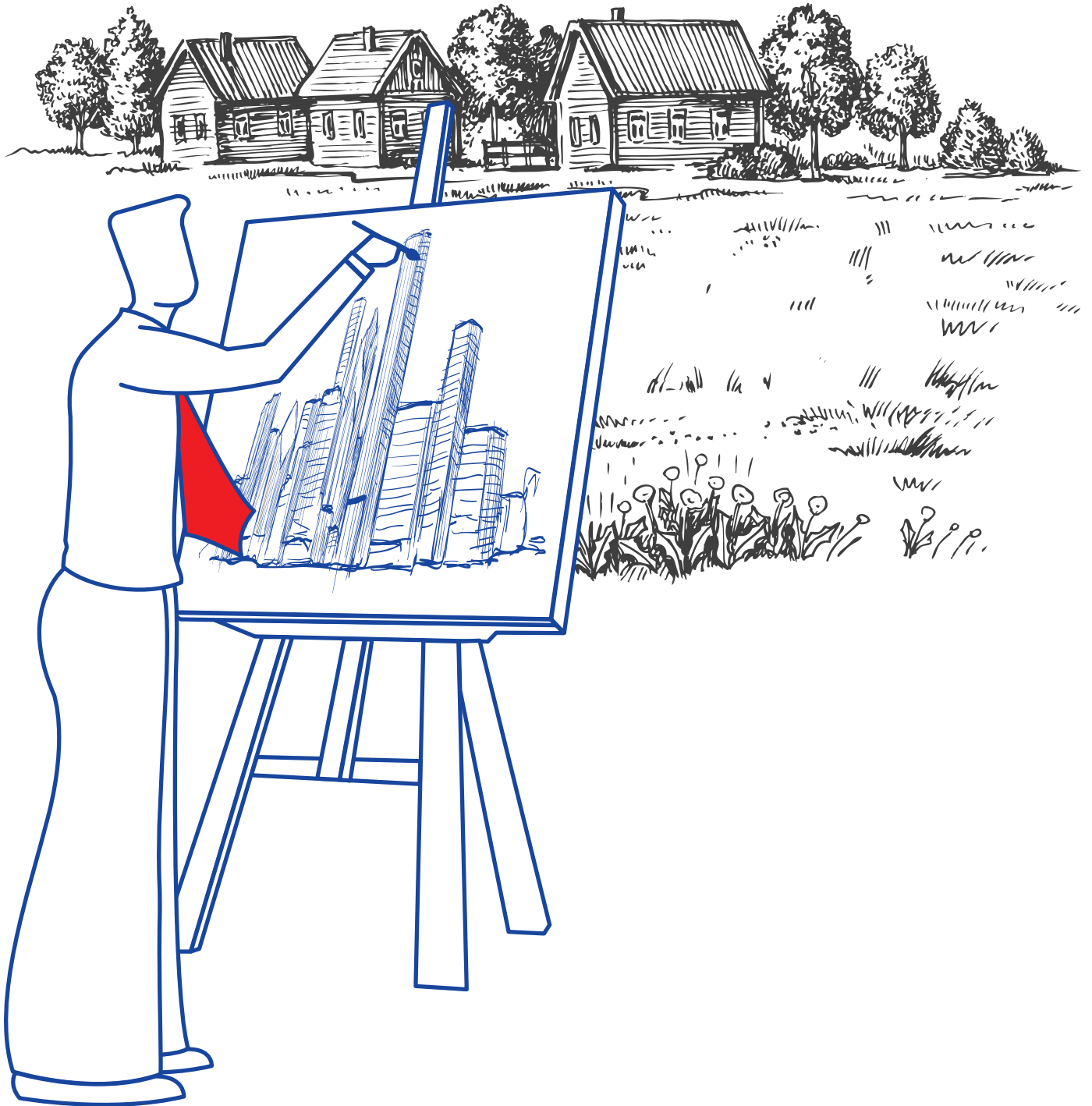


# **Towards Tomorrow**

**Expertise. Experience. Excellence.**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Vikram Pandit  
*Non-Executive Chairman*

Mr. Vishal Kampani  
*Non-Executive Vice-Chairman*

Mr. Hariharan Aiyar  
*Non-Executive Vice-Chairman*

Mr. V P Shetty  
*Non-Executive Director*

Ms. Dipti Neelakantan  
*Non-Executive Director*

Mr. Darius E Udawadia  
*Independent Director*

Dr. Anup Shah  
*Independent Director*

### REGISTERED OFFICE

7th Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi, Mumbai 400 025  
Tel. No.: +91 22 6630 3030  
Fax No.: +91 22 6630 3223  
Website: www.jmfl.com

### CORPORATE IDENTITY NUMBER

U74140MH1980PLC022644

### CHIEF EXECUTIVE OFFICER

Mr. Shashwat Belapurkar

### CHIEF FINANCIAL OFFICER

Mr. Gagan Kothari

### COMPANY SECRETARY

Mr. Hemant Pandya

### STATUTORY AUDITORS

Deloitte Haskins & Sells LLP  
Indiabulls Finance Centre  
Tower 3, 27th – 32nd Floor  
Senapati Bapat Marg  
Elphinstone Road (west)  
Mumbai 400 013  
Tel. No.: +91 22 6185 4000  
Fax No.: +91 22 6185 4501/4601  
Website: www2.deloitte.com/in/en

### REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad – 500 032  
Tel. No.: 040-67162222 Fax No.: 040-23001153  
Toll Free No.: 1800-345-4001  
Email ID: einward.ris@karvy.com  
Website: www.karvycomputershare.com

### DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor  
17, R. Kamani Marg, Ballard Estate  
Mumbai 400 001  
Tel. No.: +91 22 4080 7000  
Fax No.: +91 22 6631 1776  
Website: www.idbitrustee.com

### BANKERS

Axis Bank Limited	State Bank of India
Bank of Baroda	State Bank of Hyderabad*
Canara Bank	State Bank of Mysore*
HDFC Bank Limited	Syndicate Bank
IDBI Bank	Vijaya Bank
Punjab National Bank	The Federal Bank Limited

\* State Bank of Hyderabad and State Bank of Mysore merged with State Bank of India with effect from April 1, 2017

### **The red tie man,**

*is characterised as a visionary painter who can foresee the progress in the future. Despite the simple dwellings, he paints skyscrapers recognising the opportunities offered in the market just like the Company does. Moreover, the painting signifies the confidence and ability of JM Financial to make the most of the market opportunities with its expertise, experience and excellence. The Company is viewed as a trusted partner and advisor that consistently adds stakeholder value, just like the painting aims to do in sharp contrast to the actual settings.*

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JM FINANCIAL CREDIT SOLUTIONS LIMITED

## Report on the Financial Statements

We have audited the accompanying financial statements of JM Financial Credit Solutions Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from

# INDEPENDENT AUDITOR'S REPORT

(Contd.)

the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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".

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

i. The Company does not have any pending litigation which would impact its financial position.

ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained 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)

Abhijit A. Damle

Partner

(Membership No. 102912)

Place: Mumbai

Date: 27th April, 2017

# INDEPENDENT AUDITOR'S REPORT

(Contd.)

