.75
March 31, 2019	2,749.82	2,612.18

b. The Company considers that the carrying amounts recognised in the financial statements for Loans, Debt Securities and Borrowings approximate their fair values.

c. For financial assets / liabilities (“financial instruments”) that are measured at fair value, except those included in point (b) above, the carrying amounts are equal to the fair values, as these financial instruments are maturing within 12 months or repayable on demand.

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to the Financial Statements

Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the 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.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation processes and Technique

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO and the team at least once every three months, in line with the Company's quarterly reporting periods."

Type of Financial Instrument	Valuation Technique
Investment in Mutual Funds	NAV as on the reporting date.

₹ in crore

As at March 31, 2020	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	907.14	907.14	-	-	907.14
Investments in Debentures or Bonds	-	-	-	-	-
Investments in Equity instrument	0#	-	-	0#	0#
Total	**907.14**	**907.14**	**-**	**-**	**907.14**

# Denotes amount less than ₹ 50,000/-

As at March 31, 2019	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	270.29	270.29	-	-	270.29
Investments in Debentures or Bonds	25.00	-	-	25.00	25.00
Investments in Equity instrument	0#	-	-	0#	0#
Total	**295.29**	**270.29**	**-**	**25.00**	**295.29**

# Denotes amount less than ₹ 50,000/-

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to the Financial Statements

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Company.

i. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. Company has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Credit Risk Assessment Methodology

The Company has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters subject to review and approval of BOD

Finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

The Company has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

The Company believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

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We also require the borrower to submit periodic reports. The Credit Committee of the Company, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board for its information. The Company continue to monitor the credit exposure until our loans are fully repaid.

The Company's is currently using the external rating given to the customers which they review on a timely basis.

The credit impaired assets as at the reporting dates were secured by collateral and the asset cover is upto 2.1 times of the outstanding balance.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	performing assets	12-month ECL
Stage 2	under-performing assets	Lifetime ECL
Stage 3	Credit Impaired	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a reporting date. It shall include outstanding loan amount, accrued interest and expected drawdowns on non-discretionary loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

Provision as per Expected Credit Loss (ECL):

The Company has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic. The impact on collateral values is also assessed for determination of adjustment to the loss given default and reasonable haircuts are applied wherever necessary. The number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy

As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD (by downgrading the ratings to one level lower) and LGD as computed by ECL Model by 15-25% depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Refer note 49 to the financial statements.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

As on March 31, 2020	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	6,828.12	97.82	6,730.30	1.27 to 11.70
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	399.13	59.27	339.86	3.54 to 10.43
Stage 3 - Assets for which there is significant increase in credit risk	Loan	153.63	47.82	105.81	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for significantly impaired assets.

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As on March 31, 2019	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	7,582.46	52.32	7,530.14	2.07 to 3.49
Stage 2 – Assets for which there is no significant increase in credit risk	Loan	423.57	6.30	417.27	5.95 to 11.13
Stage 3 - Assets for which there is significant increase in credit risk	Loan	85.07	16.44	68.63	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for significantly impaired assets.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**7,582.46**	**423.57**	**85.07**	**8,091.10**
New assets originated or purchased	1,492.59	57.86	-	1,550.45
Assets derecognised or repaid (excluding write offs)	(1,949.77)	(194.02)	(101.72)	(2,245.51)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(271.75)	271.75	-	-
Transfers to Stage 3	(25.41)	(160.03)	185.44	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(15.16)	(15.16)
Gross carrying amount closing balance*	**6,828.12**	**399.13**	**153.63**	**7,380.88**

* Including interest accrued and net of EIR

₹ in crore

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**7,046.50**	**128.33**	**75.80**	**7,250.63**
New assets originated or purchased	3,601.54	2.28	-	3,603.82
Assets derecognised or repaid (excluding write offs)	(2,675.53)	(87.82)	-	(2,763.35)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(390.05)	390.05	-	-
Transfers to Stage 3	-	(9.27)	9.27	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**7,582.46**	**423.57**	**85.07**	**8,091.10**

* Including interest accrued and net of EIR

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Reconciliation of ECL balance is given below

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**52.32**	**6.30**	**16.44**	**75.06**
New assets originated or purchased	59.59	29.80	-	89.39
Assets derecognised or repaid (excluding write offs)	(11.24)	(0.79)	(2.00)	(14.03)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(2.74)	26.78	-	24.04
Transfers to Stage 3	(0.11)	(2.82)	48.54	45.61
"Impact on year end ECL of exposures transferred between stages during the year"	**(2.85)**	**23.97**	**48.54**	**69.66**
Amounts written off	-	-	(15.16)	(15.16)
ECL allowance - closing balance	**97.82**	**59.27**	**47.82**	**204.91**

₹ in crore

	2018-19			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**49.57**	**1.92**	**7.58**	**59.07**
New assets originated or purchased	21.40	0.03	-	21.43
Assets derecognised or repaid (excluding write offs)	(15.85)	(1.08)	-	(16.93)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(2.80)	5.82	-	3.02
Transfers to Stage 3	-	(0.39)	8.86	8.47
"Impact on year end ECL of exposures transferred between stages during the year"	**(2.80)**	**5.43**	**8.86**	**11.49**
Amounts written off	-	-	-	-
ECL allowance - closing balance	**52.32**	**6.30**	**16.44**	**75.06**

ii) Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is

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reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

“The Company has undrawn lines of credit of ₹61 Crore, ₹148 Crore as of March 31, 2020, March 31, 2019 respectively, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

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.

₹ in crore

March 31, 2020	Carrying amount |(Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	9.88	9.88	-	-	-
Debt Securities	3,045.40	588.60	729.09	1,061.11	666.60
Borrowings	1,807.59	1,063.85	575.90	167.84	-
Other financial liabilities	41.91	15.91	11.27	4.65	10.08
Total	**4,904.78**	**1,678.24**	**1,316.26**	**1,233.60**	**676.68**
Financial Assets					
Cash and cash equivalents	28.39	28.39	-	-	-
Bank Balance	-	-	-	-	-
Trade receivable	0.30	0.30	-	-	-
Loans	7,175.97	2,750.96	4,018.92	255.12	150.97
Investments	907.14	907.14	-	-	-
Other Financial assets	1.09	0.29		0.80	-
Total	**8,112.89**	**3,687.08**	**4,018.92**	**255.92**	**150.97**

₹ in crore

March 31, 2019	Carrying amount |(Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	11.23	11.23	-	-	-
Debt Securities	3,248.56	1,417.18	966.51	596.96	267.91
Borrowings	2,356.43	1,142.59	1,181.02	32.82	-
Other financial liabilities	31.49	18.72	6.42	4.21	2.14
Total	**5,647.71**	**2,589.72**	**2,153.95**	**633.99**	**270.05**
Financial Assets					
Cash and cash equivalents	178.33	178.33	-	-	-
Bank Balance	4.50	4.50	-	-	-
Loans	8,016.04	2,126.09	4,678.59	818.49	392.87
Investments	295.29	270.29	-	-	25.00
Other Financial assets	4.06	4.06	-	-	-
Total	**8,498.22**	**2,583.27**	**4,678.59**	**818.49**	**417.87**

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The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii) Market risk - Interest rate risk

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. 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 run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Company's exposures to interest rates on loans and borrowings are detailed in the liquidity risk management section of this note

₹ in crore

	March 31, 2020	March 31, 2019
Loans		
Fixed-rate instruments	4,023.04	5,337.82
Floating-rate instruments	3,268.33	2,690.88
Total	**7,291.37**	**8,028.70**
Borrowings		
Fixed-rate instruments	2,449.71	3,193.05
Floating-rate instruments	2,193.39	2,225.93
Total	**4,643.10**	**5,418.98**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

₹ in crore

	March 31, 2020		March 31, 2019	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	32.68	(32.68)	26.91	(26.91)
Floating rate borrowings	(21.93)	21.93	(22.26)	22.26
	10.75	**(10.75)**	**4.65**	**(4.65)**

42 Employee Stock Option Scheme:

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

May 06, 2013	339,099 Stock Options
April 01, 2014	518,394 Stock Options
April 12, 2019	88,233 Stock Options
April 18, 2020	67,680 Stock Options

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

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (In Rupees)
12th April 2019	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
12th April 2020	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
12th April 2021	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
18th April 2020	Series - XI	22,560	Unvested	Seven years from the date of Grant	1
18th April 2021	Series - XI	22,560	Unvested	Seven years from the date of Grant	1
18th April 2022	Series - XI	22,560	Unvested	Seven years from the date of Grant	1

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

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	88,233	-
Granted during the year	67,680	88,233
Exercised during the year	-	-
Outstanding at the end of the year	1,55,913	88,233
Exercisable at the end of the year	29,411	-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹0.67 crore (Previous year 0.68).Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

43 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in crore

Name of the company	Relationship	Maximum Balance	Closing Balance
Infinite India Investment Management Limited	Fellow Subsidiary	-	-
		(100.00)	**(-)**
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	-	-
		(100.00)	**(-)**

Loans and advances shown above are interest bearing and are repayable on demand.

(Figures in brackets indicates previous year figures)

44 Expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

(a) Gross amount required to be spent by the company during the year – Rs 10.64 crore (Previous year ₹ 8.42 crore)

(b) Amount spent and paid during the year by way of donation to charitable trusts – Rs 10.64 crore (Previous year ₹8.42 crore) for purposes other than Construction/acquisition of any assets.

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45 The Company operates only in one Operating Segment i.e Mortgage Loans - Financial Services and all other activities are incidental to the main business activity, hence has only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM.

The Company has its operations within India and all revenue is generated within India

46 Unhedged Foreign Currency Exposure

₹ in crore

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

Note: Covered Option(s) is/are not included

47 Disclosure in liquidity risk

a. Funding Concentration based on significant counterparty* (both deposits and borrowings):

₹ in crore

Number of Significant Counterparties*	Amount	% of Total Deposits	% of Total Liabilities
21	3,749.87	Not Applicable	76.4%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

b. Top 20 large deposits (amount in ₹ Crore and % of total deposits):

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

c. Total of top 10 borrowings (amount in ₹ Crore and % of total borrowings):

Amount (₹ In Crore)	% of Total Borrowings
2,923.12	59.6%

d. Funding Concentration based on significant instrument/product*:

₹ in crore

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Term Loans	1,683.03	34.3%
2	Non-Convertible Debentures	3,045.40	62.0%
3	Commercial Papers	-	-
4	Cash Credit and Working Capital lines	124.46	2.5%

*Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies .

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e. Stock Ratios:

Sr. No.	Particulars	Ratios
1.	Commercial papers as a % of total public funds	None
	Commercial papers as a % of total liabilities	None
	Commercial papers as a % of total assets	None
2.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	None
	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	None
	Non-convertible debentures (original maturity of less than one year) as a % of total assets	None
3.	Other short-term liabilities, if any as a % of total public funds	34.6%
	Other short-term liabilities, if any as a % of total liabilities	34.2%
	Other short-term liabilities, if any as a % of total assets	20.5%

f. Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia, reviews liquidity risk management, funding and capital planning, forecasting and analyzing different scenarios and preparation of contingency plans. Further, the Risk Management Committee, inter alia, monitors and measures the risk profile of the Company and oversees the integrated risk management system of the Company.

The Company has also constituted the Asset Liability Management Support Group, inter alia, to analyse, monitor and report the liquidity risk profile to the Asset Liability Management Committee.

The Company manages liquidity risk by maintaining sufficient cash/treasury surplus and by having access to funding through an adequate amount of committed credit lines to meet obligations, in case required.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

The Company manages liquidity risk in accordance with the Company's Asset Liability Management Policy. The Asset Liability Management Policy is reviewed periodically to realign the same pursuant to any regulatory changes/changes in the economic landscape or business needs.

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

₹ in Crore

Asset Classification as per RBI Norms	Asset Classification as per 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	6,828.12	94.60	6,733.52	27.31	67.29
	Stage 2	399.13	58.84	340.19	1.60	57.34
Subtotal		**7,227.25**	**153.54**	**7,073.71**	**28.91**	**124.63**
Non-Performing Assets (NPA)						
Substandard	Stage 3	150.91	47.11	103.80	15.09	32.02
Doubtful						
Up to 1 year	Stage 3	2.72	0.71	2.01	0.54	0.17
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**2.72**	**0.71**	**2.01**	**0.54**	**0.17**
Loss	Stage 3	-	-	-	-	-

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₹ in Crore

Asset Classification as per RBI Norms	Asset Classification as per RBI Norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Subtotal for NPA		**153.63**	**47.82**	**105.81**	**15.63**	**32.19**
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	148.00	3.22	144.78	0.59	2.63
	Stage 2	3.08	0.33	2.75	0.01	0.32
	Stage 3	-	-	-	-	-
Subtotal		**151.08**	**3.55**	**147.53**	**0.60**	**2.95**
Total	Stage 1	6,976.12	97.82	6,878.30	27.90	69.92
	Stage 2	402.21	59.27	342.94	1.61	57.66
	Stage 3	153.63	47.82	105.81	15.63	32.19
	Total	**7,531.96**	**204.91**	**7,327.05**	**45.14**	**159.77**

ECL policy formulated by the Company has been duly approved by the Board of Directors of the Company at its meeting held on May 4, 2020

Disclosure in respect of RBI circular on "COVID19 Regulatory Package - Asset Classification and Provisioning" dated April 17,2020 having reference number RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 as per para 10

₹ in Crore

Particulars	Amount
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the RBI Circular;	690.92
Respective amount where asset classification benefits is extended as at March 31,2020	49.95
Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5 of the RBI Circular*	NA
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	Nil

*₹48.16 crore provisions has been made.

49 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections made already made in the month of March 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy).

Further, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the board for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at March 31, 2020 aggregates ₹ 204.91 crore (as at March 31, 2019, ₹ 75.06 crore) which includes potential impact on account of the pandemic of ₹ 86.79 crore. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

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The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

50 Disclosures as per RBI master directions and other notifications.

50.1 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006

Sr No	Particulars	As at 31.03.20120	As at 31.03.2019
(i)	Total Number of transactions wherein Loan assets securitized	-	-
(ii)	Total book value of loan assets securitised – Rupees	-	-
(iii)	Total sales consideration received for the securitised assets – Rupees	-	-
(iv)	Gain on sale on account of securitisation – Rupees	-	-
(v)	Gain recognized in the Statement of Profit and Loss – Rupees	-	-
(vi)	Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc.	-	-

Details of non-performing financial assets sold

₹ in Crore

	As at 31.03.2020	As at 31.03.2019
No. of accounts sold	1	-
Aggregate outstanding	75.80	-
Aggregate consideration received	60.64	-

50.2 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008 :-

(i) Capital risk adequacy ratio (CRAR):

Particulars	As at 31.03.2020	As at 31.03.2019
CRAR	40.25%	34.26%
CRAR - Tier I capital	39.06%	33.57%
CRAR - Tier II capital	1.18%	0.69%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

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50.3 Exposures:

A. Exposure to Real Estate Sector

₹ in Crore

Sr No	Category	As at 31.03.20120	As at 31.03.2019
a)	**Direct Exposure**		
(i)	**Residential Mortgages-**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lacs may be shown separately)		
(ii)	**Commercial Real Estate-**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	6,746.93	8,091.10
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
	a) Residential,		
	b) Commercial Real Estate.		

B. Exposures to Capital Market

₹ in Crore

Sr No	Category	As at 31.03.20120	As at 31.03.2019
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	633.95	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-

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₹ in Crore

Sr No	Category	As at 31.03.20120	As at 31.03.2019
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to Capital Market	**633.95**	**-**

iii. Asset Liability Management:

Maturity pattern of certain items of assets and liabilities:

₹ in Crore

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Assets									
Deposits	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances	-	323.89	554.83	468.82	1,405.80	3,913.11	255.92	256.78	7,179.15
	(218.82)	(55.64)	(206.00)	(463.33)	(1,187.71)	(4,678.59)	(820.17)	(392.86)	(8,023.12)
Investments	907.14	-	-	-	-	-	-	#	907.14
	(270.29)	(-)	(-)	(-)	(-)	(-)	(-)	(25.00)	(295.29)
Liabilities									
Borrowing	110.37	47.66	516.48	310.98	666.94	1,304.94	1,229.03	666.60	4,852.99
	(87.88)	(43.86)	(267.52)	(998.58)	(1,161.93)	(2,147.53)	(629.77)	(267.92)	(5,604.99)
Foreign currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

# Denotes amount below ₹ 50,000/-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) Above maturity pattern is after the considering the impact of Moratorium benefit extended by the Company to the customers

c) Figures in brackets are for previous year.

