JM Financial Credit Solutions Limited

Annual Report 2024-25

JM FINANCIAL

POWERED BY PURPOSE

POWERED BY PURPOSE

At JM Financial, purpose is our North Star - a constant in a world of moving parts. It brings clarity when choices are complex, and offers direction when the path ahead demands conviction. In FY25, this unwavering sense of purpose shaped the way we consolidated, recalibrated, and renewed. Every decision - from how we deploy capital to how we engage with our clients - was guided by a deeper reflection: does it create lasting value?

This was a year where performance was measured not just by numbers alone, but by alignment with our values. We simplified processes where it required, leveraged our core strengths, and built platforms designed to serve, scale, and stand the test of time.

As we move forward, our purpose will remain our compass, anchoring us to what matters and guiding the way to outcomes that are resilient, responsible, and real.

Corporate Information

BOARD OF DIRECTORS

NON-EXECUTIVE CHAIRMAN
Mr. Vikram Pandit *(ceased with effect from May 5, 2025)*

VICE-CHAIRMAN & MANAGING DIRECTOR
Mr. Vishal Kampani

NON-EXECUTIVE VICE CHAIRMAN
Mr. Hariharan Aiyar

INDEPENDENT DIRECTORS
Dr. Anup Shah

Mr. Satish Chand Mathur

Mr. K G Krishnamurthy

NON-EXECUTIVE DIRECTORS
Ms. Dipti Neelakantan

Mr. Adi Patel

CHIEF FINANCIAL OFFICER
Mr. Vishal Solanki

COMPANY SECRETARY AND CHIEF COMPLIANCE OFFICER
Mr. Hemant Pandya *(upto July 26, 2024)*

Ms. Shikha Jain *(with effect from October 15, 2024)*

REGISTERED OFFICE
JM Financial Credit Solutions Limited
7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi, Mumbai- 400025
Tel: 022-66303030 Fax: 022-66303223
Email: investorrelations.csl@jmfl.com
Website: www.jmfinancialcreditsolutions.in

CIN: U74140MH1980PLC022644

LEI: 2549006BN92R4G13MM66

BANKERS
Bank of Baroda

HDFC Bank Limited

IDBI Bank Limited

ICICI Bank

RBL Bank Limited

Union Bank of India

STATUTORY AUDITORS
KKC & Associates LLP
Address
Sunshine Tower Level 19
Senapati Bapat Marg
Elphinstone Road, Mumbai – 400 013
Contact Information
Tel: 022 61437333
Website: www.kkcllp.in

DEBENTURE TRUSTEE
IDBI Trusteeship Services Limited
Address
Universal Insurance Building, Ground Floor,
Sir P.M. Road, Mumbai - 400 001
Contact Information
Tel: 022 61437333
Fax: 022 6631 1776
Website: www.idbitrustee.com

REGISTRAR & TRANSFER AGENT
KFin Technologies Limited

Address
Unit: JM Financial Credit Solutions Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally Mandal
Hyderabad - 500 032

Contact Information
Toll Free no.: 1800-309-4001
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

Independent Auditor's Report

To

The Members of
JM Financial Credit Solutions Limited

Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of JM Financial Credit Solutions Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, and the Standalone Statement of Profit And Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Standalone Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('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 31 March 2025, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Allowance for Expected Credit Loss on Loan Assets: (Refer to the Accounting Policies Note 2.15 Impairment, Note 6 Presentation of allowance for ECL in the Balance Sheet, Note 28 to the standalone financial statements) Note 40B – Financial Risk Management, Note 48.9: Provisions and Contingencies.	
The Company's loan portfolio, primarily comprising exposures to the commercial real estate sector along with other financial exposures, is subject to impairment assessment under the Expected Credit Loss (ECL) model prescribed by Ind AS 109 Financial Instruments. The ECL estimation involves significant management judgment and complexity, particularly in: • Classification of loans into Stage 1, Stage 2, or Stage 3, including qualitative assessments of credit risk. • Estimation of Probability of Default (PD) by mapping internal credit scores to external ratings using CRISIL default rates.	• Evaluated the design and operating effectiveness of controls over the credit risk assessment, staging of loans, and ECL computation. • Inquired management's assessment Over credit risk in loan portfolio & adequacy of management overlay • Tested a sample of loans to verify internal risk scores, mapping to CRISIL default rates, staging determinations (including qualitative assessments for Stage 2 and Stage 3 classifications), and key model assumptions.