## Annexure B to the Independent Auditor's 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 granted loan, 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, in respect of which:
  - a) The terms and conditions of the grant of such loan is, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) The company being Non-Banking Finance Company and does not have any investment, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues where applicable, to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at 31st March, 2017 for a period of more than six months from the date they became payable.
  - (b) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March 2017 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 financial institutions, banks and dues to debenture holders. The Company does not have loans or borrowings from Government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

# INDEPENDENT AUDITOR'S REPORT

(Contd.)

- 
- |   |   |
|---|---|
| <p>(xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration to the managerial personnel hence the requirement of provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the Company.</p> <p>(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.</p> <p>(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.</p> <p>(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly</p> | <p>convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.</p> <p>(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 him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.</p> <p>(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.</p> |
|---|---|
- For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Abhijit A. Damle  
Partner  
(Membership No. 102912)
- Place: Mumbai  
Date: 27th April, 2017

# INDEPENDENT AUDITOR'S REPORT

(Contd.)

## AUDITORS' REPORT FOR NON DEPOSIT TAKING NBFCs

The Board of Directors  
JM Financial Credit Solutions Limited,  
7th Floor, Cnergy,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai- 400 025  
Dear Sirs,

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ('the Directions') issued by Reserve Bank of India and on the basis of our audit of the books of account and other records of **JM Financial Credit Solutions Limited** ('the Company') for the year ended 31st March, 2017 in accordance with the Generally Accepted Auditing Standards and according to the information, explanations and representations given to us by the Management, we report as follows in terms of paragraphs 3 and 4 of the Directions:

1. The Company is engaged in the business of Non-Banking Financial Institution as defined in Section 45 I (a) of the Reserve Bank of India Act, 1934 and has obtained Certificate of Registration (CoR) bearing No. B-13.01681 dated 27th August, 2003 from the Reserve Bank of India ('the RBI').
2. The Company is entitled to continue to hold the CoR based on its asset/ income pattern as on 31st March, 2017, which has been computed in the manner laid down in the RBI Circular No. DNBS (PD) C.C. NO. 81 / 03.05.002 / 2006-07 dated 19th October, 2006.
3. The Company is meeting the requirement of net owned fund as laid down in Master Direction- Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and

Deposit taking Company (Reserve Bank) Directions, 2016.

4. The Board of Directors has passed a resolution on 6th April, 2016 for non-acceptance of public deposits.
5. The Company has not accepted any public deposit during the year.
6. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
7. The Capital Adequacy Ratio (CRAR) of the Company as on 31st March, 2017 has been correctly computed. The said ratio is in compliance with the minimum CRAR of 15% as prescribed by the RBI.
8. The Company has submitted the annual statement of capital funds, risk assets/ exposures and risk asset ratio (NBS-7) as on 31st March, 2016 to the RBI on 29th June, 2016, which is within the stipulated period. NBS-7 as on 31st March, 2017, due for submission on or before 30th June, 2017, is pending submission.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai  
Date: 27th April, 2017

Abhijit A. Damle  
Partner  
(Membership No. 102912)

# BALANCE SHEET

as at 31st March 2017

		(In ₹ Crore)	
	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
Share capital	2	2.50	2.50
Reserves and surplus	3	1,410.77	1,133.52
		<b>1,413.27</b>	<b>1,136.02</b>
<b>2 Non-current liabilities</b>			
Long-term borrowings	4	2,567.57	1,956.97
Other long-term liabilities	5	23.78	12.63
Long-term provisions	6	20.23	12.59
		<b>2,611.58</b>	<b>1,982.19</b>
<b>3 Current liabilities</b>			
Short-term borrowings	7	852.52	818.05
Trade payables:	8		
Due to micro, small and medium enterprises		-	-
Others		1.96	7.41
Other current liabilities	9	811.47	260.38
Short-term provisions	10	0.33	2.72
		<b>1,666.28</b>	<b>1,088.56</b>
		<b>5,691.13</b>	<b>4,206.77</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
Fixed assets:	11		
Tangible assets		0.49	0.22
Intangible assets		0.35	0.09
Deferred tax assets (net)	12	12.38	7.55
Long-term loans and advances	13	3,878.10	3,317.45
		<b>3,891.32</b>	<b>3,325.31</b>
<b>2 Current assets</b>			
Cash and cash equivalents	14	1.70	101.86
Short-term loans and advances	15	1,798.11	779.56
Other current assets	16	-	0.04
		<b>1,799.81</b>	<b>881.46</b>
		<b>5,691.13</b>	<b>4,206.77</b>
Significant accounting policies and notes to financial statements	1 to 47		

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

Registration No. 117366W/W-100018

**For and on behalf of the Board of Directors**
**Vikram Pandit**

Chairman

DIN - 07062676

**Vishal Kampani**

Vice Chairman

DIN - 00009079

**Hariharan Aiyar**

Vice Chairman

DIN - 01374306

**Abhijit A. Damle**

Partner

Membership No. 102912

Place: Mumbai

Date: April 27, 2017

**Shashwat Belapurkar**

Chief Executive Officer

Place: Mumbai

Date: April 27, 2017

**Gagan Kothari**

Chief Financial Officer

**Hemant Pandya**

Company Secretary



# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2017

			(In ₹ Crore)	
	Note No.		For the year ended 31st March 2017	For the year ended 31st March 2016
<b>I Income:</b>				
(a) Revenue from operations	17		786.85	518.76
(b) Other income	18		1.51	0.69
<b>Total Revenue</b>			<b>788.36</b>	<b>519.45</b>
<b>II Expenses:</b>				
(a) Employee benefits expense	19		22.15	18.65
(b) Finance costs	20		312.26	174.68
(c) Provision for loans	21		7.60	7.67
(d) Depreciation and amortization expense	11		0.21	0.09
(e) Operating and other expenses	22		21.36	16.64
<b>Total expenses</b>			<b>363.58</b>	<b>217.73</b>
<b>III Profit before Tax</b>			<b>424.78</b>	<b>301.72</b>
<b>IV Less: Tax expense</b>				
Current tax			152.36	108.51
Deferred tax			(4.83)	(3.99)
Excess provision for tax in respect of earlier year (net)			-	(0.34)
			<b>147.53</b>	<b>104.18</b>
<b>V Profit for the year</b>			<b>277.25</b>	<b>197.54</b>
<b>VI Earning Per Equity Share</b>	28			
(Face value of ₹ 10/- each)				
Basic			1,952.70	1,580.33
Diluted			1,906.77	790.32
Significant accounting policies and notes to financial statements	1 to 47			

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

Registration No. 117366W/W-100018

**For and on behalf of the Board of Directors**

**Vikram Pandit**

Chairman  
DIN – 07062676

**Vishal Kampani**

Vice Chairman  
DIN – 00009079

**Hariharan Aiyar**

Vice Chairman  
DIN – 01374306

**Abhijit A. Damle**

Partner  
Membership No. 102912  
Place: Mumbai  
Date: April 27, 2017

**Shashwat Belapurkar**

Chief Executive Officer  
Place: Mumbai  
Date: April 27, 2017

**Gagan Kothari**

Chief Financial Officer

**Hemant Pandya**

Company Secretary

# SIGNIFICANT ACCOUNTING POLICIES

and to Financial Statements

## A. Significant Accounting Policies

### 1. Basis of preparation of financial statements

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, as applicable and the relevant provisions of the Companies Act, 2013("the 2013 Act") as applicable and the circulars and guidance issued by Reserve Bank of India from time to time. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in preparation of financial statements are consistent with those followed in previous year.