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50.4 Schedule to the Balance Sheet (as required in terms of Paragraph 18 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

	Particulars		
	Liabilities side	**Amount outstanding ₹ in Crore**	**Amount overdue ₹ in Crore**
(a)	Debentures		
	(i) Secured	3,045.40	-
		(2,723.65)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
		(-)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	Term Loans	1,683.03	-
		(2,220.20)	(-)
(d)	Inter-corporate loans and borrowing	-	-
		(-)	-
(e)	Commercial Paper	-	-
		(524.91)	(-)
(f)	Other Loans (Please Specify)		
	Working Capital Loan	75.00	-
		(-)	(-)
	Cash Credits	49.46	-
		(136.23)	(-)
	Due under finance lease	0.10	-
		(0.02)	(-)

(2) Break up of Loans and Advances including bills receivables (other than those included in (3) below):

	Particulars	
	Assets side	**Amount outstanding ₹ in Crore**
(a)	Secured	7,380.88
		(8,091.10)
(b)	Unsecured	-
		(-)

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(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

	Particulars	
	Assets side	**Amount outstanding ₹ in Crore**
(i)	Lease assets including lease rentals under sundry debtors:	
	(a) Financial Lease	-
		(-)
	(b) Operating Lease	-
		(-)
(ii)	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	-
		(-)
(iii)	Other loans counting towards AFC activities:	
	(a) Loans where assets have been repossessed	-
		(-)
	(b) Loans other than (a) above	-
		(-)

(4) Break – up of Investments:

Particulars	Amount outstanding ₹ in Crore
Current Investment	
1. Quoted:	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
	(-)
(iii) Units of Mutual Funds	907.14
	(270.29)
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	-
2. Unquoted:	
(i) Shares:	
(a) Equity	0#
(b) Preference	-
	(0#)
(ii) Debentures and Bonds	-
	(25.00)
(iii) Units of Mutual Funds	-
	(-)
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	-
	(-)

# Denotes amount less than ₹ 50,000/-

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(5) Borrower group – wise classification of assets financed as in (2) and (3) above:

	Category	Amount (net of provisions) Secured ₹ in Crore	Unsecured ₹ in Crore	Total ₹ in Crore
1)	Related Parties			
	(a) Subsidiaries	-	-	-
		(-)	(-)	(-)
	(b) Companies in the same group	-	-	-
		(-)	(-)	(-)
	(c) Other related parties	-	-	-
		(-)	(-)	(-)
2)	Other than related parties	7,380.88	-	7,380.88
		(8,091.10)	(-)	(8,091.10)
		7,380.88	-	7,380.88
		(8,091.10)	(-)	(8,091.10)
	Less: Provision for non-performing assets	47.82	-	47.82
		(16.44)	(-)	(16.44)
		7,333.06	-	7,333.06
		(8,074.66)	(-)	(8,074.66)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	Category	Market Value/ Breakup or fair value or NAV ₹ in Crore	Book Value (Net of Provisions) ₹ in Crore
1)	Related Parties		
	(a) Subsidiaries	-	-
		(-)	(-)
	(b) Companies in the same group	-	-
		(-)	(-)
	(c) Other related parties	-	-
		(-)	(-)
2)	Other than related parties	907.14	903.57
		(295.29)	(295.00)
		907.14	903.57
		(295.29)	(295.00)

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(7)	Other Information:	
	Particulars	**Amount ₹ in Crore**
(i)	Gross Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	153.63
		(85.07)
(ii)	Net Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	105.81
		(68.63)
(iii)	Assets acquired in satisfaction of debt	-
		(-)

(Figures in brackets indicates previous year figures)

50.5 There are no restructured advances as on March 31, 2020, Hence disclosure of information as required in terms of Paragraph 24 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 (as amended vide Notification No. DNBS(PD). No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

50.6 Investments

Sr No	Particulars	As at 31.03.2020 ₹ in Crore	As at 31.03.2019 ₹ in Crore
(a)	**Value of Investments**		
(i)	Gross Value of Investments		
	(a) in India	907.14	295.29
	(b) Outside India	-	-
(ii)	Provision for depreciation		
	(a) in India*	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments		
	(a) in India	907.14	295.29
	(b) Outside India	-	-
(b)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

50.7 Additional & Miscellaneous Disclosures:

(I) Registration obtained from other financial sector regulators

Company has not registered with other financial sector regulators except with Reserve Bank of India

Notes

to the Financial Statements

(II) Disclosure of Penalties imposed by RBI and other regulators

₹ in Crore

Sr No	Particulars	As at 31.03.2020	As at 31.03.2019
Penalties imposed		Nil	Nil

(III) Net Profit or Loss for the period, prior period items and changes in accounting policies:

There are no prior period items and changes in accounting policies impacting net profit for the year

(IV) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

(V) Premium utilised for share issue expenses

₹ in Crore

Sr No	Particulars	As at 31.03.2020	As at 31.03.2019
Premium utilised for share issue expenses		-	0.55

50.8 Ratings assigned by credit rating agencies and migration of ratings during the year:

Sr No		As at 31.03.2020	As at 31.03.2019
	ICRA Limited		
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA/Stable
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA/Stable
		PP-MLD ICRA AA / Stable	PP-MLD ICRA AA / Stable
	CRISIL Limited (Refer Note below)		
(i)	Commercial Paper programme	-	CRISIL A1+
(ii)	Bank loan facility	CRISIL AA/stable	CRISIL AA/stable
(iii)	Non-Convertible Debentures	-	CRISIL AA/stable
	India Rating		
(i)	Commercial Paper programme	IND A1+	IND A1+
(ii)	Bank loan facility	IND AA/Stable	IND AA/Stable
(iii)	Non-Convertible Debentures	IND AA/Stable	IND AA/Stable

During the year under review

- the unutilised ratings of CRISIL assigned to NCDs and CPs of the Company were voluntarily withdrawn by CRISIL with effect from February 4, 2020, pursuant to the request of the Company,
- CRISIL has reaffirmed the ratings assigned by it for the bank borrowings of ₹ 125 Crore, with effect from February 4, 2020.

50.9 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

Notes

to the Financial Statements

₹ in Crore

Sr No	Particulars	For the year 31.03.2020	For the year 31.03.2019
	Provisions for depreciation on Investment*	-	-
	Provision towards NPA / ECL stage 3	46.53	8.86
	Provision made towards Income tax	147.60	224.16
	Other Provision and Contingencies (with details)	-	-
	Provision for Standard Assets / ECL stage 1 and 2	98.46	7.13

Netted off from "Net gain on fair value changes" in schedule III as per Ind AS requirement

50.10 Concentration of Deposits, Advances and Exposures and NPAs:

Concentration of Deposits (for deposit taking NBFCs)

	As at 31.03.2020	As at 31.03.2019
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

Concentration of Advances

	As at 31.03.2020	As at 31.03.2019
Total Advances to twenty largest borrowers – (In Rs Crore)	3,321.68	3,422.91
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	45.56%	42.49%

Concentration of Exposures

	As at 31.03.2020	As at 31.03.2019
Total Exposure to twenty largest borrowers / customers – (In Rs Crore)	3,377.57	3,442.46
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	45.76%	42.55%

Concentration of NPAs

	As at 31.03.2020	As at 31.03.2019
Total exposure to top four NPA accounts	144.79	85.07

Notes
to the Financial Statements

Sector-wise NPAs

	As at 31.03.2020	As at 31.03.2019
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers Real Estate sector	153.63	85.07
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil

50.11 Movement of NPAs:

	As at 31.03.2020	As at 31.03.2019
Net NPAs to Net Advances (%)		
Movement of NPAs (Gross)		
(a) Opening balance	85.07	75.80
(b) Additions during the year	185.44	9.27
(c) Reductions during the year	116.88	-
(d) Closing balance	**153.63**	**85.07**
Movement of Net NPAs		
(a) Opening balance	68.63	68.22
(b) Additions during the year	136.89	0.41
(c) Reductions during the year	99.71	-
(d) Closing balance	**105.81**	**68.63**
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	16.44	7.58
(b) Provisions made during the year	46.54	8.86
(c) Write-off / write-back of excess provisions	15.16	-
(d) Closing balance	**47.82**	**16.44**

50.12 Disclosures of customer complaints

Complaints

Particulars	As at 31.03.2020	As at 31.03.2019
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	56
No. of complaints redressed during the year	-	56
No. of complaints pending at the end of the year	-	-

Notes

to the Financial Statements

50.13 Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company since there is no exposure.

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: May 4, 2020

Independent Auditors' Report

To the Members of

JM Financial Credit Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of JM Financial Credit Solutions Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "financial statements").

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 48 to the financial statements, which describes that the potential impact of the COVID-19 pandemic on the Company's financial statements and particularly the impairment provisions are dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

A. Impairment of loans (refer note 40.B to the financial statements)

Key Audit Matter Description

As at the year end, the Company has reported financial assets carried at amortised cost in form of loans granted aggregating to Rs. 6,830.71 crore net of provision for expected credit loss (ECL) of Rs. 389.36 crore. Management estimates impairment provision using individual model-based approach for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. Accordingly, the significant judgements that are Key Audit Matter are:

- Timely identification and classification of the impaired loans.
- Determination of probability of defaults based on comparative external ratings and estimation of loss given defaults based on the value of collaterals and relevant factors.
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 pandemic.
- The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL.

How the Key Audit Matter was addressed in the audit

The audit procedures performed included the following:

- Tested the design and effectiveness of internal controls implemented by the management for following:
  a. Identification and classification of loans which have been impaired, in correct buckets
  b. Validation of the Model used for the impairment provision
  c. Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
  d. Completeness and accuracy of the data inputs used

- Tested the completeness and accuracy of data from underlying systems used in the models including the bucketing of loans into delinquency bands, critically assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by the management as potentially impaired, we examined these on a sample basis, we checked the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and tested their judgement by reviewing information such as the counterparty's payment history and other documentary evidence and representations.
- We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
- We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditors' report thereon.

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

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

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   (d) In our opinion, the aforesaid 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 and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 33 to the financial statements)

ii. the Company did not have any long-term contracts including derivative contracts, as at the year-end for which there were any material foreseeable losses;

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

2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN: 21105035AAAADD7522

Place: Mumbai
Date: April 29, 2021

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of JM Financial Credit Solutions Limited (the "Company") as at March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN: 21105035AAAADD7522

Place: Mumbai
Date: April 29, 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company is a registered non-banking finance company to which the provisions of Sections 185 and 186 of the Companies Act, 2013, are not applicable, and hence reporting under clause (iv) of paragraph 3 of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of paragraph 3 of the Order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the provisions of Sales Tax, Customs Duty and Excise Duty are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2021 on account of disputes is given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In crore)*
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	AY 2017-18	0.44
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	AY 2018-19	0.78

* Net of amount paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company does not have loans or borrowings from Government and financial institutions.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. During the year, the Company has not raised monies by way of initial public offer of debt instruments.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or directors of its Holding Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion and according to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN: 21105035AAAADD7522

Place: Mumbai
Date: April 29, 2021

Independent Auditors' Report

1. The Report is issued in accordance with the terms of our engagement letter dated 21 July 2020 having reference NMD/HA/01.

2. We, Deloitte Haskins & Sells LLP, Mumbai, Chartered Accountants (Firm's Registration No. 117366W/W-100018), have examined the audited financial statements as at and for the year ended 31 March 2021 and other relevant records and documents maintained by JM Financial Credit Solutions Limited (the "Company") to verify and report on the matters specified in paragraphs 3 and 4 of the Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide notification no DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (the "RBI Directions") as at and for the year ended 31 March 2021 for submission to the Reserve Bank of India (the "RBI").

Management's Responsibility

3. The Management of the Company is responsible for ensuring compliance with the RBI Notifications, RBI Directions and other applicable regulations. This includes collecting, collating and validating data and the design, implementation and maintenance of internal controls suitable for such compliance.

4. The Management of the Company is also responsible for the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

5. We have examined the audited books of account as at and for the year ended March 31, 2021 and other relevant records and documents maintained by the Company for the purpose of certifying the assertions made in the RBI Directions.

6. The financial statements as at and for the year ended 31 March 2021 have been audited by us, on which we have issued an unmodified audit opinion vide our report dated 29 April 2021 (which includes an emphasis of matter paragraph in respect of potential impact of the COVID-19 pandemic as detailed in note 48 of the financial statements). Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. This certificate has been prepared in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. On the basis of our examination of the aforementioned audited financial statements as at and for the year ended 31 March 2021 and other relevant records and documents maintained by the Company and according to the information, explanations and representations given to us by the management of the Company, we are of the opinion that the following assertions as per RBI Directions made by the Company below, are in agreement with the aforesaid audited financial statements and other relevant records and documents maintained by the Company:

   A.i the Company is engaged in the business of Non - Banking Financial Institution as defined in Section 45 I(a) of the RBI Act, 1934 and has obtained Certificate of Registration (COR) bearing No. B-13.01681 dated 27 August 2003 from the RBI.

   A.ii the Company is entitled to continue to hold such CoR in terms of its Principal Business Criteria (Financial asset/income pattern) as on 31 March 2021, which has been computed in the manner laid down in the RBI Directions.

   A.iii the Company has met the required Net Owned Fund (NOF) requirement as prescribed under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

   B.i. the Board of Directors of the Company has passed a resolution dated 23 April 2020 for non- acceptance / holding of public deposits.

   B.ii. the Company has not accepted any public deposits during the financial year ended 31 March 2021.

   B.iii. the Company's financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") referred to in section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The Company has complied with the extant provisions of respective applicable Ind AS for the purpose of income recognition, asset classification based on credit risks and provisioning as per expected credit loss model during the financial year ended 31

March 2021. In respect of asset classification and provisioning, the Company has complied with RBI Circular dated 13 March 2020 on implementation of Indian Accounting Standards.

B.iv. In respect of Systemically Important Non-deposit taking NBFCs as defined in Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 -

- The Capital Adequacy Ratio ("CRAR") of the Company as on 31 March 2021 as disclosed in the unaudited Return submitted to the RBI in form DNBS03 is 40.28%. The CRAR was revised to 40.19% in the audited financial statements. The said ratio is in compliance with the minimum CRAR of 15% as prescribed by the RBI.
- the Company has furnished to RBI the annual statement of capital funds, risk assets/ exposures and risk asset ratio (DNBS03) within the stipulated period.

Restriction on Use

10. This Auditors' Report is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to the RBI and should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Pallavi A. Gorakshakar
Partner
(Membership No. 105035)
UDIN: 21105035AAAAFJ4284

Place: Mumbai
Date: May 28, 2021

Balance Sheet

as at March 31, 2021

₹ in Crore

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
1	**Financial Assets**			
A	Cash and cash equivalents	4	232.60	28.39
B	Bank balance other than (A) above	5	0.25	-
C	Trade receivables	6	-	0.30
D	Loans	7	6,830.71	7,175.97
E	Investments	8	2,027.70	907.14
F	Other financial assets	9	5.93	1.09
			9,097.19	**8,112.89**
2	**Non-financial Assets**			
A	Current tax assets (net)	10	16.72	13.33
B	Deferred tax assets (net)	11	88.71	54.00
C	Property, plant and equipment	12	15.19	17.22
D	Other intangible assets	12	0.09	0.15
E	Other non-financial assets	13	2.28	2.09
			122.99	**86.79**
	TOTAL ASSETS		**9,220.18**	**8,199.68**
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial Liabilities**			
A	**Payables**			
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises	14.a	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	7.86	9.88
B	Debt securities	15	3,507.66	3,045.40
C	Borrowings (Other than Debt securities)	16	1,999.45	1,807.59
D	Other financial liabilities	17	49.18	41.91
	Total Financial Liabilities		**5,564.15**	**4,904.78**
2	**Non-Financial Liabilities**			
A	Provisions	18	2.19	1.92
B	Other non-financial liabilities	19	3.98	1.71
	Total Non-Financial Liabilities		**6.17**	**3.63**
3	**EQUITY**			
A	Equity Share capital	20	2.83	2.83
B	Other Equity	21	3,647.03	3,288.44
	Total Equity		**3,649.86**	**3,291.27**
	Total liabilities and equity		**9,220.18**	**8,199.68**
	The accompanying notes form an integral part of the financial statements	1 to 52		

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

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Pallavi A. Gorakshakar
Partner
Membership No. 105035
Place: Mumbai
Date: April 29, 2021

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: April 29, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

₹ in Crore

Particulars	Note No.	For the year ended March 31,2021	For the year ended March 31, 2020
I INCOME			
Revenue from operations			
Interest income	22	1,131.18	1,264.11
Fees and commission income	23	0.99	1.37
Net gain on fair value changes	24	35.11	41.76
Net gain on derecognition of financial instruments under amortised cost category	25	-	2.22
Other operating income	26	0.21	0.33
Total Revenue from Operations		**1,167.49**	**1,309.79**
Total Income		**1,167.49**	**1,309.79**
II. EXPENSES			
Finance costs	27	449.13	548.53
Impairment on financial instruments	28	185.02	144.99
Employee benefits expense	29	27.79	27.42
Depreciation, amortization and impairment	30	2.19	2.19
Operating and other expenses	31	24.63	51.69
Total Expenses		**688.76**	**774.82**
III. Profit before tax		**478.73**	**534.97**
IV. Less: Tax expense			
Current tax		154.46	147.60
Deferred tax		(34.71)	5.02
Tax adjustment of earlier years(net)		**-**	**-**
V. Net Profit for the year		**358.98**	**382.35**
VI. Other Comprehensive Income			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Items that will not be reclassified to profit or loss			
- Actuarial gain/(losses) on post-retirement benefit plans		0.04	(0.05)
- Income tax on the above		(0.01)	0.01
Total Other Comprehensive Income		**0.03**	**(0.04)**
VII. Total Comprehensive Income		**359.01**	**382.31**
VIII. Earnings Per Equity Share	36		
(face value of ₹10/- each)			
Basic		1,269.89	1,352.58
Diluted		1,269.89	1,352.58
The accompanying notes form an integral part of the financial statements	1 to 52		

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

Pallavi A. Gorakshakar
Partner
Membership No. 105035
Place: Mumbai
Date: April 29, 2021

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: April 29, 2021

Statement of cash flow

for the year ended march 31, 2021

₹ in Crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	478.73	534.97
Adjustment for:		
Depreciation and amortisation expenses	2.19	2.19
Profit on sale of investments (net realized and unrealized)	(35.11)	(41.76)
Provision for gratuity	0.22	0.21
Provision for compensated absences	0.10	0.09
Write off	-	25.47
Provision for impairment	185.02	144.99
Interest on fixed deposits	(0.13)	(0.27)
Interest expenses – others	1.54	1.72
Operating profit before working capital changes	**632.56**	**667.61**
Adjustment for:		
Decrease / (Increase) in Trade receivables	0.30	(0.30)
Decrease in loans	163.30	694.58
(Increase) / Decrease in other financial and non-financial assets	(4.77)	3.01
Increase / (Decrease) in trade payables and other liabilities	8.42	(6.68)
(Decrease) in Provisions	-	(0.04)
Cash generated from operations	**799.81**	**1,358.18**
Direct taxes paid	(161.47)	(162.89)
Net cash generated from operating activities	**638.34**	**1,195.29**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(7,612.56)	(98,884.66)
Sale of investments	6,527.11	98,289.58
Fixed deposits (placed) / matured with bank	(0.25)	4.50
Interest received on bank deposits	0.41	0.22
Purchase of Property, plant and equipment	(0.10)	(0.19)
Net cash (used in) investing activities	**(1,085.39)**	**(590.55)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(0.42)	(0.34)
Repayment of lease obligations	(2.43)	(2.33)
Interest paid others	(0.01)	(0.02)
Proceeds from issuance of debt securities	918.96	1,987.35
Repayment of debt securities	(456.70)	(2,190.51)
Proceeds from borrowings other than debt securities	2,061.24	1,088.64
Repayment of borrowings other than debt securities	(1,869.38)	(1,637.47)
Net cash generated from / (used in) financing activities	**651.26**	**(754.68)**
Net increase / (decrease) in Cash and cash equivalents	204.21	(149.94)
Cash and cash equivalents at the beginning of the year	28.39	178.33
Cash and cash equivalents at the end of the year (refer note 4)	**232.60**	**28.39**