### 2. Current/ Non-current classification of assets/ liabilities

The Company has classified all its assets/ liabilities into current/ non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/ liabilities expected to be realised/ settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non-current.

### 3. Use of estimates

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

### 4. Fixed Assets

#### Tangible Assets

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

#### Depreciation

Depreciation on fixed assets is provided on the straight line method at the following rates:

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

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.

#### Intangible Assets

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

### 5. Impairment of assets

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.

### 6. Investments

Investments are classified as non-current or current. Non-current investments are carried at cost, however, provision for diminution in the value of long-term investments is made to recognise a decline, other than temporary, in the value of investments. The provision for diminution in the value of the quoted long-term investments is made to recognise the decline at lower of cost or market value, determined on the basis of the quoted prices of

# SIGNIFICANT ACCOUNTING POLICIES

## and to Financial Statements

individual investment. Provision for diminution in the value of unquoted long-term investments is made as per the Management's estimate. Current investments are carried at lower of cost or fair value. Unquoted current investments in units of Mutual Funds are valued at the Net Asset Value of each particular scheme.

### 7. Revenue recognition

Interest income is recognised on accrual basis except in case of non-performing assets where interest is accounted on realization. In other cases, income is recognised when there is no significant uncertainty as to determination or realization exists.

Additional finance charges / additional interest are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

Processing fees received from customers is recognised as income on receipt basis.

Dividend income is recognised when the right to receive the dividend is established.

### 8. Provision for Non Performing Assets (NPA) and Standard Assets (SA)

All loans and other credit exposures, where the installments are overdue for a period of four months or more are classified as NPA. Provision is made in respect of NPA and SA in accordance with the stipulations of Prudential Norms prescribed in the "Systemically Important Non Banking Financials (Non-Deposit Accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2016" by the Reserve Bank of India (RBI). Additional provisions (over and above the provisioning requirements under the Directions as specified by (RBI) are also made as per guidelines prescribed by the Board of Directors.

### 9. Employee Retirement Benefits

#### (a) Post Employment Benefits and Other Long Term Benefits:

##### Defined Contribution Plan:

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statue/ Rules.

#### Defined Benefit Plans:

In respect of gratuity, provision is made based upon the actuarial valuation done at the end of every quarter using "Projected unit Credit Method". Major drivers in actuarial assumption, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumption are charged to the Statement of Profit and Loss.

#### (b) Short term employee benefits:

Short term employee benefits are recognized as on expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related services are rendered.

### 10. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets 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. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur.

### 11. Taxes on income

Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of existence of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that deferred tax assets can be realised against future taxable profits.

## SIGNIFICANT ACCOUNTING POLICIES

and to Financial Statements

### 12. Earnings per Equity share

Basic earnings per share is calculated by dividing the net profit or loss 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 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.

### 13. Provisions and contingencies

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

# NOTES

to Financial Statements

(In ₹ Crore)

	As at 31st March 2017	As at 31st March 2016
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
30,00,000 Equity shares of ₹ 10/- each	3.00	3.00
20,00,000 Preference shares of ₹ 10/- each	2.00	2.00
	<b>5.00</b>	<b>5.00</b>
<b>Issued, Subscribed and Paid-up</b>		
24,65,296 (PY 12,50,004) Equity shares of ₹ 10/- each fully paid-up	2.47	1.25
34,204 (PY 12,49,496) Compulsory convertible preference shares of ₹ 10/- each fully paid-up	0.03	1.25
<b>Total</b>	<b>2.50</b>	<b>2.50</b>

## 2.1 Reconciliation of the number of shares outstanding

### Equity Shares

	As at 31st March 2017		As at 31st March 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12,50,004	1.25	12,50,004	1.25
Shares issued during the year pursuant to conversion	12,15,292	1.22	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>24,65,296</b>	<b>2.47</b>	<b>12,50,004</b>	<b>1.25</b>

### Compulsory Convertible Preference Shares

	As at 31st March 2017		As at 31st March 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12,49,496	1.25	12,49,496	1.25
Shares issued during the year	-	-	-	-
Shares converted into equity shares	(12,15,292)	(1.22)	-	-
<b>Shares outstanding at the end of the year</b>	<b>34,204</b>	<b>0.03</b>	<b>12,49,496</b>	<b>1.25</b>

## 2.2 Details of shareholding in excess of 5%

	As at 31st March 2017		As at 31st March 2016	
	Number	Amount	Number	Amount
<b>Equity Shares :</b>				
JM Financial Limited along with its nominees	12,50,000	50.70%	12,50,000	99.9997%
INH Mauritius 1	12,15,292	49.30%	-	-
<b>Preference Shares :</b>				
INH Mauritius 1	-	-	12,15,292	97.26%

## 2.3 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/-. 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.

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## Compulsory Convertible Preference Shares (CCPS):

### Right to Rank Prior to Equity Shares:

The CCPS shall rank prior to the equity shares of the Company (the equity shares) for the purpose of dividend, liquidation, dissolution or winding up of the Company, subject to the provisions of the Act, as amended from time to time.

### Voting rights:

The holders of the CCPS shall be entitled to voting rights only in respect of those resolutions placed before the Company which directly affect the rights attached to the CCPS

### Dividend:

The rate of dividend in respect of CCPS shall be 0.00001% per annum of the face value of the CCPS on non-cumulative basis.

The CCPS shall be non-cumulative compulsorily convertible preference share of face value ₹ 10/- each

### Terms of Preference shares:

CCPS shall be automatically converted in to Equity Shares on the third anniversary of the allotment of shares to the Investors. The CCPS shall be converted into Equity Shares such that the aggregate shareholding of the Investors post such conversion shall be 49.99% of the total paid up equity share capital of the Company. The issue price per Equity Share arising out of the said conversion shall be adjusted as per the terms and conditions agreed upon between the Company and the holders of the CCPS in writing.

(In ₹ Crore)		
	As at 31st March 2017	As at 31st March 2016
<b>3. RESERVES AND SURPLUS</b>		
<b>a. Securities Premium Reserve</b>		
Balance as per last Balance Sheet	881.16	881.16
<b>b. General Reserve</b>		
Balance as per last Balance Sheet	0.17	0.17
<b>c. Statutory Reserve</b>		
Opening balance	49.98	10.46
(+) Transferred during the year	55.45	39.52
Closing balance	105.43	49.98
<b>d. Surplus in Statement of Profit and Loss:</b>		
Opening balance	202.21	44.19
(+) Profit for the year	277.25	197.54
	479.46	241.73
(-) Appropriations		
Transferred to statutory reserve	55.45	39.52
Closing balance	424.01	202.21
<b>Total</b>	<b>1,410.77</b>	<b>1,133.52</b>

(In ₹ Crore)

## NOTES

to Financial Statements

	As at 31st March 2017	As at 31st March 2016
<b>4. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term loan (refer note 4.1)		
- From Banks	1,871.06	1,190.00
- From other parties	-	25.00
Less: Current maturities of term loans	(358.14)	(118.93)
	<b>1,512.92</b>	<b>1,096.07</b>
Non-convertible debentures (refer note 4.2 and 4.3)	1,414.60	935.90
Less: Current maturities of Non-convertible debentures	(360.00)	(75.00)
	<b>1,054.60</b>	<b>860.90</b>
Finance lease obligations	0.09	0.04
Less: Current maturities of Finance Lease Obligations (refer note 4.4)	(0.04)	(0.04)
	<b>0.05</b>	<b>-</b>
	<b>2,567.57</b>	<b>1,956.97</b>

**4.1 Term loans:**

- 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.
- Maturity profile and rate of interest of term loans:

(In ₹ Crore)

Residual Maturities	As on March 31, 2017			As on March 31, 2016		
	1-3 years (April 2017 to March 2020)	3 years & above (April 2020 onwards)	Total	1-3 years (April 2016 to March 2019)	3 years & above (April 2019 onwards)	Total
Rate of interest*						
8.00 % to 9.00%	910.99	320.00	1,230.99	-	-	-
9.00 % to 10.00%	139.42	7.50	146.92	76.67	100.00	176.67
10.01 % to 11.00%	135.01	-	135.01	752.76	166.64	919.40
<b>Total</b>	<b>1,185.42</b>	<b>327.50</b>	<b>1,512.92</b>	<b>829.43</b>	<b>266.64</b>	<b>1,096.07</b>

\*The rate of interest for the above term loans is linked to the 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.

**4.2 Non-Convertible Debentures:**

- ₹350 crore (Previous year ₹400 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.
- ₹571.90 crore (Previous year ₹505.90 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.
- ₹55 crore (Previous year ₹30 crore) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

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- d) ₹437.70 crore (Previous year nil) are secured by way of first charge on freehold land (proportionately) and hypothecation on certain identified loan fund balances of the Company.

## 4.3 Maturity profile and rate of interest/ discounted rate of interest of Non-Convertible Debentures (NCD) face value of ₹ 1,000,000/- each:

(In ₹ Crore)

Particulars	Non-Current		Current	
	Current year	Previous year	Current year	Previous year
9.90% NCD redeemable in year 2016-17	-	-	-	50.00
0% NCD redeemable in year 2016-17*	-	-	-	25.00
0% NCD redeemable in year 2017-18*	-	50.00	50.00	-
10.1674 % NCD redeemable in year 2017-18	-	75.00	75.00	-
10.1687 % NCD redeemable in year 2017-18	-	100.00	100.00	-
10.5 % NCD redeemable in year 2017-18	-	60.00	60.00	-
9.9756 % NCD redeemable in year 2017-18	-	75.00	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	-	-	-
0% NCD redeemable in year 2019-20*	143.10	17.90	-	-
10.5 % NCD redeemable in year 2019-20	50.00	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	-	-	-
0 % NCD redeemable in year 2020-21*	16.00	-	-	-
9.00 % NCD redeemable in year 2021-22	10.00	-	-	-
9.20 % NCD redeemable in year 2021-22	70.00	-	-	-
9.50 % NCD redeemable in year 2021-22	25.00	-	-	-
9.70 % NCD redeemable in year 2021-22	30.00	30.00	-	-
	<b>1,054.60</b>	<b>860.90</b>	<b>360.00</b>	<b>75.00</b>

### \* Redeemable at premium

## 4.4 Finance lease obligations are secured by way of hypothecation of vehicles.

(In ₹ Crore)

	As at 31st March 2017	As at 31st March 2016
<b>5. OTHER LONG-TERM LIABILITIES</b>		
Employee benefits payable	11.79	10.84
Interest payable	11.99	1.79
	<b>23.78</b>	<b>12.63</b>
<b>6. LONG-TERM PROVISIONS</b>		
For Standard assets (refer note 6.1)	19.89	12.29
For employee benefits:	0.34	0.30
Gratuity (refer note 25)		
	<b>20.23</b>	<b>12.59</b>



## NOTES

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- 6.1** To ensure that Non-Banking Financial Companies (NBFC) create a financial buffer to protect them from the effect of economic downturns, the Reserve Bank of India (RBI) issued a notification No. DNBS 222 / CGM (US)-2011 dated January 17, 2011 as amended on timely basis, requiring all NBFCs to make a general provision of 0.35 per cent (Previous year 0.30 per cent) of outstanding standard assets. The Company has created provision for standard assets, which is sufficient to comply with the aforesaid RBI Notification.

	(In ₹ Crore)	
	As at 31st March 2017	As at 31st March 2016
<b>7. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Loans repayable on demand		
<b>From banks</b>		
Working Capital demand Loan (refer note 7.1)	-	10.00
Cash credit facilities (refer note 7.2)	66.07	141.32
<b>Unsecured</b>		
Other loans and advances		
Commercial paper (refer note 7.3 and note 7.4)	810.00	550.00
Less: Unamortised interest on commercial paper	(23.55)	(28.27)
	<b>786.45</b>	<b>521.73</b>
Loans from holding company	-	145.00
	<b>786.45</b>	<b>666.73</b>
	<b>852.52</b>	<b>818.05</b>

- 7.1** Short term loan from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.
- 7.2** Cash credit facility from bank is secured by way of hypothecation on certain identified loan fund balances of the Company.
- 7.3** The maximum amount of commercial paper outstanding at any time during the year was ₹810.00 crore (Previous year ₹860.00 crore).
- 7.4** Interest rate of commercial paper range from 7.35% to 8.25% p.a.

**8. TRADE PAYABLES**

There are no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly disclosures, if any, relating to amounts unpaid as at the year end and together with the interest paid / payable as required under the said Act are not applicable.

	(In ₹ Crore)	
	As at 31st March 2017	As at 31st March 2016
<b>9. OTHER CURRENT LIABILITIES</b>		
<b>Current maturities of long term borrowings:</b>		
-Term Loan from Bank and other parties (Refer note 4.1)	358.14	118.93
-Non-Convertible Debentures (Refer note 4.2 and 4.3)	360.00	75.00
	<b>718.14</b>	<b>193.93</b>
Finance lease obligations (Refer note 9.1 and 27)	0.04	0.04
Statutory dues	1.19	1.40
Interest payable	81.49	59.59
Employee benefits payable	10.61	5.42
	<b>811.47</b>	<b>260.38</b>

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## 9.1 Finance lease obligations are secured by way of hypothecation of vehicles.