The accompanying notes form an integral part of the financial statements – Note No.1 to 52

Notes

1 The cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - "Statement of Cash Flow ".

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

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Pallavi A. Gorakshakar
Partner
Membership No. 105035
Place: Mumbai
Date: April 29, 2021

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: April 29, 2021

Statement Of Changes In Equity

As At March 31, 2021

A. EQUITY SHARE CAPITAL

₹ in Crore

Particulars	Balance as at March 31, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
Equity Share Capital	2.83	#	2.83	-	2.83

B. OTHER EQUITY

₹ in Crore

Particulars	Reserves and surplus						
	Securities Premium	General Reserve	Debenture Redemption reserve	Capital Reserve	Statutory Reserve	Retained earnings	Total Other Equity
Balance at March 31, 2019	**1,715.28**	**0.17**	**33.76**	**-**	**252.37**	**904.89**	**2,906.47**
Profit for the year	-	-	-	-	-	382.35	382.35
Other comprehensive income for the year	-	-	-	-	-	(0.04)	(0.04)
Forfeiture of shares	-	-	-	#	-	-	#
Final Dividend	-	-	-	-	-	(0.28)	(0.28)
Dividend Distribution Tax	-	-	-	-	-	(0.06)	(0.06)
Transfer to statutory reserves	-	-	-	-	76.47	(76.47)	-
Transfer to retained earnings	-	-	(33.76)	-	-	33.76	-
Balance at March 31, 2020	**1,715.28**	**0.17**	**-**	**#**	**328.84**	**1,244.15**	**3,288.44**
Addition/Reduction during the year							
Profit for the year	-	-	-	-	-	358.98	358.98
Other comprehensive income for the year	-	-	-	-	-	0.03	0.03
Final Dividend	-	-	-	-	-	(0.42)	(0.42)
Transfer to statutory reserves	-	-	-	-	71.80	(71.80)	-
Balance at March 31, 2021	**1,715.28**	**0.17**	**-**	**#**	**400.64**	**1,530.94**	**3,647.03**

# Denotes amount less than Rs.50,000/-

The accompanying notes form an integral part of the financial statements – Note No.1 to 52

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

Pallavi A. Gorakshakar
Partner
Membership No. 105035
Place: Mumbai
Date: April 29, 2021

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

Place: Mumbai
Date: April 29, 2021

1 Corporate Information

JM Financial Credit Solutions Limited (the "Company") was originally incorporated at Mumbai, Maharashtra on May 15, 1980, as a public limited company, under the provisions of the Companies Act, 1956 with registration number 22644 of 1980, with the name "FICS Consultancy Services Limited". The Company also received a certificate for commencement of business on May 24, 1980. Subsequently, by way of a fresh certificate of incorporation dated March 04, 2015 issued by the Registrar of Companies, Mumbai, Maharashtra, the Company's name was changed to "JM Financial Credit Solutions Limited". The Company has obtained a certificate of registration dated August 27, 2003 bearing registration no. B-13.01681 issued by the Reserve Bank of India ("RBI") to carry on the activities of a non-banking financial company without accepting public deposits under Section 45 IA of the RBI Act, 1934. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

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.

Historical cost convention

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 that 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 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 17, and measurements that have some similarities to fair value but are not fair value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised 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 Company can access at 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 valuation of assets or liabilities

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 crores 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.

2.2 Property, plant and equipment and Intangible Assets

a. 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. Cost includes professional fees related to the acquisition of PPE. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress". (Also refer to policy on leases, borrowing costs and impairment of assets below).

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

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

Assets costing less than Rs. 5,000/- are fully depreciated in the year of purchase.

Assets taken on finance lease are depreciated over a period of lease.

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

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

Intangible assets

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

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation 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.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Deemed cost on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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 recognised as an impairment loss in the Statement of Profit and Loss.

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

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a. Interest Income

Interest income on financial instruments at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (EIR) applicable. Interest on financial instruments measured as at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

b. Fees and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in this part of the statement of profit and loss include among other things fees charged for servicing a loan.

c. Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

2.4 Leasing

Operating lease:

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

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.

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

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

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

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

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

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

Finance Lease

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

2.5 Foreign currency transactions

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 recognised in profit or loss in the period in which they arise.

2.6 Borrowing costs

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

Interest expenses are calculated using the EIR and all other Borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.7 Employee benefits

Retirement benefit costs and termination benefits:

Defined Contribution Plan

Payments to defined contribution plans are recognised as expense in the Statement of Profit & 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 recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payment is available.

Defined Benefit Obligation:

The Company's Gratuity liability 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's 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 calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the 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 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 Company in respect of services provided by employees up to the reporting date.

2.8 Share-based payment arrangements

Equity-settled share-based payments to employees of the Company are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 41.

The fair value determined at the grant date of the equity-settled share-based payments to employees of the Company is expensed on a straight-line basis over the vesting period with a corresponding increase in equity.

At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognizes any impact in the Statement of profit and loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year

2.9 Income tax

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

Current Tax

The tax currently payable is based on the taxable profit for the year of the 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 realised, 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 Company intends to settle its current tax assets and liabilities on a net basis.

2.10 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.

2.11 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

i. an entity has a present obligation (legal or constructive) as a result of a past event; and

ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii. 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 recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

i. 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

ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognised in the financial statements

2.12 Commitments

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

i. estimated amount of contracts remaining to be executed on capital account and not provided for;

ii. uncalled liability on shares and other investments partly paid;

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

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

2.13 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:

i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. 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.

2.14 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

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

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

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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 amortised 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.

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

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling 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 or a financial guarantee

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

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

Equity Investments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on equity instruments measured through FVTPL are recognised in the Statement of Profit & Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at 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 remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

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

Impairment of financial assets

Overview of the Expected Credit Loss principles

The company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

Expected credit losses (ECL) are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

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

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

- Stage 1: Defined as performing assets with upto 30 days past due (DPD). Stage 1 loans will also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

- Stage 2: Defined as under-performing assets having 31 to 90 DPD. Stage 2 loans will also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2. Accounts with overdue more than 30 DPD will be assessed for significant increase in credit risks.

- Stage 3: Defined as assets with overdue more than 90 DPD. The Company will record an allowance for the life time expected credit losses. These accounts will be assessed for credit impairment.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, 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.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or

- retains the contractual rights to receive the cash flows of the financial assets, 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 assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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 derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company 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 Instrument

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 are recognised at the proceeds received, net of direct issue costs.

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

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company'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 Company's own equity instruments.

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised 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 amortised 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 amortised 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

Derecognition of financial liabilities

The Company derecognises 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 recognised in profit or loss.

2.16 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits 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 Earnings Per Share

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

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

3 Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in Note 40 B(i)

Fair Valuation

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Corporation has applied appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 40 A.

4 Cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in hand	0#	0#
Balances with banks		
- in current accounts	232.52	24.41
- Cheques, drafts on hand	0.08	1.73
- in deposit accounts	-	2.25
TOTAL	**232.60**	**28.39**

 # Denotes amount less than Rs.50,000/-

Note:

Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period ranging from one day to 90 days.

5 Other bank balances

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
- in deposit accounts (Refer Note b below)	0.25	-
Total	**0.25**	**-**

Notes:

a) Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates.

b) Balances with banks in deposit accounts are held as margin money against creation of Recovery Expense Fund in respect of listed debt securities.

6 Trade receivables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured considered good	-	0.30
Total	**-**	**0.30**

7 Loans

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Term Loans (refer note a)	7,178.99	7,291.37
Interest accrued	41.08	89.51
Gross loan	**7,220.07**	**7,380.88**
Less: Impairment loss allowance (refer note b)	(389.36)	(204.91)
Net loan	**6,830.71**	**7,175.97**
Break up of loans into secured and unsecured		
Secured by tangible assets	7,220.07	7,380.88
Unsecured	-	-
Gross loan	**7,220.07**	**7,380.88**
Less: Impairment loss allowance (refer note b)	(389.36)	(204.91)
Net loan	**6,830.71**	**7,175.97**

Note:

a) Includes impact of Effective interest rates amounting to Rs.40.20 crore as at March 31, 2021 (Rs.50.88 crore as at March 31, 2020).

b) Impairment loss allowance includes provision on undisbursed loan commitment amounting to Rs.10.25 crore as at March 31, 2021 (Rs.3.55 crore as at March 31, 2020).

c) The loans are given in India to other than Public sectors.

8 Investments

₹ in crore

Particulars	As at March 31, 2021 Quantity	As at March 31, 2021 Amount	As at March 31, 2020 Quantity	As at March 31, 2020 Amount
At FVTPL				
Mutual fund units				
Franklin India Liquid Fund - Super Institutional Plan	6,24,819.38	193.18	1,70,527.50	50.87
Aditya Birla Sun Life Liquid fund – Growth	58,22,581.41	193.04	-	-
HDFC Liquid Fund - Direct Plan – Growth	4,76,963.14	192.96	1,29,809.37	50.71
Mirae Asset Cash Management Fund – Growth	8,88,476.51	192.93	-	-
Axis Liquid Fund – Growth (CF-DG)	8,42,759.85	192.54	-	-
UTI Liquid Cash Plan - Growth Plan	5,71,189.40	192.52	-	-
Nippon India Liquid Fund- Growth Plan	3,82,021.74	192.26	1,04,578.63	50.73
ICICI Prudential Liquid Fund - Growth	63,06,139.65	192.17	17,27,303.64	50.75
Sundaram Money Fund – Growth	441,36,307.03	191.54	-	-
JM Liquid Fund - Growth Option	203,22,302.42	114.31	1206,13,249.06	655.38
Baroda Liquid Fund - Plan B Growth	4,23,639.42	100.37	-	-
JM Overnight Fund - Growth	-	-	4,79,901.92	48.70
		1,947.82		**907.14**
Debt instruments				
Vrutant Real Estate Developers Private Limited	490	4.90	-	-
(Unrated, Unlisted, Unsecured, Redeemable, Optionally Fully Convertible Debentures)				
Government Securities				
91 days Treasury Bills (08/04/2021)	1	24.98	-	-
Equity instruments				
Meghhvarnam Realty Private Limited	100	0#	100	0#
At FVTOCI				
Equity instruments				
JM Financial Home Loans Limited	1,48,19,206	50.00	-	-
Total		**2,027.70**		**907.14**

 # Denotes amount below Rs.50,000/-

Note:

All the above investments are within India.

9 Other Financial assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured and considered good unless otherwise stated Advances	5.62	-
Less : Impairment loss allowance	(0.57)	-
Net	5.05	-

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	0.88	0.80
Accrued interest but not due on deposits with banks	0#	0.29
Total	**5.93**	**1.09**

 # Denotes amount below Rs.50,000/-

10 Current tax assets (net)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax (net of provisions)	16.72	13.33
Total	**16.72**	**13.33**

11 Deferred tax Assets (net)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Impairment of Financial instruments	81.83	43.31
Change in fair value	(2.12)	(0.90)
Measurement of Financial instruments at amortised cost	6.58	10.83
Disallowances under section 43B of the Income Tax Act, 1961	5.48	4.57
Preliminary expense under section 35(d) of the Income Tax Act, 1961	(3.60)	(2.33)
Donation	-	(1.76)
Difference between books and tax written down value of Property, plant and equipment	0.54	0.28
Total	**88.71**	**54.00**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

For the year ended March 31, 2021

₹ in crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2020	Recognised in profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31, 2021
Fiscal allowance on Property, plant and equipment	0.28	0.26	-	0.54
Fiscal allowance on expenditure, etc.	2.24	(0.36)	-	1.88
Measurement of Financial instruments at amortised cost	10.83	(4.25)	-	6.58
Impairment allowance for financial assets	43.31	38.52	-	81.83
Donation	(1.76)	1.76	-	-
Fair value of financial instruments	(0.90)	(1.22)	-	(2.12)
Total	**54.00**	**34.71**	**-**	**88.71**

For the year ended March 31, 2020

₹ in crore

Deferred tax asset / (liability)	Opening balance as at April 1, 2019	Recognised in profit or loss (Expense) / Income	Recognised in other equity	Closing balance as at March 31, 2020
Fiscal allowance on Property, plant and equipment	(0.04)	0.32	-	0.28
Fiscal allowance on expenditure, etc.	5.50	(3.26)	-	2.24
Measurement of Financial instruments at amortised cost	33.07	(22.24)	-	10.83
Impairment allowance for financial assets	20.48	22.83	-	43.31
Donation	-	(1.76)	-	(1.76)
Fair value of financial instruments	-	(0.90)	-	(0.90)
Total	**59.01**	**(5.01)**	**-**	**54.00**

12 Property, Plant and Equipment:

₹ in crore

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at March 31, 2020	Additions for the year	Deduction for the year	As at March 31, 2021	Up to March 31, 2020	Additions for the year	Deduction for the year	Up to March 31, 2021	As at March 31, 2021
PROPERTY, PLANT AND EQUIPMENT - CURRENT YEAR									
Owned Assets:									
Freehold land	0.05	-	-	0.05	-	-	-	-	0.05
Computers	0.31	0.17	-	0.48	0.22	0.07	-	0.29	0.19
Furniture and fixtures	0.08	-	-	0.08	0.02	0.01	-	0.03	0.05
Office Equipment	0.02	-	-	0.02	0.02	#	-	0.02	-
Leasehold improvements	0.60	-	-	0.60	0.14	0.08	-	0.22	0.38
Leased Assets:									
Vehicles	0.20	-	(0.20)	-	0.10	0.02	(0.12)	-	-
Right to use of office premises	18.40	-	-	18.40	1.94	1.94	-	3.88	14.52
Total	**19.66**	**0.17**	**(0.20)**	**19.63**	**2.44**	**2.12**	**(0.12)**	**4.44**	**15.19**
Intangible Assets - Acquired									
Software	0.36	-	-	0.36	0.21	0.07	-	0.28	0.09

 # Denotes amount less than Rs.50,000/-

₹ in crore

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK
	As at March 31, 2019	Additions for the year	As at March 31, 2020	Up to March 31, 2019	Additions for the year	Up to March 31, 2020	As at March 31, 2020
PROPERTY, PLANT AND EQUIPMENT – PREVIOUS YEAR							
Owned Assets:							
Freehold land	0.05	-	0.05	-	-	-	0.05
Computers	0.25	0.06	0.31	0.16	0.06	0.22	0.09
Furniture and fixtures	0.08	-	0.08	0.01	0.01	0.02	0.06
Office Equipment	0.02	#	0.02	0.01	0.01	0.02	0.01
Leasehold improvements	0.60	-	0.60	0.07	0.07	0.14	0.46
Leased Assets:							
Vehicles	0.08	0.12	0.20	0.07	0.03	0.10	0.10

₹ in crore

Description	GROSS BLOCK As at March 31, 2019	GROSS BLOCK Additions for the year	GROSS BLOCK As at March 31, 2020	DEPRECIATION/AMORTISATION Up to March 31, 2019	DEPRECIATION/AMORTISATION Additions for the year	DEPRECIATION/AMORTISATION Up to March 31, 2020	NET BLOCK As at March 31, 2020
Right to use of office premises	-	18.40	18.40	-	1.94	1.94	16.46
Total	**1.08**	**18.58**	**19.66**	**0.32**	**2.12**	**2.44**	**17.22**
Intangible Assets – Acquired							
Software	0.36	-	0.36	0.14	0.07	0.21	0.15

13 Other non-financial assets

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured and considered good unless otherwise stated		
Prepaid Expenses	0.25	0.26
Balances with government authorities	1.65	1.82
Others	0.38	0.01
Total	**2.28**	**2.09**

14 Trade Payables

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of creditors other than micro enterprises and small enterprises	7.86	9.88
Total outstanding dues to micro enterprises and small enterprises	-	#
Total	**7.86**	**9.88**

 # Denotes amount less than Rs.50,000/-

Due to related parties as at March 31, 2021 is Rs. 3.37 crore (as at March 31, 2020 is Rs 6.22 crore)

14.a Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	#
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	**-**	**#**

 # Denotes amount less than Rs.50,000/-

15 Debt Securities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Secured		
Non-convertible debentures (refer note 15.1 and 15.2)	3,163.30	2,838.35
Interest Payable	246.94	207.05
Total	**3,410.24**	**3,045.40**
Unsecured		
Commercial paper (refer note 15.3 and 15.4)	100.00	-
Less: Unamortised interest on commercial paper	(2.58)	-
Total	**97.42**	**-**
Grand Total	**3,507.66**	**3,045.40**

Debt securities are issued in India.

15.1 Non-Convertible Debentures:

Non-convertible debentures aggregating Rs.3,163.30 crore (As at March 31, 2020: Rs. 2,838.35) are secured by way of first charge on freehold land (proportionately) and hypothecation on pool of certain loan fund balances of the Company.

15.2 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD):

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Private Placement - Face value of Rs.10,00,000 each		
9.05 % NCD redeemable in year 2020-21	-	205.00
0 % NCD redeemable in year 2020-21*	-	91.00
9.15 % NCD redeemable in year 2020-21	-	67.90
10.29 % NCD redeemable in year 2020-21	-	50.00
9.3606 % NCD redeemable in year 2020-21	-	42.80
0 % NCD redeemable in year 2021-22*	298.90	298.90
8.75 % NCD redeemable in year 2021-22	100.00	-
9.70 % NCD redeemable in year 2021-22	30.00	30.00
0 % NCD redeemable in year 2021-22*	30.00	30.00
9.50 % NCD redeemable in year 2021-22	25.00	25.00
10.50 % NCD redeemable in year 2021-22	20.00	20.00
9.00 % NCD redeemable in year 2021-22	10.00	10.00
9.40 % NCD redeemable in year 2023-24	200.00	-
9.10 % NCD redeemable in year 2023-24	100.00	-
8.25 % NCD redeemable in year 2023-24	50.00	-
9.00 % NCD redeemable in year 2022-23	50.00	-
10.85 % NCD redeemable in year 2024-25#	600.00	600.00
9.75 % NCD redeemable in year 2026-27	100.00	100.00
9.75 % NCD redeemable in year 2027-28	100.00	100.00
9.75 % NCD redeemable in year 2028-29	100.00	100.00
9.75 % NCD redeemable in year 2029-30	100.00	100.00
9.10 % NCD redeemable in year 2030-31	145.00	-
9.20 % NCD redeemable in year 2030-31	105.00	-
8.60 % NCD redeemable in year 2032-33	30.00	-
Public issue - Face value of Rs.1000 each		
9.25 % Tranche I -Option I redeemable in year 2021-22	116.52	116.52

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
0 % Tranche I -Option II redeemable in year 2021-22*	24.39	24.39
10.00% Tranche II -Option I redeemable in year 2022-23	98.72	98.72
0 % Tranche II -Option II redeemable in year 2022-23*	31.73	31.73
9.50% Tranche I -Option III redeemable in year 2023-24	365.31	365.31
10.10% Tranche II -Option III redeemable in year 2023-24	49.09	49.09
9.67% Tranche II -Option IV redeemable in year 2023-24	42.87	42.87
9.11% Tranche I -Option IV redeemable in year 2023-24	17.03	17.03
9.75% Tranche I -Option V redeemable in year 2028-29	214.81	214.81
9.34% Tranche I -Option VI redeemable in year 2028-29	11.94	11.94
10.25% Tranche II -Option V redeemable in year 2028-29	25.04	25.04
9.81% Tranche II -Option VI redeemable in year 2028-29	16.15	16.15
Total	**3,207.50**	**2,884.20**

** Redeemable at premium*

 # NCD with floating rate and quarterly reset.

Maturity profile above is disclosed at face value which excludes premium amounting to Rs.0.45 crore (2019-20 : Rs.0.25 crore),discount of Rs.16.60 crore (2019-20 : Rs.20.50 crore) and impact of effective interest rate adjustment amounting to Rs.28.05 crore (As at March 31, 2020 : 25.60 crore).

15.3 The maximum amount of commercial paper outstanding at any time during the year was Rs.100.00 crore (2019-20 : Rs.1,065.00 crore).

15.4 Commercial paper is repayable within a period upto 365 days from the date of disbursement and has interest of 8.50% for 2020-21 (2019-20: nil).

16 Borrowings (Other than Debt securities)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Term loans		
(i) from banks		
-Secured (refer note 16.1)	1,026.92	1,580.19
(ii) from other parties		
-Secured (refer note 16.1)	70.31	100.00
Interest payables	2.22	2.84
Total	**1,099.45**	**1,683.03**
Cash Credit Facility from Banks (refer note 16.2)	-	49.46
Working Capital Demand Loan (refer note 16.2)	100.00	75.00
Inter corporate deposit (refer note 16.3)	800.00	-
Finance lease obligations	-	0.10
(secured by way of hypothecation of vehicles)		
Total	**1,999.45**	**1,807.59**

Borrowings are made within India.

16.1 Term loans are secured by way of floating first pari passu charge by way of hypothecation on certain identified loan fund balances of the Company. Also includes impact of effective interest rate of Rs.10.67 crore (As at March 31, 2020: Rs 6.92 crore).

Maturity profile and rate of interest of term loans:

₹ in crore

Residual Maturities	As at March 31, 2021		
	Up to one year (April 2021 to March 2022)	1-3 years (April 2022 to March 2024)	3 years & above (April 2024 onwards)
8.00 % to 9.00%	140.00	252.50	56.12
9.01 % to 10.00%	206.16	205.32	147.80
10.01% to 11.00%	-	50.00	50.00
Total	**346.16**	**507.82**	**253.92**

Maturity profile shown excluding effective interest rate impact amounting to Rs.10.67 crore

Maturity profile and rate of interest of term loans:

₹ in crore

Residual Maturities	As at March 31, 2020		
	Up to one year (April 2020 to March 2021)	1-3 years (April 2021 to March 2023)	3 years & above (April 2023 onwards)
8.00 % to 9.00%	35.42	-	-
9.01 % to 10.00%	699.05	498.98	168.67
10.01% to 11.00%	204.99	80.00	-
Total	**939.46**	**578.98**	**168.67**

Maturity profile shown excluding effective interest rate impact amounting to Rs.6.92 crore

*The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

16.2 Cash credit facility and working capital demand loan from banks are secured by way of hypothecation on certain identified loan fund balances of the Company.

16.3 Inter corporate deposit is secured, however security creation is pending as on March 31, 2021 and will be created within the timeline which is permissible as per the executed document. Inter Corporate Deposit is short term in nature and repayable on or before August 2021.

17 Other financial liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefits payable	28.58	25.18
Lease liability	15.83	16.73
Provision for CSR Expenditure	4.77	-
Total	**49.18**	**41.91**

18 Provisions

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
For employee benefits:		
Gratuity (refer note 37)	1.40	1.22
Compensated absences	0.79	0.70
Total	**2.19**	**1.92**

19 Other non-financial liabilities

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	3.98	1.71
Total	**3.98**	**1.71**

20 Equity Share capital

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
30,00,000 Equity shares of Rs 10/- each	3.00	3.00
20,00,000 Preference shares of Rs 10/- each	2.00	2.00
	5.00	**5.00**
Issued, Subscribed and Paid-up		
2,826,816 (F.Y 2020- 2,826,816) Equity shares of face value of Rs 10/- each fully paid-up	2.83	2.83
Total	**2.83**	**2.83**

Reconciliation of the number of equity shares outstanding

₹ in crore

	As at March 31, 2021		As at March 31, 2020	
Particulars	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,826,816	2.83	2,846,653	2.83
Shares forfeited during the year*	-	-	19,837	0#
Shares outstanding at the end of the year	**2,826,816**	**2.83**	**2,826,816**	**2.83**

 # Rs.39,674/-

* The partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. Further the Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020.

Details of shareholding in excess of 5%

₹ in crore

	As at March 31, 2021		As at March 31, 2020	
Particulars	Number	%	Number	%
JM Financial Limited along with its nominees	1,319,431	46.68%	1,319,431	46.68%
INH Mauritius 1	1,384,087	48.96%	1,384,087	48.96%

Terms and rights attached to each class of shares:

Equity Shares:

The Company has only one class of shares referred to as equity shares having a face value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend, as and when declared and approved by the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

21 Other Equity

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium account	1,715.28	1,715.28
General reserve	0.17	0.17
Capital reserve	#	#
Statutory reserve	400.64	328.84
Retained Earnings	1,530.94	1,244.15
Grand Total	**3,647.03**	**3,288.44**

 # Denotes amount less than Rs.50,000/-

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium account		
Opening balance	1,715.28	1,715.28
Closing balance	**1,715.28**	**1,715.28**
General reserve		
Opening balance	0.17	0.17
Closing balance	**0.17**	**0.17**
Capital reserve		
Opening balance	#	-
Addition*	-	#
Closing balance	**#**	**#**
Statutory reserve (Section 45-IC of the RBI Act, 1934)		
Opening balance	328.84	252.37
Addition	71.80	76.47
Closing balance	**400.64**	**328.84**
Debenture Redemption Reserve		
Opening balance	-	33.76
(-) transferred to Retained earnings	-	(33.76)
Closing balance	**-**	**-**
Retained earnings:		
Opening balance	1,244.15	904.89
(+) Profit for the year	358.98	382.35
(+/-) Other Comprehensive Income	0.03	(0.04)
(+)Transferred from Debenture redemption reserve	-	33.76
	1,603.16	**1,320.96**
(-) Appropriations		
Transferred to statutory reserve	71.80	76.47
Final Dividend	0.42	0.28
Dividend Distribution Tax	-	0.06
	72.22	**76.81**
Closing balance	**1,530.94**	**1,244.15**
Grand Total	**3,647.03**	**3,288.44**

 # Rs.39,674/-

Note:

The Board of Directors of the Company has recommended a final dividend of Rs.2.00 per equity share of the face value of Rs.10/- each for the financial year 2020-2021 subject to the approval of the members at their ensuing Annual General Meeting.

* The partly paid up equity shares were forfeited in accordance with the terms of the issue of said shares and took effect on March 31, 2020. Further the Board of Directors of the Company approved extinguishment of these shares at their meeting held on May 4, 2020.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve:

Capital reserve is created pursuant to the forfeiture and extinguishment of the partly paid up shares.

Statutory Reserve:

Statutory Reserve is the reserve created by transferring a sum not less than twenty per cent of its net profit after tax every year in terms of Section 45-IC of the RBI Act, 1934.

Debenture Redemption Reserve:

As per amendment in Companies Act, 2013, Debenture Redemption Reserve is not required for debentures issued by Non-Banking Finance Companies regulated by Reserve Bank of India for both public as well as privately placed debentures.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

22 Interest Income

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
At Amortised Cost		
Interest on Loans	1,131.18	1,264.11
Total	**1,131.18**	**1,264.11**

23 Fees and Commission Income

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Other Fees	0.99	1.37
Total	**0.99**	**1.37**

24 Net gain on fair value changes

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Net gain/(loss) on financial instruments at fair value through profit or loss		
Investments	35.11	41.76
Fair value changes		
Realised	26.67	38.19
Unrealised	8.44	3.57
Total	**35.11**	**41.76**

*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense

25 Net gain on derecognition of financial instruments

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Net gain on derecognition of financial instruments under amortised cost category	-	2.22
Total	**-**	**2.22**

26 Other Operating Income

₹ in crore

Particulars	For the Period March 31, 2021	For the Period March 31, 2020
Interest income - Bank deposits	0.13	0.27
Interest income – Others	0.07	0.06
Write back	0.01	-
Total	**0.21**	**0.33**

27 Finance costs

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
At Amortised Cost		
Debt Securities	314.97	346.61
Borrowings(Other than Debt securities)	119.93	187.55
Interest on Lease Liabilities	1.54	1.63
Other Interest expense	12.69	12.74
Total	**449.13**	**548.53**

28 Impairment on financial instruments

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
At amortised cost		
Provision for Expected Credit Loss (Stage 1 & 2)	108.24	98.46
Provision for Expected Credit Loss (Stage 3)	76.21	46.53
Provision for Expected Credit Loss (On Other financial assets)	0.57	-
Total	**185.02**	**144.99**

29 Employee benefits expense

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, bonus, other allowances and benefits	26.86	26.47
Contribution to provident and other funds	0.70	0.68
Gratuity (refer note 37)	0.22	0.21
Staff welfare expenses	0.01	0.06
Total	**27.79**	**27.42**

30 Depreciation, Amortization

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation	2.12	2.12
Amortisation	0.07	0.07
Total	**2.19**	**2.19**

31 Other expenses

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Rates & taxes	0.90	0.96
Legal & professional fees	2.83	2.30
Support service charges	5.48	8.44
Space and related charges	-	0.06
Information technology expenses	0.38	0.40
Travelling & conveyance	0.11	0.46
Auditors' remuneration (Refer note 34)	0.13	0.16
Repairs and maintenance	0.23	0.26
Electricity expenses	0.14	0.17
Donation	13.03	11.50
Write off	-	25.47
Insurance Expense	0.12	0.15
Bank charges	0.01	0.03
Printing & Stationery	0.01	0.05
Membership and Subscription	0.38	0.28
Communication expenses	0.06	0.10

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Director Sitting Fees	0.15	0.12
Director commission	0.25	0.33
Miscellaneous expenses	0.42	0.45
Total	**24.63**	**51.69**

32 Income Tax

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Current tax	154.46	147.60
Deferred tax	(34.71)	5.02
Tax adjustment in respect of earlier years	-	-
Total income tax expenses recognised in the current year	**119.75**	**152.62**
Income tax expense recognised in other comprehensive income	(0.01)	0.01

Reconciliation of total tax charge

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	478.73	534.97
Income tax rate	25.17%	25.17%
Income tax expense	120.49	134.64
Tax Effect of:		
Items that are allowable or disallowable in determining taxable profits (net)	0.10	1.47
Set off of temporary differences pertaining to earlier years on which no deferred tax was created	(0.84)	-
Tax rate adjustment in respect of earlier years (net)	-	16.51
Total	**(0.74)**	**17.98**
Income tax expense recognised in the statement of profit and loss	**119.75**	**152.62**

The tax rate used for reconciliation above is the corporate tax rate applicable to companies in India on taxable profit under the tax laws in Indian Jurisdiction i.e. Income tax Act, 1961.

The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 1, 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening deferred tax assets as on April 1, 2019, amounting to Rs.16.51 crore has been reversed during the previous year ended March 31, 2020.

33 Contingent Liabilities and Commitments

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Contingent liability		
Claims against the Company not acknowledged as debt:	1.10	-
Income tax matters		
During the current year, the Company has received order from Assistant Commissioner of Income Tax making additions to the returned income, against which, the Company has filed an appeal with Commissioner of Income Tax (Appeals).		
In the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystallise.		
Commitments		
Undisbursed Commitment *	250.38	151.08

*This disclosure is given pursuant to the notification no.DNBS.CC.PD.No.252/03s.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.

34 Payment to Auditors: (Excluding Goods and Services Tax)

₹ in crore

Particulars	For Year Ended March 31, 2021	For Year Ended March 31, 2020
Audit Fees	0.09	0.09
In any other manner (Certifications, limited reviews, etc.)*	0.04	0.07
Out of pocket	0#	0#
Total	**0.13**	**0.16**
Fees paid in connection with Public issue of NCD included for measurement of financial liabilities at amortized cost	-	0.11

 # Denotes amount below Rs.50,000/-

35 Earnings per share

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

₹ in crore

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit for the year (In Rs Crore)	358.98	382.35
Profit attributable to equity shareholders (In Rs Crore)	358.98	382.35
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	2,826,816	2,826,816
Basic and Diluted earnings per share (Rupees)	1,269.89	1,352.58
Nominal value per share (Rupees)	10	10

Note:

There is no dilution to Basic earnings per share as there are no outstanding dilutive potential equity shares.

36 Lease Transactions

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

₹ in crore

Category of ROU asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK
	As at April 1, 2020	Additions	Deletion	As at Mar 31, 2021	As at April 1, 2020	Depreciation	Deductions	As at Mar 31, 2021	As at Mar 31, 2021
Premises	18.40	-	-	18.40	1.94	1.94	-	3.88	14.52
Vehicle	0.20	-	(0.20)	-	0.10	0.02	(0.12)	-	-
Total	**18.60**	**-**	**(0.20)**	**18.40**	**2.04**	**1.96**	**(0.12)**	**3.88**	**14.52**

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

₹ in crore

Category of ROU asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK
	As at April 1, 2019	Additions	Deletion	As at Mar 31, 2020	As at April 1, 2019	Depreciation	Deductions	As at Mar 31, 2020	As at Mar 31, 2020
Premises	-	18.40	-	18.40	-	1.94	-	1.94	16.46
Vehicle	0.08	0.12	-	0.20	0.07	0.03	-	0.10	0.10
Total	**0.08**	**18.52**	**-**	**18.60**	**0.07**	**1.97**	**-**	**2.04**	**16.56**

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

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	16.83	0.02
Additions during the year	-	17.56
Deletions during the year	0.10	-
Finance cost accrued during the year	1.56	1.65
Payment of lease liabilities	2.46	2.40
Closing balance	**15.83**	**16.83**

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

₹ in crore

Particulars	Minimum lease Payments		Present Values of Minimum lease Payments	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Not later than one year	2.56	2.46	1.12	0.91
Later than one year and not later than five years	11.23	10.88	6.80	5.85
Later than five years	9.08	12.11	7.91	10.07
Total	22.87	25.45	15.83	16.83
Less: future finance charges	7.04	8.62		
Present value of minimum lease payments	15.83	16.83		

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

Defined contribution plans

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. 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 Rs. 0.70 crore (2020: Rs. 0.68 crore) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

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

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

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

Longevity Risks:

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

Salary Risks:

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

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

₹ in crore

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

b) Amount recognised in statement of profit and loss in respect of these defined benefit obligation

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	0.14	0.13
Net interest cost	0.08	0.08
Past service cost	-	-
Total amount recognised in statement of profit and loss	**0.22**	**0.21**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	-	0#
- Actuarial (gain)/loss from change in financial assumptions	(0.01)	0.09
- Actuarial (gain)/loss from change in experience adjustments	(0.03)	(0.04)
Total amount recognised in other comprehensive income	(0.04)	0.05
Total	**0.18**	**0.26**

#Denotes below Rs.50,000/-

The current service cost and the net interest expense for the year are included in the 'in the Employee benefit expense' line item in the statement of profit and loss.