(In ₹ Crore)

	As at 31st March 2017	As at 31st March 2016
<b>10. SHORT-TERM PROVISIONS</b>		
Provision for tax (net)	-	2.42
For employee benefits:		
-Gratuity (Refer note 25)	0.02	0.02
-Compensated absences	0.31	0.28
	<b>0.33</b>	<b>2.72</b>

## 11. FIXED ASSETS FOR THE CURRENT YEAR

(In ₹ Crore)

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION		NET BLOCK	
	As At 31st March 2016	Additions for the year	As At 31st March 2017	Up to 31st March 2016	Additions for the year	Up to 31st March 2017	As At 31st March 2017
TANGIBLE ASSETS:							
Owned Assets:							
Land	0.05	-	0.05	-	-	-	0.05
Computers	0.13	0.15	0.28	0.05	0.06	0.11	0.17
Furniture and fixtures	0.04	0.02	0.06	#	0.01	0.01	0.05
Office Equipment	0.01	0.01	0.02	#	0.01	0.01	0.01
Leasehold improvements	-	0.15	0.15	-	0.02	0.02	0.13
Leased Assets:							
Vehicles	0.09	0.09	0.18	0.05	0.05	0.10	0.08
Total	0.32	0.42	0.74	0.10	0.15	0.25	0.49
INTANGIBLE ASSETS:							
Software (Purchased)	0.09	0.32	0.41	#	0.06	0.06	0.35
Grand total	0.41	0.74	1.15	0.10	0.21	0.31	0.84

# Denotes amount below ₹50,000/-

## FIXED ASSETS FOR THE PREVIOUS YEAR

(In ₹ Crore)

Description	GROSS BLOCK			DEPRECIATION/AMORTISATION		NET BLOCK	
	As at 31st March 2015	Additions for the year	As at 31st March 2016	Up to 31st March 2015	Additions for the year	Up to 31st March 2016	As at 31st March 2016
TANGIBLE ASSETS:							
Owned Assets:							
Land	0.05	-	0.05	-	-	-	0.05
Computers	0.06	0.07	0.13	0.01	0.04	0.05	0.08
Furniture and fixtures	0.01	0.03	0.04	#	#	#	0.04
Office Equipment	-	0.01	0.01	-	#	#	0.01
Leased Assets:							
Vehicles	0.02	0.07	0.09	0.01	0.04	0.05	0.04
Total	0.14	0.18	0.32	0.02	0.08	0.10	0.22
INTANGIBLE ASSETS:							
Software (Purchased)	-	0.09	0.09	-	#	#	0.09
Grand total	0.14	0.27	0.41	0.02	0.09	0.10	0.31

# Denotes amount below ₹50,000/-

## NOTES

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	(In ₹ Crore)	
	As at 31st March 2017	As at 31st March 2016
<b>12. DEFERRED TAX ASSETS (NET)</b>		
Provision for standard assets	6.88	4.25
Disallowances under section 43B of the Income Tax Act, 1961	5.46	3.13
Share issue expense	0.13	0.20
Difference between books and tax written down value of fixed assets	(0.09)	(0.03)
	<b>12.38</b>	<b>7.55</b>
<b>13 LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured unless otherwise stated and considered good)		
Loan Funds:		
Secured	3,875.33	3,315.30
Capital advances	-	0.23
Advance tax (net of provisions)	1.28	0.48
Security deposits	1.49	1.44
	<b>3,878.10</b>	<b>3,317.45</b>
<b>14. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents		
Cash in hand	#	#
Balances with banks		
- in current accounts	1.70	1.86
- in deposit accounts	-	100.00
	<b>1.70</b>	<b>101.86</b>
# Denotes amount below ₹50,000/-		
<b>15. SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, unless otherwise stated and considered good		
Loan funds (Secured)	1,760.62	674.17
Loan funds (Unsecured)	22.20	85.00
Income accrued and due	14.76	17.17
Income accrued but not due	-	2.52
Prepaid expenses	0.22	0.03
Other advances	0.31	0.67
	<b>1,798.11</b>	<b>779.56</b>
<b>16. OTHER CURRENT ASSETS</b>		
Accrued interest on deposits with banks	-	0.04
	-	0.04

# NOTES

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		(In ₹ Crore)	
		For the year ended 31st March 2017	For the year ended 31st March 2016
<b>17. REVENUE FROM OPERATIONS</b>			
Income from funding activities			
Interest on loans		707.74	468.36
Processing and prepayment fees		79.11	50.40
		<b>786.85</b>	<b>518.76</b>
<b>18. OTHER INCOME</b>			
Interest Income			
Bank deposits		0.11	0.11
Interest on income tax refund		-	0.06
		<b>0.11</b>	<b>0.17</b>
<b>Profit on Sale of Investments (Net)</b>			
Current investments		1.25	0.06
<b>Dividend on investments</b>			
Current investments		0.15	0.46
Miscellaneous Income		#	#
		<b>1.51</b>	<b>0.69</b>
# Denotes amount below ₹50,000/-			
<b>19. EMPLOYEE BENEFITS EXPENSE</b>			
Salaries, bonus, other allowances and benefits		21.70	18.11
Contribution to provident and other funds		0.32	0.30
Gratuity (refer note 25)		0.09	0.05
Staff welfare expenses		0.04	0.19
		<b>22.15</b>	<b>18.65</b>
<b>20. FINANCE COSTS</b>			
Interest expense:			
- on loans		304.40	166.37
- on bank overdraft		5.82	6.56
- on others		0.01	0.01
Other borrowing costs		2.03	1.74
		<b>312.26</b>	<b>174.68</b>
<b>21. PROVISION FOR LOANS</b>			
Provision on standard assets		7.60	7.67
		<b>7.60</b>	<b>7.67</b>

## NOTES

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	(In ₹ Crore)	
	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>22. OPERATING AND OTHER EXPENSES</b>		
Rates and taxes	1.18	1.13
Legal and professional fees	3.72	2.11
Support service charges	10.45	8.99
Space and related charges	1.42	1.51
Information technology expenses	0.14	-
Travelling and conveyance	0.33	0.47
Filing fees	0.01	-
Auditors remuneration (refer note 24)	0.13	0.12
Repairs and maintenance	0.07	0.23
Electricity expenses	0.14	0.15
Donations (refer note 43)	3.05	1.48
Insurance expense	0.09	0.09
Bank charges	0.16	0.07
Printing and stationery	0.02	0.04
Membership and subscription	0.17	0.09
Communication expenses	0.06	0.06
Director sitting fees	0.08	#
Miscellaneous expenses	0.14	0.10
	<b>21.36</b>	<b>16.64</b>

	As at 31st March 2017	As at 31st March 2016
<b>23. CONTINGENT LIABILITIES AND COMMITMENTS:</b>		
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	0.05
Undisbursed Commitment *	62.26	224.88

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

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>24. PAYMENT TO AUDITORS: (EXCLUDING SERVICE TAX)</b>		
Audit Fees	0.08	0.09
In any other manner (Certifications, limited reviews, etc.)	0.05	0.03
Out of pocket	#	-
	<b>0.13</b>	<b>0.12</b>

# Denotes amount below ₹50,000/-

## to Financial Statements

**Defined Contribution Plan:**

Defined Benefit Plan: [Gratuity (Unfunded)]

		(In ₹ Crore)	
		As at 31st March 2017	As at 31st March 2016
<b>I</b>	<b>Reconciliation of liability recognised in the Balance Sheet</b>		
	Fair value of plan assets as at the end of the year	-	-
	Present value of obligation as at the end of the year	0.36	0.32
	Net liability in the Balance Sheet	0.36	0.32
<b>II</b>	<b>Movement in net liability recognised in the Balance Sheet</b>		
	Net liability as at the beginning of the year	0.32	0.24
	Net expense recognised in the Statement of Profit and Loss	0.09	0.05
	Liabilities assumed on acquisition / (settled on divestiture)	(0.04)	0.03
	Payments during the year	(0.01)	-
	Net liability as at the end of the year	0.36	0.32
<b>III</b>	<b>Expense recognised in the Statement of Profit and Loss (Under the head employee benefit expenses)</b>		
	Current service cost	0.04	0.03
	Interest cost	0.03	0.02
	Past service cost	-	-
	Actuarial losses	0.02	-
	Expense charged to Statement of Profit and Loss	0.09	0.05
<b>IV</b>	<b>Reconciliation of defined benefit commitments</b>		
	Commitments at the beginning of the year	0.32	0.24
	Current service cost	0.04	0.03
	Interest cost	0.03	0.02
	Past service cost	-	-
	Actuarial losses	0.02	#
	Liabilities assumed on acquisition / (settled on divestiture)	(0.04)	0.03
	Benefits Paid	(0.01)	-
	Commitments at the year end	0.36	0.32

# Denotes amount below ₹50,000/-

					(In ₹ Crore)	
		31st March 2013	31st March 2014	31st March 2015	31st March 2016	31st March 2017
V	Experience Adjustments					
	Defined benefit obligation	-	-	0.24	0.32	0.36
	Surplus / (Deficit)	-	-	(0.24)	-	(0.36)
	Experience adj. on plan Liabilities	-	-	-	#	#

# Denotes amount below ₹50,000/-

## NOTES

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	As at 31st March 2017	As at 31st March 2016
<b>VI Actuarial Assumptions</b>		
Mortality table	Indian Assured Lives (2006-08) Ultimate	Indian Assured Lives (2006-08) Ultimate
Discount rate (per annum)	7.20%	7.95%
Rate of escalation in salary (per annum)	7.00%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**26. 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

**(C) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual:**

Mr. Nimesh Kampani (up to September 30, 2016)

Mr. Vishal Kampani

Ms. Amishi Kampani

**(D) Key management personnel:**

Mr. Shashwat Belapurkar (CEO)

Ms. Tara Subramaniam (COO)

Mr. Gagan Kothari (CFO)

Mr. Hemant Pandya (CS)

# NOTES

to Financial Statements

## (iii) Details of transactions with related parties

Name of the related party	Nature of relationship	(In ₹ Crore)	
		As at 31st March 2017	As at 31st March 2016
<b>JM Financial Limited</b>	(A)		
Loan taken		-	145.00
Loan repaid		145.00	-
Interest paid		3.07	2.87
Support service charges		1.80	1.80
Reimbursement of employees expenses		0.40	0.61
Closing balance as at the year end - (credit)		-	145.00
<b>JM Financial Properties and Holdings Limited</b>	(B)		
Space and related charges		1.25	1.25
Reimbursement of expenses (paid)		0.40	0.27
Closing balance as at the year end - rent deposit given		1.43	1.43
<b>JM Financial Services Limited</b>	(B)		
Demat charges		#	#
Closing balance payable as at the year end		#	-
<b>JM Financial Institutional Securities Limited</b>	(B)		
Transfer of gratuity		-	0.03
Transfer of car loan		-	0.08
Transfer of fixed assets (vehicles)		-	0.07
Reimbursement of expenses (paid)		0.01	0.01
Closing balance payable as at the year end		-	-

# Denotes amount below ₹50,000/-

Name of the related party	Nature of relationship	(In ₹ Crore)	
		As at 31st March 2017	As at 31st March 2016
<b>JM Financial Products Limited</b>	(B)		
Inter corporate deposits given		75.00	-
Inter corporate deposits received back		75.00	-
Inter corporate deposits taken		130.00	250.50
Inter corporate deposits repaid		130.00	250.50
Interest expenses on inter corporate deposits taken		0.08	1.11
Interest income on inter corporate deposits given		0.02	-
Support service charges		7.94	6.60
Transfer of gratuity (paid)		0.04	-
Reimbursement of expenses (paid)		-	#
Closing balance payable as at the year end		0.99	6.90
<b>Amishi Kampani</b>	(C)		
Remuneration		0.32	0.67
Contribution to provident fund		0.00	0.01
Closing balance payable as at the year end		0.62	0.61
<b>Key management personnel</b>	(D)		
Remuneration		11.04	9.67
Contribution to provident fund		0.12	0.11
Closing balance payable as at the year end		12.18	10.08

# Denotes amount below ₹50,000/-

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

26.2 The transactions disclosed above are exclusive of service tax.



## NOTES

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## 27. LEASE TRANSACTIONS:

## 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)

	Total minimum lease payments outstanding as at the year end	Interest expenses	Present value of the minimum lease payments
Not later than one year	0.05	0.01	0.04
	(0.04)	(#)	(0.04)
Later than one year and not later than five years	0.06	0.01	0.05
	(0.01)	(#)	(0.01)
Later than five years	-	-	-
	(-)	(-)	(-)
<b>Total</b>	<b>0.11</b>	<b>0.02</b>	<b>0.09</b>
	(0.05)	(#)	(0.04)

Figures in brackets are for previous year.

## Operating leases

The Company has taken certain premises on non-cancellable operating lease basis. The tenure of such agreements ranges from 36 months to 48 months.

The minimum lease rentals outstanding in respect of these are as under:

Due	Total minimum lease payments outstanding as at 31st March 2017	Total minimum lease payments outstanding as at 31st March 2016
Not later than one year	1.32	1.32
Later than one year and not later than five years	5.06	3.88
Later than five years	-	-
<b>Total</b>	<b>6.38</b>	<b>5.20</b>

Lease payments recognised in the Statement of Profit and Loss for the current year are ₹ 1.42 crore (Previous year ₹ 1.51 crore).

## 28. EARNINGS PER SHARE IS CALCULATED BY DIVIDING THE PROFIT ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS BY THE WEIGHTED AVERAGE NUMBER OF EQUITY SHARES OUTSTANDING DURING THE YEAR, AS UNDER:

Particulars	As at 31st March 2017	As at 31st March 2016
Profit for the year (In ₹ Crore)	277.25	197.54
Profit attributable to equity shareholders (In ₹ Crore)	277.25	197.54
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	14,19,812	12,50,004
Basic earnings per share (Rupees)	1,952.70	1,580.33
Dilutive potential equity shares (Nos.)	34,204	12,49,496
Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	14,54,016	24,99,500
Diluted earnings per share (Rupees)	1,906.77	790.32
Nominal value per share (Rupees)	10.00	10.00

# NOTES

to Financial Statements

## 29. INFORMATION PURSUANT TO RBI GUIDELINES ON SECURITISATION OF STANDARD ASSETS DATED FEBRUARY 1, 2006

Sr. No.	Particulars	As at 31st March 2017	As at 31st March 2016
(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.	-	-
		-	-

## 30. 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 31st March 2017	As at 31st March 2016
CRAR		
CRAR - Tier I capital	24.54%	26.81%
CRAR - Tier II capital	0.35%	0.29%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

### (ii) Exposures:

#### A. Exposure to Real Estate Sector

Category	As at 31st March 2017	As at 31st March 2016
(In ₹ Crore)		
a) <b>Direct Exposure</b>		
(i) <b>Residential Mortgages-</b>		
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) <b>Commercial Real Estate-</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family 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;	5,595.15	3,961.47
(iii) <b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures-</b>		
a) Residential,		
b) Commercial Real Estate.		