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	1.40	1.22
Fair value of plan assets	-	-
Net liabilities arising from defined benefit obligation	**1.40**	**1.22**

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

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	1.22	1.00
Current service cost	0.14	0.13
Past service cost	-	-
Interest cost	0.08	0.08
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	-	0#
Actuarial (gain)/loss from change in financial assumptions	(0.01)	0.09
Actuarial (gain)/loss from change in experience adjustments	(0.03)	(0.04)
Benefits paid	-	-
Liabilities assumed/(settled)	-	(0.04)
Closing defined benefit obligation	**1.40**	**1.22**

#Denotes amount less than Rs.50,000/-

e) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase 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 are as follows:

₹ in crore

Particulars	As at March 31, 2021	As at# March 31, 2020
Defined benefit obligation (base)	1.40	1.22

₹ in crore

	As at March 31, 2021		As at March 31, 2020	
Particulars	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	1.33	1.43	1.16	1.28
Impact of increase in 50 bps on DBO	-4.77%	2.08%	-4.90%	5.29%
Defined benefit obligation on decrease in 50 bps	1.47	1.37	1.28	1.16
Impact of decrease in 50 bps on DBO	5.18%	-2.13%	5.33%	-4.92%

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 to note (a) 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 recognised in the balance sheet.

f) Projected benefits payable:

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected benefits for year 1	0.07	0.06
Expected benefits for year 2	0.26	0.06
Expected benefits for year 3	0.07	0.24
Expected benefits for year 4	0.06	0.06
Expected benefits for year 5	0.23	0.05
Expected benefits for year 6	0.05	0.22
Expected benefits for year 7	0.22	0.05
Expected benefits for year 8	0.05	0.21
Expected benefits for year 9	0.05	0.04
Expected benefits for year 10 and above	2.24	1.93

The weighted average duration of the defined benefit obligation is 9.94 years (previous year 10.36 years)

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 Related Party Disclosure

Names of related parties and description of Relationship

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

Holding Company

JM Financial Limited

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

(A) Holding Company

JM Financial Limited

(B) Fellow Subsidiaries

JM Financial Institutional Securities Limited

JM Financial Services Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

Infinite India Investment Management Limited

JM Financial Asset Reconstruction Limited

JM Financial Home Loans Limited

Astute Investments

(C) Key management personnel of the reporting entity or of a parent of the reporting entity:

Mr. Vishal Kampani (VNK) (KMP of the parent of the reporting entity)

Ms. Amishi Gambhir (close relative of VNK)

Mr. Shashwat Belapurkar (SB) (CEO) (KMP of the reporting entity)

Ms. Sadhana Belapurkar (close relative of SB)

Non-Executive Directors

Mr. Vikram Pandit

Mr. Hariharan Aiyar

Mr. V P Shetty

Ms.Dipti Neelakantan

Mr. Vishal Kampani (w.e.f. August 1, 2019)

Independent Directors

Dr. Anup Shah

Mr. Darius E Udwadia

Mr. Satish Chand Mathur (w.e.f. August 1, 2019)

(iii) Details of transactions with related parties;

₹ in crore

Name of the related party	Nature of relationship	Year Ended March 31, 2021	Year Ended March 31, 2020
JM Financial Limited	(A)		
Rating support fees		3.19	5.93
Support service charges		1.98	1.98
Dividend paid		0.20	0.13
Reimbursement of employee expenses		0.61	0.67
Reimbursement of expenses		0.02	0.03
JM Financial Properties and Holdings Limited	(B)		
Space and related charges		2.00	1.91
Reimbursement of expenses (paid)		0.35	0.39
Security deposit outstanding		1.43	1.43
JM Financial Services Limited	(B)		
Brokerage on Debenture issue		-	0.05
Space and related charges		0.06	0.05
JM Financial Institutional Securities Limited	(B)		
Brokerage expenses		-	0.03
JM Financial Products Limited	(B)		
Inter corporate deposits taken		-	12.00
Inter corporate deposits repaid		-	12.00
Interest expenses on inter corporate deposits taken		-	0#
Interest paid on NCDs		0.18	0.20
Sale/Assignment of loan		-	60.64
Gratuity paid		-	0.04
Support service charges		3.05	5.76
Interest payable on NCDs		-	#
Closing balance of Non-convertible debentures		-	4.18
Payables		3.37	6.22

₹ in crore

Name of the related party	Nature of relationship	Year Ended March 31, 2021	Year Ended March 31, 2020
JM Financial Asset Reconstruction Company Limited	(B)		
Inter corporate deposits given		104.00	-
Inter corporate deposits received back		104.00	-
Interest income on inter corporate deposits given		3.04	-
Astute Investments	(B)		
Interest paid on NCDs		0.18	-
Interest payable on NCDs		0.01	-
Closing balance of Non-convertible debentures		6.98	-
Ms. Amishi Gambhir	(C)		
Payables		-	0.05
Key management personnel, (Refer Note (a) below)	(C)		
Interest paid on NCDs		0.73	0.33
Remuneration		4.64	5.07
Interest payable on NCDs		#	#
Closing balance of Non-convertible debentures		3.79	5.89
Payables		9.54	8.34

#Denotes amount less than Rs.50,000/-

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.

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

38.2 The transactions disclosed above are exclusive of GST.

39 Maturity Analysis of Assets and Liabilities

₹ in crore

	Particulars	As at March 31, 2021			As at March 31, 2020		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS						
1	**Financial Assets**						
A	Cash and cash equivalents	232.60	-	232.60	28.39	-	28.39
B	Bank Balance other than (A) above	-	0.25	0.25	-	-	-
C	Trade receivables	-	-	-	0.30	-	0.30
D	Loans	2,953.81	3,876.90	6,830.71	2,750.96	4,425.01	7,175.97
E	Investments	1,972.80	54.90	2,027.70	907.14		907.14
F	Other Financial assets	-	5.93	5.93	0.29	0.80	1.09
		5,159.21	**3,937.98**	**9,097.19**	**3,687.08**	**4,425.81**	**8,112.89**
2	**Non-financial Assets**						
A	Current tax assets (net)	-	16.72	16.72	-	13.33	13.33
B	Deferred tax Assets (Net)	-	88.71	88.71	-	54.00	54.00
C	Property, Plant and Equipment	-	15.19	15.19	-	17.22	17.22
D	Other Intangible assets	-	0.09	0.09	-	0.15	0.15
E	Other non-financial assets	2.28	-	2.28	2.09	-	2.09
		2.28	**120.71**	**122.99**	**2.09**	**84.70**	**86.79**
	Total assets	**5,161.49**	**4,058.69**	**9,220.18**	**3,689.17**	**4,510.51**	**8,199.68**

₹ in crore

	Particulars	As at March 31, 2021			As at March 31, 2020		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
A	**Payables**						
	(I)Trade Payables						
	(i) total outstanding dues of micro enterprises and small enterprises						
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7.86	-	7.86	9.88	-	9.88
B	Debt Securities	1,026.15	2,481.51	3,507.66	588.60	2,456.80	3,045.40
C	Borrowings (Other than Debt Securities)	1,248.39	751.06	1,999.45	1,063.85	743.74	1,807.59
D	Other financial liabilities	20.13	29.05	49.18	15.91	26.00	41.91
	Total Financial Liabilities	**2,302.53**	**3,261.62**	**5,564.15**	**1,678.24**	**3,226.54**	**4,904.78**
2	**Non-Financial Liabilities**						
A	Provisions	0.79	1.40	2.19	0.70	1.22	1.92
B	Other non-financial liabilities	3.98	-	3.98	1.71	-	1.71
	Total Non-Financial Liabilities	**4.77**	**1.40**	**6.17**	**2.41**	**1.22**	**3.63**
	Total	**2,307.30**	**3,263.02**	**5,570.32**	**1,680.65**	**3,227.76**	**4,908.41**
	Net	**2,854.19**	**795.67**	**3,649.86**	**2,008.52**	**1,282.75**	**3,291.27**

40 Financial Instruments

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.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value and minimize cost of capital. 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 adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

₹ in crore

Borrowings	As at March 31, 2021	As at March 31, 2020
Debt	**5,507.11**	**4,852.99**
Less - Cash and cash equivalents*	232.60	28.39
Less - Investment in liquid mutual funds	1,947.82	907.14
Less - Investment in government securities	24.98	-
Less - Other bank deposits	-	-
Adjusted net debt	**3,301.71**	**3,917.46**
Total equity	3,649.86	3,291.27
Adjusted net debt to equity ratio	**0.90**	**1.19**

**excludes balances in earmarked account.*

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15.0 % as prescribed under the prudential norms of the RBI under the Master Direction – Non-Banking Financial Company – Systemically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2021, the capital adequacy ratio, which was computed on the basis of the applicable RBI requirements, is disclosed in Note 50.2. We believe that our high capital adequacy gives us significant headroom to grow our business.

Financial instruments

A. Fair Value

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed

Set out below, is the accounting classification of financial instruments by category:

₹ in crore

As at March 31, 2021	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	232.60	232.60
Bank Balance other than (a) above	-	-	0.25	0.25
Trade receivables	-	-	-	-
Loans	-	-	6,830.71	6,830.71
Investments	1,977.70	50.00	-	2,027.70
Other Financial assets	-	-	5.93	5.93
Total	**1,977.70**	**50.00**	**7,069.49**	**9,097.19**
Financial liabilities				
Debt securities	-	-	3,507.66	3,507.66
Borrowings	-	-	1,999.45	1,999.45
Trade payables	-	-	7.86	7.86
Other Financial Liabilities	-	-	49.18	49.18
Total	**-**	**-**	**5,564.15**	**5,564.15**

₹ in crore

As at March 31, 2020	FVTPL	Amortised Cost	Total
Financial assets			
Cash and cash equivalents	-	28.39	28.39
Bank Balance other than (a) above	-	-	-
Trade receivables		0.30	0.30
Loans	-	7,175.97	7,175.97
Investments	907.14	-	907.14
Other Financial assets	-	1.09	1.09
Total	**907.14**	**7,205.75**	**8,112.89**
Financial liabilities			
Debt securities	-	3,045.40	3,045.40
Borrowings	-	1,807.59	1,807.59
Trade payables	-	9.88	9.88
Other Financial Liabilities	-	41.91	41.91
Total	**-**	**4,904.78**	**4,904.78**

a. Debt securities issued at fixed rate of interest for which carrying value and fair value are as under:

As at	Carrying value	Fair Value
March 31, 2021	2,849.70	2,719.85
March 31, 2020	2,489.44	2,337.75

b. The Company considers that the carrying amounts recognised in the financial statements for Loans, Debt Securities (other than those disclosed in point a. above) and Borrowings approximate their fair values.

c. For financial assets / liabilities ("financial instruments") that are measured at fair value, except those included in point (b) above, the carrying amounts are equal to the fair values, as these financial instruments are maturing within 12 months or repayable on demand.

Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the 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.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation processes and Technique

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO and the team at least once every three months, in line with the Company's quarterly reporting periods."

Type of Financial Instrument	Valuation Technique
Investment in Mutual Funds	NAV as on the reporting date.
Investments in Government securities	MTM Price from THE CLEARING CORPORATION OF INDIA LIMITED

₹ in crore

As at March 31, 2021	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	1,947.82	1,947.82	-	-	1,947.82
Investments in Debentures or Bonds	4.90	-	-	4.90	4.90
Investments in Equity instrument	0#	-	-	0#	0#
Investments in Government securities	24.98	-	24.98	-	24.98
Measured at FVTOCI					
Investments in Equity instrument	50.00	-	-	50.00	50.00
Total	**2,027.70**	**1,947.82**	**24.98**	**54.90**	**2,027.70**

₹ in crore

As at March 31, 2020	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	907.14	907.14	-	-	907.14
Investments in Debentures or Bonds	-	-	-	-	-
Investments in Equity instrument	0#	0#	-	0#	0#
Total	**907.14**	**907.14**	**-**	**-**	**907.14**

# Denotes amount less than Rs.50,000/-

Fair value measurements using significant unobservable inputs (level 3)

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

₹ in crore

	Equity shares	Debt Instrument
As at March 31, 2019	0#	25.00
Acquisitions	-	-
Realisations	-	-
Write-off	-	(25.00)
Net Gain / (Loss) on fair value changes	-	-
As at March 31, 2020	0#	-
Acquisitions	50.00	4.90
Realisations	-	-
Net Gain / (Loss) on fair value changes	-	-
As at March 31, 2021	**50.00**	**4.90**

# Denotes amount less than Rs.50,000/-

Sensitivity for instruments

₹ in crore

Nature of instrument	Fair value as at March 31, 2021	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2021	
Equity shares	50.00	As per valuation report - Price to book value multiple	5%	2.50	(2.50)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk)

Risk management framework

Risk management forms an integral part of the business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company have established a risk management and audit framework to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for reviews, identifies, monitors and measures the risk profile and risk measurement system of the Company.

i. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the Company exposure level for corporate borrowers. Company has structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. Credit teams track cases for early signs of stress, ensuring that corrective action is taken in the case of non – starter of early delinquency cases.

Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

Credit Risk Assessment Methodology

The Company has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of products and businesses. The methodology involves critical assessment of quantitative and qualitative parameters subject to review and approval of BOD

Finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

The Company has set out security creation requirements in the loan documents. In any kind of real estate lending transaction the company maintains a security and receivables cover between 1.5 to 2 times of the loan amount. This gives enough flexibility in the event the real estate prices come down or there is a cost overrun. It also helps ensure equity of the promoter in the project in terms of the residual value cover.

The Company monitors the completeness of documentation and the creation of security through regular visits to the business outlets by the regional executives, head office executives and internal auditors. All customer accounts are reviewed at least once a year while reviews for larger exposures and reviews on delinquent customers are conducted more frequently.

Risk and monitoring team review collections regularly and personally contact customers that have defaulted on their loan payments.

The Company believes that our close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

We also require the borrower to submit periodic reports. The Credit Committee of the Company, apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Committee is submitted to the Board for its information. The Company continue to monitor the credit exposure until our loans are fully repaid.

The Company's is currently using the external rating given to the customers which they review on a timely basis.

The credit impaired assets as at the reporting dates were secured by collateral and the asset cover is upto 1.9 times of the outstanding balance.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	performing assets	12-month ECL
Stage 2	under-performing assets	Lifetime ECL
Stage 3	Credit Impaired	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on comparative external ratings.

EAD - The Exposure at Default is an estimate of the exposure at a reporting date. It shall include outstanding loan amount, accrued interest and expected drawdowns on non-discretionary loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

Provision as per Expected Credit Loss (ECL):

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

As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD (by downgrading the ratings to one level lower) and LGD as computed by ECL Model by 15-25% depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Refer note 48 to the financial statements.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

As on March 31, 2021	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	6,247.73	149.45	6,098.28	1.06 to 3.83
Stage 1 – High quality assets	Advances	5.62	0.57	5.05	9.95
Stage 2 – Assets for which there is significant increase in credit risk	Loan	683.41	115.88	567.53	6.61 to 11.43
Stage 3 - Assets which are credit impaired	Loan	288.93	124.03	164.90	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for credit impaired assets.

₹ in crore

As at March 31, 2020	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – High quality assets	Loan	6,828.12	97.82	6,730.30	1.27 to 11.70
Stage 2 – Assets for which there is significant increase in credit risk	Loan	399.13	59.27	339.86	3.54 to 10.43
Stage 3 - Assets which are credit impaired	Loan	153.63	47.82	105.81	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for credit impaired assets.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending

₹ in crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**6,828.12**	**399.13**	**153.63**	**7,380.88**
New assets originated or purchased	1,609.95	13.41	-	1,623.36
Assets derecognised or repaid (excluding write offs)	(1,688.54)	(77.92)	(17.71)	(1,784.17)
Transfers to Stage 1	135.16	(135.16)	-	-
Transfers to Stage 2	(601.77)	601.77	-	-
Transfers to Stage 3	(35.19)	(117.82)	153.01	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**6,247.73**	**683.41**	**288.93**	**7,220.07**

*Including interest accrued and net of EIR

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**7,582.46**	**423.57**	**85.07**	**8,091.10**
New assets originated or purchased	1,492.59	57.86	-	1,550.45
Assets derecognised or repaid (excluding write offs)	(1,949.77)	(194.02)	(101.72)	(2,245.51)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(271.75)	271.75	-	-
Transfers to Stage 3	(25.41)	(160.03)	185.44	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	-	(15.16)	(15.16)
Gross carrying amount closing balance*	**6,828.12**	**399.13**	**153.63**	**7,380.88**

*Including interest accrued and net of EIR

Reconciliation of ECL balance is given below

₹ in crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**97.82**	**59.27**	**47.82**	**204.91**
New assets originated or purchased	85.53	9.21	-	94.74
Assets derecognised or repaid (excluding write offs)	(10.45)	(7.05)	(2.21)	(19.71)
Transfers to Stage 1	0.15	(17.27)	-	(17.12)
Transfers to Stage 2	(20.34)	102.35	-	82.01
Transfers to Stage 3	(3.26)	(30.63)	78.42	44.53
"Impact on year end ECL of exposures transferred between stages during the year"	**(23.45)**	**54.45**	**78.42**	**109.42**
Amounts written off	-	-	-	-
ECL allowance - closing balance	**149.45**	**115.88**	**124.03**	**389.36**

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**52.32**	**6.30**	**16.44**	**75.06**
New assets originated or purchased	59.59	29.80	-	89.39
Assets derecognised or repaid (excluding write offs)	(11.24)	(0.79)	(2.00)	(14.03)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(2.74)	26.78	-	24.04
Transfers to Stage 3	(0.11)	(2.82)	48.54	45.61
"Impact on year end ECL of exposures transferred between stages during the year"	**(2.85)**	**23.97**	**48.54**	**69.66**
Amounts written off	-	-	(15.16)	(15.16)
ECL allowance - closing balance	**97.82**	**59.27**	**47.82**	**204.91**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Advances

₹ in crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	-	-	-	-
New assets originated or purchased	5.62	-	-	5.62
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**5.62**	**-**	**-**	**5.62**

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**-**	**-**	**-**	**-**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance*	**-**	**-**	**-**	**-**

Reconciliation of ECL balance is given below

₹ in crore

	2020-21			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**-**	-	-	**-**
New assets originated or purchased	0.57	-	-	0.57
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	**0.57**	**-**	**-**	**0.57**

₹ in crore

	2019-20			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**-**	**-**	**-**	**-**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs)	-	-	-	-
Amounts written off	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**-**	**-**

ii) Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

"The Company has undrawn lines of credit of Rs.650 Crore and Rs. 61 Crore as of March 31, 2021, March 31, 2020 respectively, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

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.