## NOTES

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## B. Exposures to Capital Market

Category		(In ₹ Crore)	
		As at 31st March 2017	As at 31st March 2016
a)	<b>Direct Exposure</b>		
(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;	63.00	113.00
(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)	-	-
<b>Total exposure to Capital Market</b>		<b>63.00</b>	<b>113.00</b>

## (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
<b>Liabilities</b>									
Borrowing from Banks	11.12	13.90	66.42	94.16	544.99	1,235.42	399.50	-	2,365.51
	(-)	(-)	(13.33)	(28.33)	(228.59)	(795.26)	(275.81)	(-)	(1,341.32)
<b>Market</b>	#	372.42	292.65	175.02	0.02	853.65	79.00	-	1,772.76
Borrowings	(#)	(73.93)	(194.03)	(145.34)	(328.46)	(788.01)	(67.90)	(30.00)	(1,627.67)
<b>Assets</b>									
Advances	154.61	228.72	147.87	298.49	968.42	3,230.07	648.02	-	5,676.21
	(66.62)	(11.01)	(80.96)	(62.68)	(558.29)	(3,097.74)	(79.70)	(140.01)	(4,097.01)

# Denotes amount below ₹50,000/-

Notes:

- Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.
- Figures in brackets are for previous year.

# NOTES

to Financial Statements

## 31. SCHEDULE TO THE BALANCE SHEET (AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON BANKING FINANCIAL (NON – DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007):-

(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

(In ₹ Crore)

Particulars Liabilities side	Amount outstanding	Amount overdue
(a) Debentures		
(i) Secured	1,500.18	-
	(992.67)	(-)
(ii) Unsecured (other than falling within the meaning of public deposits)	-	-
	(-)	(-)
(b) Deferred Credits	-	-
	(-)	(-)
(c) Term Loans	1,878.86	-
	(1,219.19)	(-)
(d) Inter-corporate loans and borrowing	-	-
	(145.00)	-
(e) Commercial Paper	786.45	-
	(521.73)	(-)
(f) Other Loans (Please Specify)		
Working Capital Loan	-	-
	(10.05)	(-)
Cash Credits	66.17	-
	(141.69)	(-)
Due under finance lease	0.09	-
	(0.04)	(-)

(2) Break up of Loans and Advances including bills receivables (other than those included in (4) below):

(In ₹ Crore)

Particulars Assets side	Amount outstanding
(a) Secured	5,635.95
	(3,989.47)
(b) Unsecured	22.20
	(85.00)

## NOTES

to Financial Statements

## (3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

(In ₹ Crore)

Particulars	Amount outstanding
<b>Assets side</b>	
(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
<b>Current Investments:</b>	
<b>1. Quoted:</b>	
(i) Shares:	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
	(-)
(iii) Units of Mutual Funds	-
	(-)
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	-
<b>2. Unquoted:</b>	
(i) Shares:	
(a) Equity	-
(b) Preference	-
	(-)
(ii) Debentures and Bonds	-
	(-)
(iii) Units of Mutual Funds	-
	(-)
(iv) Government Securities	-
	(-)
(v) Others (Please Specify)	-
	(-)

# NOTES

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## (5) Borrower group – wise classification of assets financed as in (2) and (3) above:

(In ₹ Crore)

Category	Amount (net of provisions)		Total
	Secured	Unsecured	
1) Related Parties			
(a) Subsidiaries	-	-	-
	(-)	(-)	(-)
(b) Companies in the same group	-	-	-
	(-)	(-)	(-)
(c) Other related parties	-	-	-
	(-)	(-)	(-)
2) Other than related parties	5,635.95	22.20	5,658.15
	(3,989.47)	(85.00)	(4,074.47)
	5,635.95	22.20	5,658.15
	(3,989.47)	(85.00)	(4,074.47)
Less: Provision for non-performing assets	-	-	-
	(-)	(-)	(-)
	5,635.95	22.20	5,658.15
	(3,989.47)	(85.00)	(4,074.47)

## (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	-	-
	(-)	(-)
	-	-
	(-)	(-)

## NOTES

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## (7) Other Information:

		(In ₹)
Particulars	Amount	
(i) Gross Non – Performing Assets		
(a) Related Parties	-	(-)
(b) Other than related parties	-	(-)
(ii) Net Non – Performing Assets		
(a) Related Parties	-	(-)
(b) Other than related parties	-	(-)
(iii) Assets acquired in satisfaction of debt	-	(-)

(Figures in brackets indicates previous year figures)

32. There are no restructured advance as on March 31, 2016, Hence disclosure of information as required in terms of sub-Para 9 of Paragraph 20B of Non Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended vide Notification No. DNBS(PD).No.272/CGM(NSV)-2014 dated January 23, 2014) is not warranted.

## 33. INVESTMENTS

		(In ₹ Crore)	
Particulars	As at 31st March 2017	As at 31st March 2016	
(a) Value of Investments			
(i) Gross Value of Investments			
(a) in India	-	-	
(b) Outside India	-	-	
(ii) Provision for depreciation			
(a) in India	-	-	
(b) Outside India	-	-	
(iii) Net Value of Investments			
(a) in India	-	-	
(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	-	-	

## 34. ADDITIONAL &amp; 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 Financial Statements

## (II) Disclosure of Penalties imposed by RBI and other regulators

Particulars	(In ₹ Crore)	
	As at 31st March 2017	As at 31st March 2016
	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

Particulars	(In ₹ Crore)	
	As at 31st March 2017	As at 31st March 2016
Premium utilised for share issue expenses	Nil	Nil

## 35. RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR:

		As at 31st March 2017	As at 31st March 2016
<b>ICRA Limited</b>			
(i)	Commercial Paper programme	[ICRA]A1+	[ICRA]A1+
(ii)	Bank loan facility	[ICRA]AA/Stable	[ICRA]AA
(iii)	Non-Convertible Debentures	[ICRA]AA/Stable	[ICRA]AA
<b>CRISIL Limited</b>			
(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
<b>India Rating</b>			
(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

## 36. 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 31st March 2017	For the year 31st March 2016
Provisions for depreciation on Investment	-	-
Provision towards NPA	-	-
Provision made towards Income tax (including excess provision for tax)	152.36	108.17
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	7.60	7.67



## NOTES

to Financial Statements

**37. CONCENTRATION OF DEPOSITS, ADVANCES AND EXPOSURES AND NPAs:****Concentration of Deposits (for deposit taking NBFCs)**

	As at 31st March 2017	As at 31st March 2016
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 31st March 2017	As at 31st March 2016
Total Advances to twenty largest borrowers (group wise) – (In ₹ Crore)	3,734.35	2,314.68
Percentage of Advances to twenty largest borrowers (group wise) to total Advances of the NBFC	66.00%	56.81%

**Concentration of Exposures**

	As at 31st March 2017	As at 31st March 2016
Total Exposure to twenty largest borrowers / customers – (In ₹ Crore)	2,668.02	2,324.73
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	47.03%	56.82%

**Concentration of NPAs**

	As at 31st March 2017	As at 31st March 2016
Total exposure to top four NPA accounts	Nil	Nil

**Sector-wise NPAs**

	As at 31st March 2017	As at 31st March 2016
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers	Nil	Nil
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil
Other loans	Nil	Nil

# NOTES

to Financial Statements

## 38. MOVEMENT OF NPAs:

	As at 31st March 2017	As at 31st March 2016
<b>Net NPAs to Net Advances (%)</b>		
<b>Movement of NPAs (Gross)</b>		
(a) Opening balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
<b>Movement of Net NPAs</b>		
(a) Opening balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
<b>Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance	-	-
(b) Provisions made during the year*	-	-
(c) Write-off / write-back of excess provisions	-	-
(d) Closing balance	-	-

## 39. DISCLOSURES OF COMPLAINTS

### Complaints

Particulars	As at 31st March 2017	As at 31st March 2016
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

40. 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.

## 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 16, 2012	333,333 Stock Options
May 06, 2013	339,099 Stock Options
April 01, 2014	518,394 Stock Options

## NOTES

to 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)
16th April, 2013	Series - V	1,11,111	Vested	Seven years from the date of Grant	1
16th April, 2014	Series - V	1,11,111	Vested	Seven years from the date of Grant	1
16th April, 2015	Series - V	1,11,111	Vested	Seven years from the date of Grant	1
6th May, 2014	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
6th May, 2015	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
6th May, 2016	Series - VI	1,13,033	Vested	Seven years from the date of Grant	1
1st April, 2015	Series - VII	1,69,332	Vested	Seven years from the date of Grant	1
1st April, 2016	Series - VII	1,74,531	Vested	Seven years from the date of Grant	1
1st April, 2017	Series - VII	1,74,531	To be vested	Seven years from the date of Grant	1

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

Particulars	(In ₹ Crore)	
	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	0.05	0.08
Granted during the year	-	-
Transfer in during the year	-	#
Transfer out during the year	#	-
Lapsed/ forfeited during the year	-	-
Exercised during the year	0.03	0.04
Outstanding at the end of the year	0.02	0.05
Exercisable at the end of the year	#	#

# Denotes amount below ₹50,000/-

The charge on account of the above scheme is included in employee benefit expense aggregating ₹ 0.40 crore (Previous year ₹0.61 crore). 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 Products Limited	Fellow Subsidiary	75.00	-
		(-)	(-)

Loans and advances shown above are interest bearing and are repayable on demand.  
(Figures in brackets indicates previous year figures)

# NOTES

to Financial Statements

## 43. 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 – ₹ 2.54 crore (Previous year ₹ 0.48 crore)
- (b) Amount spent and paid during the year by way of donation to charitable trusts – ₹ 2.55 crore (Previous year ₹ 0.48 crore)

## 44. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

	SBNs	Other denomination notes	(In ₹) Total
Closing cash in hand as on 08.11.2016	2,500	175	2,675
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	2,500	-	2,500
Closing cash in hand as on 30.12.2016	-	175	175

## 45. The main business of the Company is in India to provide loans. All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per the Accounting Standard on 'Segment reporting' (AS 17) prescribed under section 133 of the Companies Act, 2013.

## 46. Unhedged Foreign Currency Exposure

Sr. No.	Particulars	(In ₹ Crore) As at 31st March 2017	As at 31st March 2016
1	Foreign Currency Exposures (FCE) as on 31.03.2017	Nil	Nil
2	Total credit exposures (sanctioned) from banking system on 31.03.2017 (in foreign currency)	Nil	Nil

## 47. Figures of previous year have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Vikram Pandit**  
Chairman  
DIN – 07062676

**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 27, 2017

# CASH FLOW STATEMENT

Particulars	(In ₹ Crore)	
	For the year ended As at 31st March 2017	For the year ended As at 31st March 2016
<b>A Cash flow from operating activities</b>		
Profit before tax	424.78	301.72
Adjustment for:		
Depreciation and amortisation expenses	0.21	0.09
Profit on sale of investments (net)	(1.25)	(0.06)
Provision for gratuity	0.09	0.05
Provision for compensated absences	0.04	0.05
Provision for standard assets	7.60	7.67
Interest on income tax refund	-	(0.06)
Interest on fixed deposits	(0.11)	(0.11)
Interest expenses - others	0.01	0.01
Profit on sale of assets	-	-
Dividend income	(0.15)	(0.46)
<b>Operating profit before working capital changes</b>	<b>431.22</b>	<b>308.90</b>
Adjustment for:		
(Increase) in long-term loans and advances and other current assets	(1,578.35)	(2,247.94)
Increase in trade payables and other liabilities	32.57	76.12
(Decrease) / Increase in Provisions	(0.06)	0.03
<b>Cash (used in) operations</b>	<b>(1,114.62)</b>	<b>(1,862.89)</b>
Direct taxes paid	(155.58)	(106.79)
<b>Net cash (used in) operating activities</b>	<b>(1,270.20)</b>	<b>(1,969.68)</b>
<b>B Cash flow from investing activities</b>		
Purchase of current investments – Others	(4,505.50)	(1,677.28)
Sale of current investments – Others	4,506.75	1,677.34
Purchase of fixed assets	(0.74)	(0.27)
Sale of fixed assets	-	-
Increase in other bank balances	-	0.25
Interest received on Bank Deposits	0.11	0.07
Dividend Income	0.15	0.46
<b>Net cash from investment activities</b>	<b>0.77</b>	<b>0.57</b>

# CASH FLOW STATEMENT

Particulars	(In ₹ Crore)	
	For the year ended As at 31st March 2017	For the year ended As at 31st March 2016
<b>C Cash flow from financing activities</b>		
Interest paid	(0.01)	(0.01)
Proceeds from long-term borrowings	1,432.50	2,035.91
Repayment of long-term borrowings	(297.69)	-
Proceeds from short-term borrowings	8,229.92	5,310.90
Repayment of short-term borrowings	(8,195.45)	(5,278.75)
<b>Net cash from financing activities</b>	<b>1,169.27</b>	<b>2,068.05</b>
Net (Decrease) / increase in Cash and cash equivalents	(100.16)	98.94
Cash and cash equivalents at the beginning of the year	101.86	2.92
<b>Cash and cash equivalents at the end of the year</b>	<b>1.70</b>	<b>101.86</b>

## Notes

- The cash flow statement has been prepared under the 'Indirect Method' set out in AS 3 - "Cash Flow Statement" notified in Companies (Accounting standards) Rules, 2006 (as amended).
- Previous year's figures have been regrouped and rearranged wherever necessary

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

**Vikram Pandit**

Chairman

DIN - 07062676

**Vishal Kampani**

Vice Chairman

DIN - 00009079

**Hariharan Aiyar**

Vice Chairman

DIN - 01374306

**Abhijit A. Damle**

Partner

Membership No. 102912

Place: Mumbai

Date: April 27, 2017

**Shashwat Belapurkar**

Chief Executive Officer

Place: Mumbai

Date: April 27, 2017

**Gagan Kothari**

Chief Financial Officer

**Hemant Pandya**

Company Secretary





7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India