₹ in crore

March 31, 2021	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	7.86	7.86	-	-	-
Debt Securities	3,507.66	1,026.15	959.90	576.42	945.19
Borrowings	1,999.45	1,248.38	497.14	253.93	-
Other financial liabilities	49.18	20.13	15.43	5.71	7.91
Total	**5,564.15**	**2,302.52**	**1,472.47**	**836.06**	**953.10**
Financial Assets					
Cash and cash equivalents	232.60	232.60	-	-	-
Bank Balance	0.25	-	0.25	-	-
Trade receivable	-	-	-	-	-
Loans	6,830.71	2,953.81	3,334.32	542.58	-
Investments	2,027.70	1,972.80	-	-	54.90
Other Financial assets	5.93	-	5.05	0.88	-
Total	**9,097.19**	**5,159.21**	**3,339.62**	**543.46**	**54.90**

₹ in crore

March 31, 2020	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	9.88	9.88	-	-	-
Debt Securities	3,045.40	588.60	729.09	1,061.11	666.60
Borrowings	1,807.59	1,063.85	575.90	167.84	-
Other financial liabilities	41.91	15.91	11.27	4.65	10.08
Total	**4,904.78**	**1,678.24**	**1,316.26**	**1,233.60**	**676.68**
Financial Assets					
Cash and cash equivalents	28.39	28.39	-	-	-
Bank Balance	-	-	-	-	-
Trade receivable	0.30	0.30	-	-	-
Loans	7,175.97	2,750.96	4,018.92	255.12	150.97
Investments	907.14	907.14	-	-	-
Other Financial assets	1.09	0.29		0.80	-
Total	**8,112.89**	**3,687.08**	**4,018.92**	**255.92**	**150.97**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iii) Market risk - Interest rate risk

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. 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 run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to interest rate risk

The Company's exposures to interest rates on loans and borrowings are detailed in the liquidity risk management section of this note

₹ in crore

	March 31, 2021	March 31, 2020
Loans		
Fixed-rate instruments	4,134.06	4,023.04
Floating-rate instruments	3,044.93	3,268.33
Total	**7,178.99**	**7,291.37**
Borrowings		
Fixed-rate instruments	3,675.52	2,449.71
Floating-rate instruments	1,585.01	2,193.39
Total	**5,260.53**	**4,643.10**

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

₹ in crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	30.45	(30.45)	32.68	(32.68)
Floating rate borrowings	(15.85)	15.85	(21.93)	21.93
	14.60	**(14.60)**	**10.75**	**(10.75)**

41 Employee Stock Option Scheme:

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

April 12, 2019 88,233 Stock Options

April 18, 2020 67,680 Stock Options

April 17, 2021 79,839 Stock Options

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

Vesting Date	Series	No. of Stock Options	Status	Exercise Period	Exercise Price per Option (In Rupees)
12th April 2019	Series - XI	29,411	Vested	Seven years from the date of Grant	1
12th April 2020	Series - XI	29,411	Vested	Seven years from the date of Grant	1
12th April 2021	Series - XI	29,411	Unvested	Seven years from the date of Grant	1
18th April 2020	Series – XII	22,560	Vested	Seven years from the date of Grant	1
18th April 2021	Series – XII	22,560	Unvested	Seven years from the date of Grant	1
18th April 2022	Series – XII	22,560	Unvested	Seven years from the date of Grant	1
17th April 2021	Series – XIII	26,613	Unvested	Seven years from the date of Grant	1
17th April 2022	Series – XIII	26,613	Unvested	Seven years from the date of Grant	1
17th April 2023	Series – XIII	26,613	Unvested	Seven years from the date of Grant	1

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

₹ in crore

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	1,30,178	88,233
Granted during the year	79,839	67,680
Exercised during the year	55,647	25,735
Lapsed	3,676	-
Outstanding at the end of the year	1,50,694	1,30,178
Exercisable at the end of the year	-	3,676

The charge on account of the above scheme is included in employee benefit expense aggregating Rs.0.61 crore (Previous year 0.67).Since the options are granted by JM Financial Limited (the Holding company), basic and diluted earnings per share of the Company would remain unchanged.

42 Disclosure required in terms of Regulation 34(3) and 53(f) Of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015:

Loans and advances in the nature of loans given to subsidiaries and associates:

₹ in crore

Name of the company	Relationship	Maximum Balance	Closing Balance
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	104.00	-
		(-)	(-)

(Figures in brackets indicates previous year figures)

Loans and advances shown above are interest bearing and are repayable on demand.

43 Expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

₹ in crore

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a)	Gross amount required to be spent by the Company during the year.	12.17	10.64
b)	**Amount spent:**		
	In cash	7.40	10.64
	Yet to be paid in cash	4.77	-
	Total	**12.17**	**10.64**
(i)	Construction/acquisition of any asset	-	-
(ii)	On purposes other than (i) above	12.17	10.64

44 The Company operates only in one Operating Segment i.e Mortgage Loans - Financial Services and all other activities are incidental to the main business activity, hence has only one reportable Segment as per Indian Accounting Standard 108 “Operating Segments”. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

The Company has its operations within India and all revenue is generated within India

45 Unhedged Foreign Currency Exposure

As at March 31, 2021

₹ in crore

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

#Note: Covered Option(s) is/are not included

As at March 31, 2020

₹ in crore

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

#Note: Covered Option(s) is/are not included

46 Disclosure on liquidity risk

a. Funding Concentration based on significant counterparty* (both deposits and borrowings):

₹ in crore

Year	Number of Significant Counterparties*	Amount	% of Total Deposits	% of Total Liabilities
For the year ended March 31, 2021	20	4,255.09	Not Applicable	76.4%
For the year ended March 31, 2020	21	3,749.87	Not Applicable	76.4%

**Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies*

b. Top 20 large deposits (amount in Rs. Crore and % of total deposits):

Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

c. Total of top 10 borrowings (amount in Rs. Crore and % of total borrowings):

For the year ended March 31, 2021		For the year ended March 31, 2020	
Amount (Rs. In Crore)	**% of Total Borrowings**	**Amount (Rs. In Crore)**	**% of Total Borrowings**
3,485.88	62.5%	2,923.12	59.6%

d. Funding Concentration based on significant instrument/product*:

₹ in crore

Sr. No.	Name of the instrument/product	For the year ended March 31, 2021		For the year ended March 31, 2020	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities
1	Term Loans	1,099.45	19.7%	1,683.03	34.3%
2	Non-Convertible Debentures	3,410.24	61.2%	3,045.40	62.0%
3	Commercial Papers	97.42	1.7%	-	-
4	Inter corporate deposit	800.00	14.4%	-	-
5	Cash Credit and Working Capital lines	100.00	1.8%	124.46	2.5%

**Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.*

e. Stock Ratios:

Sr. No.	Particulars	Ratios March 31, 2021	Ratios March 31, 2020
1.	Commercial papers as a % of total public funds	1.8%	None
	Commercial papers as a % of total liabilities	1.7%	None
	Commercial papers as a % of total assets	1.1%	None
2.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	None	None
	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	None	None
	Non-convertible debentures (original maturity of less than one year) as a % of total assets	None	None
3.	Other short-term liabilities, if any as a % of total public funds	40.1%	34.6%
	Other short-term liabilities, if any as a % of total liabilities	39.7%	34.2%
	Other short-term liabilities, if any as a % of total assets	24.0%	20.5%

f. Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia, reviews liquidity risk management, funding and capital planning, forecasting and analyzing different scenarios and preparation of contingency plans. Further, the Risk Management Committee, inter alia, monitors and measures the risk profile of the Company and oversees the integrated risk management system of the Company.

The Company has also constituted the Asset Liability Management Support Group, inter alia, to analyse, monitor and report the liquidity risk profile to the Asset Liability Management Committee.

The Company manages liquidity risk by maintaining sufficient cash/treasury surplus and by having access to funding through an adequate amount of committed credit lines to meet obligations, in case required.

Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of balance sheet liquidity ratios are considered while reviewing the liquidity position.

The Company manages liquidity risk in accordance with the Company's Asset Liability Management Policy. The Asset Liability Management Policy is reviewed periodically to realign the same pursuant to any regulatory changes/changes in the economic landscape or business needs.

LIQUIDITY COVERAGE RATIO

₹ in crore

	Particulars	For the Quarter ended December 31, 2020		For the Quarter ended March 31, 2021	
		Total Unweighted Value[1] (average)	Total weighted Value (average)[2]	Total Unweighted Value[3] (average)	Total weighted Value (average)[4]
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1.	Total HQLA (to disclose the components of HQLA)	48.68	48.68	125.88	125.88
	CASH OUTFLOWS				
2.	Deposits (for deposit taking companies)	-	-	-	-
3.	Unsecured wholesale funding	-	-	-	-
4.	Secured wholesale funding	-	-	-	-
5.	**Additional requirements, of which:**				
i.	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
ii.	Outflows related to loss of funding on debt products	-	-	-	-
iii.	Credit and liquidity facilities	-	-	-	-

₹ in crore

Particulars		For the Quarter ended December 31, 2020		For the Quarter ended March 31, 2021	
		Total Unweighted Value[1] (average)	Total weighted Value (average)[2]	Total Unweighted Value[3] (average)	Total weighted Value (average)[4]
6.	Other contractual funding obligations	82.63	95.02	85.92	98.80
7.	Other contingent funding obligations	-	-	-	-
8.	**TOTAL CASH OUTFLOWS**	**82.63**	**95.02**	**85.92**	**98.80**
	CASH INFLOWS				
9.	Secured Lending	115.97	86.98	163.92	122.94
10.	Inflows from fully performing exposures	-	-	-	-
11.	Other cash inflows	33.33	25.00	56.72	42.54
12.	**TOTAL CASH INFLOWS**	**149.30**	**111.98**	**220.64**	**165.48**
13.	**TOTAL HQLA**		**48.68**		**125.88**
14.	**TOTAL NET CASH OUTFLOWS**		**23.76**		**24.70**
15.	**LIQUIDITY COVERAGE RATIO (%)**		**204.90 %**		**509.61%**

[1]Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

[2]Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

[3]Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

[4]Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

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

₹ in crore

Asset Classification as per RBI Norms	Asset Classification as per Ind AS	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	6,247.73	145.93	6,101.80	24.99	120.94
		(6,828.12)	(94.60)	(6,733.52)	(27.31)	(67.29)
	Stage 2	683.41	109.10	574.31	2.73	106.37
		(399.13)	(58.84)	(340.19)	(1.60)	(57.34)
Subtotal		**6,931.14**	**255.03**	**6,676.11**	**27.72**	**227.31**
		(7,227.25)	**(153.54)**	**(7,073.71)**	**(28.91)**	**(124.63)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	146.98	78.40	68.58	14.70	63.70
		(150.91)	(47.11)	(103.80)	(15.09)	(32.02)
Doubtful						
Up to 1 year	Stage 3	141.95	45.63	96.32	28.39	17.24
		(2.72)	(0.71)	(2.01)	(0.54)	(0.17)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**141.95**	**45.63**	**96.32**	**28.39**	**17.24**
		(2.72)	(0.71)	(2.01)	(0.54)	(0.17)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**288.93**	**124.03**	**164.90**	**43.09**	**80.94**
		(153.63)	**(47.82)**	**(105.81)**	**(15.63)**	**(32.19)**

₹ in crore

Asset Classification as per RBI Norms	Asset Classification as per Ind AS	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	201.67	3.52	198.15	0.81	2.71
		(148.00)	(3.22)	(144.78)	(0.59)	(2.63)
	Stage 2	48.72	6.78	41.94	0.19	6.59
		(3.08)	(0.33)	(2.75)	(0.01)	(0.32)
	Stage 3	-	-		-	-
Subtotal		**250.39**	**10.30**	**240.09**	**1.00**	**9.30**
		(151.08)	**(3.55)**	**(147.53)**	**(0.60)**	**(2.95)**
Total	Stage 1	6,449.40	149.45	6,299.95	25.80	123.65
		(6,976.12)	(97.82)	(6,878.30)	(27.90)	(69.92)
	Stage 2	732.13	115.88	616.25	2.93	112.95
		(402.21)	(59.27)	(342.94)	(1.61)	(57.66)
	Stage 3	288.93	124.03	164.90	43.09	80.94
		(153.63)	(47.82)	(105.81)	(15.63)	(32.19)
	Total	**7,470.46**	**389.36**	**7,081.10**	**71.82**	**317.54**
		(7,531.96)	**(204.91)**	**(7,327.05)**	**(45.14)**	**(159.77)**

Figures in brackets represents previous year amount

ECL policy formulated by the Company has been duly approved by the Board of Directors of the Company at its meeting held on May 4, 2020

Disclosure in respect of RBI circular on "COVID19 Regulatory Package - Asset Classification and Provisioning" dated April 17,2020 having reference number RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 as per para 10

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the RBI Circular;	671.49	690.92
Respective amount where asset classification benefits is extended as at March 31,2020	24.84	49.95
Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5 of the RBI Circular*	NA	NA
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	10.63	Nil

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

Given the uncertainty over the potential macro-economic impact and external regulatory developments, the Management has considered internal and external information up to the date of approval of these financial statements, and has estimated overlays and made certain judgements in accordance with the policy of the Company for the purpose of determination of the provision for impairment of financial assets carried at amortised cost and in relation to revenue recognition.

The provision for expected credit loss on financial assets as at March 31, 2021 aggregates Rs. 389.36 crore (as on March 31, 2020 - Rs. 204.91 crore) which includes management overlay for the potential impact on account of the pandemic of Rs. 228.36 crore (as on March 31, 2020 – Rs. 86.79 crore). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate. Accordingly, the impairment provision for the year ended March 2021 on account of the pandemic is Rs. 141.57 crore.

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

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

49 In line with the judgment pronounced by the Hon'ble Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association v/s. UOI & Ors. and other connected matters on March 23, 2021, the Reserve Bank of India (RBI) vide their Circular no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 has mandated all lending institutions to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the above judgement. In order to ensure that the above judgement is implemented uniformly in letter and spirit by all lending institutions, the RBI also suggested that the methodology for calculation of the amount to be refunded/adjusted for different facilities shall be as finalised by the Indian Banks Association (IBA) in consultation with other industry participants/bodies, which shall be adopted by all lending institutions.

The IBA Managing Committee at their meeting held on March 25, 2021 and April 16, 2021 has been clarified that interest on interest/penal interest/compound interest, if charged during the moratorium on borrowing accounts, should be refunded or adjusted in the next instalment of the loan account within reasonable time from the date of supreme court order.

Accordingly, the Company will refund/adjust Rs.14.68 crore in the next instalment of the loan account.

50 Disclosures as per RBI master directions and other notifications.

50.1 Information pursuant to RBI Guidelines on Securitisation of standard assets dated February 1, 2006

₹ in crore

Sr No	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Total Number of transactions wherein Loan assets securitized	-	-
(ii)	Total book value of loan assets securitised – Rupees	-	-
(iii)	Total sales consideration received for the securitised assets – Rupees	-	-
(iv)	Gain on sale on account of securitisation – Rupees	-	-
(v)	Gain recognized in the Statement of Profit and Loss – Rupees	-	-
(vi)	Outstanding value of any services provided by way of credit enhancement, liquid support, post -securitisation asset servicing etc.	-	-
		-	-

Details of non-performing financial assets purchase / sold (Assignment)

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
No. of accounts sold	-	1
Aggregate outstanding	-	75.80
Aggregate consideration received	-	60.64

During the year, there are no non-performing financial assets purchased.

50.2 Information pursuant to RBI Guidelines on Capital adequacy, liquidity and disclosure norms dated August 1, 2008:-

(i) Capital risk adequacy ratio (CRAR):

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
CRAR	40.19%	40.25%
CRAR - Tier I capital	38.94%	39.06%
CRAR - Tier II capital	1.25%	1.18%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

50.3 Exposures:

A. Exposure to Real Estate Sector

₹ in crore

	Category	As at March 31, 2021	As at March 31, 2020
A.1)	**Direct Exposure**		
(i)	**Residential Mortgages-**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lacs may be shown separately)		
(ii)	**Commercial Real Estate-**		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	6,296.72	6,746.93
A.2)	**Indirect Exposure**		
	Funded and Non-funded Exposures NHB and Housing Finance Companies(HFCs)	-	-
	Any other	790.89	-
	Total Investments		
B.1	**Direct Exposure**		
(i)	**Commercial real estate**	4.90	-
(ii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures-**		
	a) Residential,		
	b) Commercial Real Estate.		
	b) Others.		
B.2	**Indirect Exposure**		
(i)	Funded and Non-funded Exposures NHB and Housing Finance Companies(HFCs)	50.00	-
(ii)	Any other	-	-

B. Exposures to Capital Market

₹ in crore

	Category	As at March 31, 2021	As at March 31, 2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	132.46	633.95
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to Capital Market	**132.46**	**633.95**

iii. Asset Liability Management:

Maturity pattern of certain items of assets and liabilities:

₹ in crore

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Assets									
Deposits	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances	153.72	923.68	240.76	556.06	1,081.87	3,339.93	542.90	-	6,838.92
	(-)	(323.89)	(554.83)	(468.82)	(1,405.80)	(3,913.11)	(255.92)	(256.78)	(7,179.15)
Investments	24.98	1,147.82	100.00	700.00	-	-	-	54.90	2,027.70
	(907.14)	(-)	(-)	(-)	(-)	(-)	(-)	(#)	(907.14)
Liabilities									
Borrowing	114.94	155.55	355.81	1,317.45	330.80	1,457.03	830.36	945.18	5,507.11
	(110.37)	(47.66)	(516.48)	(310.98)	(666.94)	(1,304.94)	(1,229.03)	(666.60)	(4,852.99)
Foreign currency assets	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

 # Denotes amount below Rs.50,000/-

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) Above maturity pattern is after the considering the impact of Moratorium benefit extended by the Company to the customers

c) Figures in brackets are for previous year.

50.4 Schedule to the Balance Sheet (as required in terms of Paragraph 19 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

Particulars

	Liabilities side	Amount outstanding (In Rs Crore)	Amount overdue (In Rs Crore)
(a)	Debentures		
	(i) Secured	3,507.66	-
		(3,045.40)	(-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
		(-)	(-)
(b)	Deferred Credits	-	-
		(-)	(-)
(c)	**Term Loans**	1,099.45	-
		(1,683.03)	(-)
(d)	Inter-corporate loans and borrowing	800.00	-
		(-)	-
(e)	Commercial Paper	-	-
		(-)	(-)
(f)	Other Loans (Please Specify)		
	Working Capital Loan	100.00	-
		(75.00)	(-)
	Cash Credits	-	-
		(49.46)	(-)
	Due under finance lease	-	-
		(0.10)	(-)

(2) Break up of Loans and Advances including bills receivables (other than those included in (3) below):

Particulars

	Assets side	Amount outstanding (In Rs Crore)
(a)	Secured	7,220.07
		(7,380.88)
(b)	Unsecured	-
		(-)

(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

Particulars

	Assets side	Amount outstanding (In Rs Crore)
(i)	Lease assets including lease rentals under sundry debtors:	
	(a) Financial Lease	-
		(-)
	(b) Operating Lease	-

(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

Particulars

Assets side	Amount outstanding (In Rs Crore)
	(-)
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	-
	(-)
(iii) Other loans counting towards AFC activities:	
(a) Loans where assets have been repossessed	-
	(-)
(b) Loans other than (a) above	-
	(-)

(4) Break – up of Investments:

Particulars

	Amount outstanding (In Rs Crore)
Current Investment	
1. Quoted:	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
	(-)
(iii) Units of Mutual Funds	1,947.82
	(907.14)
(iv) Government Securities	24.98
	(-)
(v) Others (Please Specify)	-
2. Unquoted:	
(i) Shares:	
(a) Equity	50.00
(b) Preference	-
	(0#)
(ii) Debentures and Bonds	4.90
	(-)
(iii) Units of Mutual Funds	-
	(-)
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	-
	(-)

# Denotes amount less than Rs.50,000/-

(5) Borrower group – wise classification of assets financed as in (2) and (3) above:

		Amount (net of provisions)	
Category	Secured (In Rs Crore)	Unsecured (In Rs Crore)	Total (In Rs Crore)
1) Related Parties			
(a) Subsidiaries	-	-	-

(5) Borrower group – wise classification of assets financed as in (2) and (3) above:

Category		Amount (net of provisions)		
		Secured (In Rs Crore)	Unsecured (In Rs Crore)	Total (In Rs Crore)
		(-)	(-)	(-)
	(b) Companies in the same group	-	-	-
		(-)	(-)	(-)
	(c) Other related parties	-	-	-
		(-)	(-)	(-)
2)	Other than related parties	7,220.07	-	7,220.07
		(7,380.88)	(-)	(7,380.88)
		7,220.07	**-**	**7,220.07**
		(7,380.88)	(-)	(7,380.88)
	Less: Provision for non-performing assets	124.03	-	124.03
		(47.82)	(-)	(47.82)
		7,096.04	**-**	**7,096.04**
		(7,333.06)	(-)	(7,333.06)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	Category	Market Value/ Breakup or fair value or NAV (In Rs Crore)	Book Value (Net of Provisions) (In Rs Crore)
1)	**Related Parties**		
	(a) Subsidiaries	-	-
		(-)	(-)
	(b) Companies in the same group	50.00	50.00
		(-)	(-)
	(c) Other related parties	-	-
		(-)	(-)
2)	Other than related parties	1,977.70	1,969.26
		(907.14)	(903.57)
		2,027.70	**2,019.26**
		(907.14)	(903.57)

(7) Other Information:

	Particulars	Amount (In Rupees)
(i)	Gross Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	288.93
		(153.63)
(ii)	Net Non – Performing Assets	
	(a) Related Parties	-
		(-)
	(b) Other than related parties	164.90
		(105.81)
(iii)	Assets acquired in satisfaction of debt	-
		(-)

(Figures in brackets indicates previous year figures)

50.5 There are no restructured advances as on March 31, 2021, Hence disclosure of information as required in terms of Paragraph 24 of Master Directions – Non-Banking Financial Company - "Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 (as amended vide Notification No. DNBS(PD).No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

50.6 Investments

	Category	As at 31.03.2021 (In Rs Crore)	As at 31.03.2020 (In Rs Crore)
(a)	**Value of Investments**		
(i)	**Gross Value of Investments**		
	(a) in India	2,027.70	907.14
	(b) Outside India	-	-
(ii)	**Provision for depreciation**		
	(a) in India*	-	-
	(b) Outside India	-	-
(iii)	**Net Value of Investments**		
	(a) in India	2,027.70	907.14
	(b) Outside India	-	-
(b)	Movement of provisions held towards depreciation on investments		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

50.7 Additional & Miscellaneous Disclosures:

(I) Registration obtained from other financial sector regulators

Company has not registered with other financial sector regulators except with Reserve Bank of India

(II) Disclosure of Penalties imposed by RBI and other regulators

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Penalties imposed	Nil	Nil

(III) Net Profit or Loss for the period, prior period items and changes in accounting policies:

There are no prior period items and changes in accounting policies impacting net profit for the year

(IV) Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties

(V) Premium utilised for share issue expenses

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Premium utilised for share issue expenses	-	-

(VI) Drawdown from Reserves

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Drawdown from reserves	-	-

50.8 Ratings assigned by credit rating agencies and migration of ratings during the year:

₹ in crore

		As at March 31, 2021	As at March 31, 2020
	ICRA Limited		
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA/Stable
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA/Stable
		PP-MLD ICRA AA / Stable	PP-MLD ICRA AA / Stable
	CRISIL Limited (Refer Note below)		
(i)	Bank loan facility	-	CRISIL AA/stable
	India Rating		
(i)	Commercial Paper programme	IND A1+	IND A1+
(ii)	Bank loan facility	IND AA/Stable	IND AA/Stable
(iii)	Non-Convertible Debentures	IND AA/Stable	IND AA/Stable

During the year under review

- the unutilised ratings for bank borrowings of the Company were reaffirmed and voluntarily withdrawn by CRISIL with effect from March 1, 2021, pursuant to the request of the Company.

50.9 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

₹ in crore

	For the year March 31, 2021	For the year March 31, 2020
Provisions for depreciation on Investment*	-	-
Provision towards NPA / ECL stage 3	124.03	46.53
Provision made towards Income tax	154.46	147.60
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets / ECL stage 1 and 2	265.33	98.46

Netted off from "Net gain on fair value changes" in schedule III as per Ind AS requirement

50.10 Concentration of Deposits, Advances and Exposures and NPAs:

Concentration of Deposits (for deposit taking NBFCs)

	As at March 31, 2021	As at March 31, 2020
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

Concentration of Advances

	As at March 31, 2021	As at March 31, 2020
Total Advances to twenty largest borrowers – (In Rs Crore)	3,847.95	3,321.68
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	53.60%	45.56%

Concentration of Exposures

	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers / customers – (In Rs Crore)	3,878.66	3,377.57
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	53.73%	45.76%

Concentration of NPAs

	As at March 31, 2021	As at March 31, 2020
Total exposure to top four NPA accounts	200.72	144.79

Sector-wise NPAs

	As at March 31, 2021	As at March 31, 2020
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers Real Estate sector	288.93	153.63
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil

50.11 Movement of NPAs:

	As at March 31, 2021	As at March 31, 2020
Net NPAs to Net Advances (%)		
Movement of NPAs (Gross)		
(a) Opening balance	153.63	85.07
(b) Additions during the year	146.98	185.44
(c) Reductions during the year	11.68	116.88
(d) Closing balance	**288.93**	**153.63**
Movement of Net NPAs		
(a) Opening balance	105.81	68.63
(b) Additions during the year	68.56	136.89
(c) Reductions during the year	9.47	99.71
(d) Closing balance	**164.90**	**105.81**
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	47.82	16.44
(b) Provisions made during the year	78.42	46.54
(c) Write-off / write-back of excess provisions	2.21	15.16
(d) Closing balance	**124.03**	**47.82**

50.12 Disclosures of customer complaints

Complaints

	As at March 31, 2021	As at March 31, 2020
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	1	-
No. of complaints redressed during the year	1	-
No. of complaints pending at the end of the year	-	-

50.13 During the year, there are no Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company.

50.14 Disclosure in respect of derivatives, securitisation transactions, consolidated financial statements, overseas assets (for those with joint ventures and subsidiaries abroad), off balance sheet SPV's sponsored are not applicable for the year to the Company since there is no exposure.

51 The financial statements were approved for issue by the Board of Directors on April 29, 2021.

52 To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

For and on behalf of the Board of Directors

Vishal Kampani
Vice Chairman
DIN – 00009079

Hariharan Aiyar
Vice Chairman
DIN – 01374306

Shashwat Belapurkar
Chief Executive Officer

Gagan Kothari
Chief Financial Officer

Hemant Pandya
Company Secretary

JM FINANCIAL

APPLICATION FORM – TRANCHE BG – 2021 (XXVIII)

JM FINANCIAL CREDIT SOLUTIONS LIMITED

CIN - U74140MH1980PLC022644

(Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)

Tel : (022) 6630 3030 Fax : (022) 6630 3223

Email: hemant.pandya@jmfl.com / investorrelations.csl@jmfl.com

Contact Person: Mr. Hemant Pandya, Company Secretary

PRIVATE PLACEMENT OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BG NCDs") OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH WITH A BASE ISSUE SIZE OF UPTO 500 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 1,000 NCDS, TOGETHER AGGREGATING TO 1,500 NCDs TO BE ISSUED UNDER THE DISCLOSURE DOCUMENT DATED JULY 16, 2021 ("DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME

TRANCHE BG DEBENTURE APPLICATION FORM SERIAL NO.					0	0	1

TRANCHE BG – 2021 (XXVIII) **Opens on: July 19, 2021**	**TRANCHE BG – 2021 (XXVIII)** **Closes on: July 19, 2021**

Dear Sirs,

I/We have read and understood the terms and conditions of the issue of Tranche BG Debentures and all the information contained in the DD ("**Disclosure Documents**") including in particular the Risk Factors described in the DD and have considered these in making my/our decision to apply. I/We bind myself/ourselves to the said terms and conditions and wish to apply for allotment of the Tranche BG Debentures. I/We request you to please place my/our name(s) on the Register of Tranche BG Debenture holders. The amount payable on application as shown below is remitted herewith and is paid from my own (first/sole applicant) bank account. I/We note that the Company is entitled in its absolute discretion, to accept or reject this application in whole, or in part, without assigning any reason whatsoever.

(PLEASE READ THE INSTRUCTIONS ON THE LAST PAGE CAREFULLY BEFORE FILLING THIS APPLICATION FORM)

All capitalized terms used in this application form which are not defined shall have the meaning attributed to them in the Disclosure Documents.

The application shall be for a minimum of 10 (Ten) Tranche BG NCDs and in multiples of 1 (one) thereafter	
No. of Tranche BG NCDs applied for (in figures)	
No. of Tranche BG NCDs applied for (in words)	
Amount (Rs.) (in figures)	
Amount (Rs.) (in words)	

DETAILS OF PAYMENT:

Cheque / Demand Draft Amount (Rs. in figures):____

Cheque / Demand Draft Amount (Rs. in words): ____

Date of Cheque / Demand Draft: ____

Cheque / Demand Draft No.: ____

Cheque / Demand Draft Drawn on (Name of Bank and Branch):

____

(Note: Cheque and Drafts are subject to realisation)

Funds transferred to JM FINANCIAL CREDIT SOLUTIONS LIMITED

Mode of Transfer (RTGS / NEFT / ECS / NACH / Direct Credit etc.):

____

Date of Transfer:____

Total Amount Transferred:

(Rs. in figures) ____

(Rs. in words) ____

I/We confirm that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

I/We confirm that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

FIRST/SOLE APPLICANT'S NAME IN FULL (CAPITALS)		SPECIMEN SIGNATURE
PAN / GIR No. / NOT ALLOTTED	**IT Circle / Ward / District**	

SECOND APPLICANT'S NAME IN FULL (CAPITALS)		SPECIMEN SIGNATURE
PAN / GIR No. / NOT ALLOTTED	**IT Circle / Ward / District**	

THIRD APPLICANT'S NAME IN FULL (CAPITALS)		SPECIMEN SIGNATURE
PAN / GIR No. / NOT ALLOTTED	**IT Circle / Ward / District**	

FIRST/SOLE APPLICANT'S COMPLETE ADDRESS (Post Box No. alone is not sufficient)

PIN		**PHONE**		**FAX**	

FIRST/SOLE APPLICANT'S BANK DETAILS

Bank Name	
Bank Branch	
Branch City	
Nature of Account	
Account No.	
MICR Code	
RTGS Code	
IFSC Code	
Email id	

I/WE ARE APPLYING AS: ( ) COMPANY ( ) INDIVIDUAL ( ) MUTUAL FUND
( ) OTHERS SPECIFY ____

I/WE CONFIRM RESIDENTIAL STATUS AS **INDIAN**

TAX STATUS: NON EXEMPT ( ) EXEMPT ( ) (IF EXEMPT PLEASE SPECIFY) ________________
(IF EXEMPT, PLEASE PROVIDE SUPPORTING DOCUMENTS FROM INCOME TAX AUTHORITIES)

I / WE CONFIRM that the amount paid on application has been remitted from the bank account of the First Applicant of the Debentures.

TO BE FILLED IN ONLY IF THE APPLICANT IS AN INSTITUTION / COMPANY / BODY CORPORATE (INCLUDING SOCIETY)

	Name of the Authorised Signatory(ies)	Designation	Signature
1			
2			
3			

I/We, the undersigned, are agreeable to holding the Tranche BG NCDs of the Company in dematerialised form. Details of my/our Beneficiary Account are given below:

DEPOSITORY	
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY CLIENT ID	
NAME OF THE APPLICANT(S)	

I/We understand that: i) in case of allotment of Tranche BG Debentures to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Tranche BG Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with the Depository Participant, iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Tranche BG Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application.

I/We confirm that I/We have for the purpose of investing in these Tranche BG Debentures carried out my/our own due diligence and made my/our own decisions with respect to investment in these Tranche BG Debentures and have not relied on any representations made by anyone other than those contained in the Disclosure Documents. I/We confirm that we have not been debarred from accessing the capital market or have been restrained by any regulatory authority from directly or indirectly acquiring the said securities.

I / We understand that the Company may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier. I / We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), I / We shall convey all the terms and conditions contained herein and in the Disclosure Documents to such Transferee. I / We shall indemnify the Company for all claims arising out of or as a consequence of us not conveying to the Transferee all the terms and conditions contained herein and in the Disclosure Documents.

Sole/First Applicant's	Second Applicant's	Third Applicant's
__________________	_________________	________________
Signature	Signature	Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT ______________________ DATE OF CLEARANCE ________________________

ACKNOWLEDGMENT SLIP

JM FINANCIAL CREDIT SOLUTIONS LIMITED

CIN - U74140MH1980PLC022644

(Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025)
Tel : (022) 6630 3030 Fax : (022) 6630 3223 Email: hemant.pandya@jmfl.com
Contact Person: Mr. Hemant Pandya, Company Secretary

PRIVATE PLACEMENT OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs" OR "TRANCHE BG NCDs") OF THE FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH) EACH WITH A BASE ISSUE SIZE OF UPTO 500 NCDS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION OF UPTO 1,000 NCDS, TOGETHER AGGREGATING TO 1,500 NCDs TO BE ISSUED UNDER THE DISCLOSURE DOCUMENT DATED JULY 16, 2021 ("DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME

TRANCHE BG DEBENTURE APPLICATION FORM SERIAL NO.				0	0	1

TRANCHE BG – 2021 (XXVIII) **Opens on: July 19, 2021**	**TRANCHE BG – 2021 (XXVIII)** **Closes on: July 19, 2021**

Received from ____
Address ____
____
____
Cheque/Draft # ______________ Drawn on (Bank & Branch) ______________________
/ Electronic Fund Transfer from (Bank & Branch) ______________________
for Rs. __________ (Rupees ______________________________only)
on account of application for ______________________ Tranche BG

INSTRUCTIONS

1. Application must be completed entirely in English, using BLOCK LETTERS.
2. A signature can be made either in English or in any other Indian language.
3. Application forms duly completed in all respects, together with Cheques/Pay Order/Demand Draft/Electronic Fund Transfer Instructions, must be lodged at the Company's Registered Office.
4. Application Forms must be accompanied by either a demand draft or pay order or cheque drawn or made payable in favour of **"JM Financial Credit Solutions Limited"** only and should be crossed "Account Payee only". Demand Draft(s) / pay Order(s) / cheque(s) may be drawn on any bank including a co-operative bank, which is a member or sub-member of the banker's clearing house located at Mumbai. Outstation cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
5. In case the payment is made through any electronic mode of payment such as Real Time Gross Settlement (RTGS) / NEFT / Direct Credit, the funds have to be credited to the Company's current account, the details of which are as follows.

Beneficiary Name	**JM Financial Credit Solutions Limited**
Beneficiary Account No.	00600340075068
Centre (Location)	Mumbai
Bank	HDFC Bank Ltd.
Branch	Maneckji Wadia Building, Ground Floor, Nanik Motwani Marg, Fort, Mumbai - 400023.
Account Type	Current Account
MICR Code	400240015
IFSC Code	HDFC0000060

6. As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, the applicant is requested to mention the full particulars of the bank account, as specified in the Application Form.
7. The applicant should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the Application Form in the space provided.
8. The application would be accepted as per the terms of the Issue outlined in the Disclosure Documents.
9. The application form is to be filled along with the FATCA/CRS Declaration, which is enclosed herewith.

FATCA/CRS DECLARATION FOR NON-INDIVIDUAL ACCOUNTS

(To be filled along with Application Form)

Note – The information in this section is being collected in order to fully comply with Foreign Account Tax Compliance Act (FATCA) requirements and the Common Reporting Standards (CRS) requirements.

For more information refer:
http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA
http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-financial-account-information-common-reporting-standard.pdf

FATCA / CRS declaration and details for entities

(We are unable to provide advice about your FATCA classification or interpretation of any terms. Please therefore seek advice from a tax professional on any FATCA aspects)

Part A – Preliminary details (All fields mandatory)

Sr. No	Particulars	Details of Applicant	
1	**Name of the Entity**		
2	**Entity PAN**		
3	**Address for Tax Residence** **(including city, state, country and pin code)**		
4	**Address Type (Business or registered office)**		
5	**Entity Constitution Type.** (Refer Instruction "6" in Annexure)		
6	**Do you satisfy any of the criteria mentioned below?**		
	a. Is the entity a U.S. person (Please refer 'Other Definitions' in the Instructions)	Yes □ (Please answer 'b")	No □ (Please go to 'c")
	b. Is the entity a Specified US Person	Yes □	No □ Entity's Exemption Code: ______ (Refer Instruction "5" in the Annexure)
	c. Is the entity formed/incorporated outside India	Yes □ No □	< If yes, please specify city and country of incorporation / formation> City: ______ Country: ______
	d. Is the entity having Tax Residency in any country(ies) other than India	Yes □ No □	<< If yes, please provide the following details>> Country of Tax Residency | PAN/ Tax Identification No. (TIN equivalent) of | Identification Type# #In case Tax Identification Number is not available, kindly provide functional equivalent or Company Identification Number or Global Entity Identification Number.
7	Is the entity a Financial Institution (FI) {including an Foreign Financial Institution} (Refer Instruction "1" in the Annexure)	Yes □ (Please fill Part 'B")	No □ (Go to next question)
	Is the entity a Direct Reporting NFFE (Refer 'Other Definitions' in the Annexure)	Yes □ (Please fill Part 'B")	No □ (Go to next question)
8	Is the entity a publicly traded corporation/a related entity of a publicly traded corporation/ Active NFFE	Yes □ (Please fill Part 'C")	No □ (Go to next question)
9	The entity is a Passive NFFE	□ (Please fill Part "D")	**Please specify nature of business**

Part B – If your answer to question 7 in Part A is a YES, please provide details in relation to Financial Institutions/ Foreign Financial Institutions or Direct Reporting NFFEs:

Particulars	Details of Applicant
The entity is: **1) Financial Institution** ◻ **2) Direct Reporting NFFE** ◻	**Global Intermediary Identification Number (GIIN)** ____ Note: If you do not have a GIIN but you are sponsored by another entity, please provide your sponsor's GIIN and name below: Name of sponsoring entity: ____________________ (For clarification, refer 'Other Definitions' in the Annexure) Sponsoring Entity's GIIN: ___________________ (If GIIN provided, please go directly to "Declaration and Acknowledgment".)
If GIIN not available [tick any one]: (Not applicable to Direct Reporting NFFE)	**a. Not obtained:** ◻ **b. Applied for:** ◻ [__________________________] [insert application date] **c. GIIN not required:** ◻ **Please insert code:**____________ (Mention Code – For clarification, refer Instruction "2" in the Annexure) (Please go to "Declaration and Acknowledgment".)

Part C– If your answer to question 8 in Part A is a YES, please provide following details:

Sr No	Particulars	Details of Applicant	
1	**a. Are you a publicly traded company?** (Refer Instruction "3" in the Annexure)	Yes ◻ [Please fill "C1(b)"]	No ◻ (Please fill "C2")
	b. Are your shares regularly traded on a recognized stock exchange	Yes ◻	No ◻ (Please fill "C2")
		If yes, please provide name of the stock exchange where the shares are regularly traded: 1. ____________________________ 2. ____________________________ (Please go to "Declaration and Acknowledgment")	
2	**Are you a related entity#of a listed company mentioned in Part C (1) above** # Related entity – An entity is a related entity of another entity if either entity controls the other entity or the two entities are under common control. For this purpose, control includes direct or indirect ownership of more than 50% of the votes and value in an entity.	Yes ◻ Nature of relation with the related entity: ◻ Subsidiary of the listed company. ◻ Controlled by the listed company.	No ◻ (Please fill "C3")
		If yes, please provide name of the related entity that is listed : ______________________ **Name of the stock exchange where the shares of the related listed entity are regularly traded:** 1. __________________ (Please go to "Declaration and Acknowledgement".)	
3	**Entity is an Active NFFE**	Please specify nature of business:_____________ Active NFFE Code:_____________ (Refer codes in Instruction "3" in the Annexure)	

Part D – Controlling Person/Ultimate Beneficial Owner (UBO) Declaration

Provide details of all UBO/s or Controlling person/s, [natural persons as per PMLA] (including Owner Documented FFI's[For clarification, refer 'Other Definitions' in the Annexure]) **in the table below**

Are you an Owner-documented FFI's - Yes □ **No** □

If ' Yes', <u>in addition to the below details</u>, please provide a duly filled form W8BEN E along with FFI Owner Reporting Statement and Auditor's Letter.
If 'No', Please provide below details only.

	Controlling Person 1	Controlling Person 2	Controlling Person 3	Controlling Person 4	Controlling Person 5
Name (#)					
Country of Birth					
City of birth (Please mention only if the Country of Birth is other than India)					
Birth Date					
Address (include City State, Country & Pin code)					
Address type for address mentioned above	□ Residential or Business	□ Residential or Business	□ Residential or Business	□ Residential or Business	□ Residential or Business
	□ Residential	□ Residential	□ Residential	□ Residential	□ Residential
	□ Business	□ Business	□ Business	□ Business	□ Business
	□ Registered Office	□ Registered Office	□ Registered Office	□ Registered Office	□ Registered Office
Nationality					
Father's Name (if PAN not available)					
Spouse's name (optional)					
Telephone/mobile number with ISD code					
PAN					
Identification No.					
Identification Type (TIN or Other, please specify	□ Passport	□ Passport	□ Passport	□ Passport	□ Passport
	□ PAN	□ PAN	□ PAN	□ PAN	□ PAN

the name of document for above)	□ Election / Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________	□ Election / Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________	□ Election / Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________	□ Election/ Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________	□ Election / Voter's ID card □ Driving License □ Aadhaar card/ letter □ NREGA Card □ Govt ID Card □ Others (pls specify) ____________________
% of beneficial interest / Ownership /Capital / Profits.					
Controlling Person Type (#) (Refer Instruction"7" of the Annexure.)					
Gender	□ Male □ Female □ Other______________	□ Male □ Female □ Other_____________	□ Male □ Female □ Other_____________	□ Male □ Female □ Other_____________	□ Male □ Female □ Other_____________
Occupation Type	□ Service □ Business □ Others	□ Service □ Business □ Others	□ Service □ Business □ Others	□ Service □ Business □ Others	□ Service □ Business □ Others
Country of tax residency* (#)					
Additional details to be filled below ONLY by controlling persons having tax residency/permanent residency/citizenship in any country other than India including green card					
	Controlling Person 1	**Controlling Person 2**	**Controlling Person 3**	**Controlling Person 4**	**Controlling Person 5**
Tax Identification Number (TIN) (or functional equivalent) of Controlling Person for each country identified in relation to him/her (#)					
Identification Type (TIN or Other, please specify) (#)					

Note:

A. Submit documentary proof like shareholding pattern duly self-attested by Authorized Signatory / Company Secretary.
B. If number of UBOs are greater than 5 or the space required is insufficient, information in the given format can be given in additional sheets.
C. In case of a multiple intermediaries, please provide the shareholding / controlling structure of each such intermediary/ies.
These details are mandatory for Passive NFFES.
(*) To include US, where Controlling Person is a US citizen or Green Card holder.

FATCA – CRS Terms and Conditions

The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income-tax Rules, 1962, which Rules require Indian Financial Institutions to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In relevant cases, information will have to be reported to tax authorities / appointed agencies. Towards compliance, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto.

Towards compliance with tax information sharing laws, such as FATCA and CRS, we would be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from our account holders. Such information may be sought either at the time of account opening or any time subsequently. As may be required by domestic or overseas regulators/ tax authorities, we may also be constrained to withhold and pay out any sums from your account or close or suspend your account(s).

Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days from the date of change in such information.

If you have any questions about your tax residency, please contact your tax advisor. If any controlling person of the entity is a US citizen or resident or green card holder, please include United States in the foreign country information field along with the US Tax Identification Number.

Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010.

Declaration & Acknowledgement	I/We have understood the information requirements of this Form (read along with the FATCA-CRS Instructions & Definitions) and hereby confirm that the information provided by us on this Form is True, Correct, Complete and updated, and the submitted documents are genuine and duly executed. I/We also confirm that I/We have read and understood the FATCA-CRS Terms and Conditions above and hereby accept the same. I/We certify that (i) I/We am/are taxable as a ("U.S.") person under the laws of the United States of America or any state or political subdivision thereof or therein, including the District of Columbia or any other states of the U.S., (ii) an estate the income of which is subject to U.S. federal income tax regardless of the source thereof (This clause is applicable only if the account holder is identified as a U.S. person); or The applicant is an applicant taxable as a tax resident under the laws of country outside India (This clause is applicable only if the account holder is a tax resident outside India) I/We acknowledge that towards compliance with tax information sharing laws, such as FATCA / CRS, Financial Institution (FI) may be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from the account holder. Such information may be sought either at the time of account opening or any time subsequently. In certain circumstances (including if FI does not receive a valid self-certification from me) the FI may be obliged to share information on my account with relevant tax authorities. Should there be any change in any information provided by me, I ensure that I will advise FI promptly, i.e., within 30 days. Towards compliance with such laws, Financial Institutions may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto. As may be required by domestic or overseas regulators/ tax authorities, Financial Institutions may also be constrained to withhold and pay out any sums from my/our account or close or suspend my/our account(s).

Customer's Authorised Person Name			
Signature			
Designation			
Date			
Place			

Form Type Submitted – W-8 BENE ☐

ANNEXURE

Instructions for the purposes of FATCA/ CRS

1. **Financial Institution or Foreign Financial Institution (FFI)-** The term FFI means any financial institution that is a:

   A. Depository institution:
   Accepts deposits in the ordinary course of banking or similar business.

   B. Custodial institution:
   As a substantial portion of its business, holds financial assets for the account of others

   Meaning of Substantial portion:
   - An entity holds financial assets for the account of others as a substantial portion of its business if the entity's gross income attributable to holding financial assets and related financial services equals or exceeds 20 percent of the entity's gross income during the shorter of-
     (1) The three financial years preceding the year in which the determination is made;
     (2) The period during which the entity has been in existence before the determination is made.

   Meaning of Income attributable to holding financial assets and related financial services:
   - Income attributable to holding financial assets and related financial services means custody, account maintenance, and transfer fees; commissions and fees earned from executing and pricing securities transactions; income earned from extending credit to customers with respect to financial assets held in custody by the entity (or acquired through such extension of credit); income earned on the bid-ask spread of financial assets; fees for providing financial advice with respect to financial assets held in (or potentially to be held in) custody by the entity; and fees for clearance and settlement services)

   C. Investment entity:
   Primarily conducts a business or operates for or on behalf of a customer for any of the following 3 activities-
   - Trading in money market instruments, foreign exchange, foreign currency, etc.
   - Individual or collective portfolio management
   - Investing, administering or managing funds, money or financial asset on behalf of other persons;

   Or

   - The gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity

   Explanation - An entity is treated as primarily conducting as a business one or more of the activities described in sub-clause (A), or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets for purposes of sub-clause (B), if the entity's gross income attributable to the relevant activities equals or exceeds 50 percent of the entity's gross income during the shorter of: (i) the three-year period ending on 31 March of the year preceding the year in which the determination is made; or (ii) the period during which the entity has been in existence.

   D. Specified Insurance company:
   Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

   E. Holding company or treasury company:
   Is an entity that is a holding company or treasury center that is a part of an expanded affiliate group that includes a depository, custodial institution, specified insurance company or investment entity.

2. **Financial Institutions not required to have a GIIN:**

Code	Category
01	Governmental Entity, International Organization or Central Bank
02	Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental Entity, International Organization or Central Bank
03	Non-public fund of the armed forces, an employees' state insurance fund, a gratuity fund or a provident fund
04	Entity is an Indian FI solely because it is an investment entity
05	Qualified credit card issuer
06	Investment Advisors, Investment Managers and Executing Brokers
07	Exempt collective investment vehicle
08	Trustee of an Indian Trust
09	FI with a local client base
10	Non-registering local banks
11	FFI with only Low-Value Accounts

12	Sponsored investment entity and controlled foreign corporation
13	Sponsored, Closely Held Investment Vehicle
14	Owner documented FFI

3. **Non-financial Entity (NFFE) –** Any entity that is not a financial institution (including a territory NFFE)

Types of NFFEs excluded from FATCA reporting are:

A. Publicly traded corporation (listed company)
The stock of such corporation is regularly traded on one or more established securities markets
(Established securities market means an exchange that is officially recognized and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange).

B. Related entity of a listed company
The entity identified is a member of the same expanded affiliate group as an entity the stock of which is regularly traded on an established securities market;

C. Active NFFE: (is any one of the following):

Code	Sub-category
01	Less than 50 percent of the NFFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 percent of the assets held by the NFFE during the preceding financial year or other appropriate reporting period are assets that produce or are held for the production of passive income;
02	The NFFE is a government (other than the U.S. government), a political subdivision of such government (which, for the avoidance of doubt, includes a state, province, county, or municipality), or a public body performing a function of such government or a political subdivision thereof, a government of a U.S. Territory, an international organization, a non-U.S. central bank of issue, or an Entity wholly owned by one or more of the foregoing;
03	Substantially all of the activities of the NFFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity shall not qualify for NFFE status if the entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
04	The NFFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFFE shall not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFFE;
05	The NFFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution;
06	The NFFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;
07	Any NFFE is a 'non for profit' organization which meets all of the following requirements: o It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare; o It is exempt from income tax in its jurisdiction of residence; o It has no shareholders or members who have a proprietary or beneficial interest in its income or assets; o The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents do not permit any income or assets of the NFFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFFE has purchased; and The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents require that, upon the NFFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFFE's jurisdiction of residence or any political subdivision thereof. Explanation.- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:- (I) an Investor Protection Fund referred to in clause (23EA); (II) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and (III) an Investor Protection Fund referred to in clause (23EC; of section 10 of the Act;

4. Other definitions

(i) **Expanded affiliated group**

Expanded affiliated group is defined to mean one or more chains of members connected through ownership (50% or more, by vote or value, as the case may be) by a common parent entity if the common parent entity directly owns stock or other equity interests meeting the requirements in at least one of the other members. Generally, only a corporation shall be treated as the common parent entity of an expanded affiliated group.

(ii) **Passive NFFE**

The term passive NFFE means any NFFE:

(i) that is not an Active NFFE (including publicly traded entities or their related entities); or
(ii) the gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity; or
(iii) a withholding foreign partnership or withholding foreign trust pursuant to relevant U.S. Treasury Regulations.

(Note: Foreign persons having controlling interest in a passive NFFE are liable to be reported for tax information compliance purposes).

(iii) **Passive income**

The term passive income means the portion of gross income that consists of:

(1) Dividends, including substitute dividend amounts;
(2) Interest
(3) Income equivalent to interest, including substitute interest and amounts received from or with respect to a pool of insurance contracts if the amounts received depend in whole or part upon the performance of the pool;
(4) Rents and royalties, other than rents and royalties derived in the active conduct of a trade or business conducted, at least in part, by employees of the NFFE
(5) Annuities
(6) The excess of gains over losses from the sale or exchange of financial assets that gives rise to passive income described in this section
(7) The excess of gains over losses from transactions (including futures, forwards, and similar transactions) in any financial assets
(8) The excess of foreign currency gains over foreign currency losses
(9) Net income from notional principal contracts
(10) Amounts received under cash value insurance contracts
(11) Amounts earned by an insurance company in connection with its reserves for insurance and annuity contracts
(12) Net income from swaps.

But passive income will not include in case of a non-financial entity that acts as a dealer in financial assets, any income from any transaction entered into in the ordinary course of such dealer's business as a dealer.

(iv) **Controlling persons**

Controlling persons are natural persons who exercise control over an entity.
In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.
The term "Controlling Persons" shall be interpreted in a manner consistent with the Financial Action Task Force recommendations.

Pursuant to guidelines on identification of Beneficial Ownership issued vide RBI circular no. DBOD.AML.BC. No.71/14.01.001/2012- 13 dated January 18, 2013, persons (other than Individuals) are required to provide details of Beneficial Owner(s) ('BO'). Accordingly, the Beneficial Owner means 'Natural Person', who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of / entitlements to:

i. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
ii. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
iii. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

Where the client is a trust, the banking company and financial institution, as the case may be, shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

Where no natural person is identified the identity of the relevant natural person who holds the position of senior managing official.

(v) **U.S. Person**

U.S. Person means a United States of America citizen or resident individual, a partnership or corporation organized in the United States of America or under the laws of the United States of America or any State thereof, a trust if (i) a court within the United States of America would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States of America.

(vi) **Specified U.S. person**

A U.S person **other than** the following:

(i) a corporation the stock of which is regularly traded on one or more established securities markets;
(ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
(iii) the United States or any wholly owned agency or instrumentality thereof;
(iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
(v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
(vi) any bank as defined in section 581 of the U.S. Internal Revenue Code;
(vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
(viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64);
(ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
(x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code;
(xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
(xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or
(xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

(vii) **Direct Reporting NFFE**

Direct reporting NFFE will mean an NFFE that elects to report on Form 8966 directly to the IRS certain information about its direct or indirect substantial U.S. owners, in lieu of providing such information to withholding agents or participating FFIs with which the NFFE holds a financial account

(viii) **Owner documented FFI**

An FFI that meets the following requirements:

(A) The FFI is an FFI solely because it is an investment entity;
(B) The FFI is not owned by or related to any FFI that is a depository institution, custodial institution, or specified insurance company;
(C) The FFI does not maintain a financial account for any non participating FFI;
(D) The FFI provides the designated withholding agent with all of the documentation and agrees to notify the withholding agent if there is a change in circumstances; and
(E) The designated withholding agent agrees to report to the IRS (or, in the case of a reporting Model 1 FFI, to the relevant foreign government or agency thereof) all of the information described in or (as appropriate) with respect to any specified U.S. persons and (2).

Notwithstanding the previous sentence, the designated withholding agent is not required to report information with respect to an indirect owner of the FFI that holds its interest through a participating FFI, a deemed-compliant FFI (other than an owner-documented FFI), an entity that is a U.S. person, an exempt beneficial owner, or an excepted NFFE.

ix) **Sponsoring Entity**

The term sponsoring entity means an entity that registers with the IRS and agrees to perform the due diligence, withholding, and reporting obligations of one or more FFIs pursuant to § 1.1471–5(f)(1)(i)(F) or (2)(iii).

5. Entity Exemption Code for U.S. persons

Code	Sub-category
A	An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
B	The United States or any of its agencies or instrumentalities
C	A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
D	A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
E	A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)

F	A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
G	A real estate investment trust
H	A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
I	A common trust fund as defined in section 584(a)
J	A bank as defined in section 581
K	A broker
L	A trust exempt from tax under section 664 or described in section 4947(a)(1)
M	A tax exempt trust under a section 403(b) plan or section 457(g) plan

6. **Entity Constitution Type**

Code	Category
00	Partnership Firm
01	HUF
02	Private Limited Company
03	Public Company
04	Society
05	AOP /BOI
06	Trust
07	Liquidator
08	LLP
09	Artificial Juridical person
10	Bank
11	Others

7. **Controlling Person (UBO) Type/Code**

Code	Sub-category	Description
C01	CP of legal person-ownership	Controlling ownership interest of more than: • 25% of shares or capital or profits of the juridical person [Investor], where the juridical person is a company; • 15% of the capital or profits of the juridical person [Investor], where the juridical person is a partnership; • 15% of the property or capital or profits of the juridical person [Investor], where the juridical person is an unincorporated association or body of individuals.
C02	CP of legal person-other means	Natural person exercising control over the juridical person through other means exercised through voting rights, agreement, arrangements or in any other manner [In cases where there exists doubt under UBO-1 to UBO - 3 above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests].
C03	CP of legal person-senior managing official	Natural person who holds the position of senior managing official [In case no natural person cannot be identified as above].
C04	CP of legal arrangement-trust-settlor	
C05	CP of legal arrangement--trust-trustee	
C06	CP of legal arrangement--trust-protector	
C07	CP of legal arrangement--trust-beneficiary	The beneficiaries with 15% or more interest in the trust if they are natural person(s).
C08	CP of legal arrangement--trust-other	Natural person(s) exercising ultimate effective control over the Trust through a chain of control or ownership.
C09	CP of legal arrangement—Other-settlor equivalent	
C10	CP of legal arrangement—Other-trustee equivalent	
C11	CP of legal arrangement— Other-protector equivalent	
C12	CP of legal arrangement—Other-beneficiary equivalent	
C13	CP of legal arrangement—Other-other equivalent	
C14	Unknown	