Independent Auditor's Report (Contd..)

Key Audit Matter	How the matter was addressed in the audit
• Incorporation of forward-looking macroeconomic information and management overlays for sector-specific risks. While some exposures continue to remain in Stage 1, staging assessments and model-driven parameters materially impact the determination of the impairment allowance. Given the significance of the loan book to the Company's financial position, the level of estimation uncertainty, and the use of management judgment, this area was considered a key audit matter.	• Assessed the appropriateness of forward-looking macroeconomic scenarios, management overlays, and adjustments made to the model-driven results. • Reviewed modelling methodologies, key assumptions relating to PD, LGD, and EAD • Evaluated the adequacy and transparency of the disclosures made in the financial statements relating to ECL estimates, credit risk exposures and staging. Based on the audit procedures performed, the impairment assessment under ECL Model & disclosures thereof are in accordance with requirements of Ind AS 109 and 107.

Other Information

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Financial Statements and our auditors' report thereon.

6. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Director Those Charged with Governance for the Standalone Financial Statements

8. The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the State of Affairs, Profit and Other Comprehensive Income, Changes in Equity and Cash Flows of the Company 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 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the Standalone Financial Statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

11.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

11.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors

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

11.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The Financial Statements of the Company for the year ended 31 March 2024 were audited by erstwhile Statutory auditors whose reports dated 18 May 2025 expressed an unmodified opinion on those Financial Statements. Our opinion is not modified in respect of this matter.

Independent Auditor's Report (Contd..)

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

17.1. 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.

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

17.3. The standalone balance sheet, the standalone statement of profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.

17.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.

17.5. On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

17.6. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

17.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

18. 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:

18.1. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its Standalone Financial Statements – Refer Note 33 to the Standalone Financial Statements;

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

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

18.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 18.4 and 18.5 contain any material misstatement.

18.7. In our opinion and according to the information and explanations given to us, the dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

18.8. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia
Partner
ICAI Membership No: 033494
UDIN: 25033494BMJKDY9401

Place: Mumbai
Date: 05 May 2025

Annexure 'A' to the Independent Auditor's Report on the Standalone Financial Statements of JM Financial Credit Solutions Limited for the year ended 31 March 2025

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').

The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The Company is a non- banking financial company under Section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, it does not have any inventory, hence reporting under paragraph 3(ii)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company's principal business is to give loans. Accordingly, paragraph 3(iii)(a) of the order is not applicable.

(b) In our opinion and according to the information and explanations given to us, the investments made during the year, and the terms and conditions of the grant of all loans are not prejudicial to the Company's interest. The Company has not provided any guarantee or security to companies, limited liability partnership or any other party during the year.

(c &d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitor repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting and reasonable steps have been taken by the Company for recovery of principal and interest. Refer notes 6 and 40 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations.

(e) Since the Company's principal business is to give loans, the provisions stated in paragraph 3(iii)(e) of the Order are not applicable to the Company.

Annexure 'A' (Contd..)

(f) The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, made investments, or provided guarantees in contravention of provisions of Section 185 of the Act. In respect of the investments made by the Company, in our opinion the provisions of section 186(1) have been complied with. The other provisions related to section 186 of the Act do not apply to the company as it is NBFC.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. The Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of income-tax have not been deposited to/with the appropriate authority on account of any dispute. There are no other statutory dues which have not been deposited with the appropriate authority on account of dispute other than those disclosed below:

Name of the Statute	Nature of the Dues	Amount (in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Taxes	4.83	AY 18-19	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Taxes	1.36	AY 20-21	Commissioner of Income Tax Appeals

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion, and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and associate Company. The Company does not have any joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary and associate Company. The Company does not have any joint ventures.

x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The Company has not made any preferential allotment/private placement of shares/fully/partly / optionally convertible debentures during the year.

xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.

(b) No report under sub section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

xii. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by Reserve Bank of India.

(d) The Company is not a part of any group (as per the provisions of the Core Investment Companies(Reserve Bank) Directions, 2016 as amended).

xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there is9 no unspent amount under sub-section (5) of section 135 of the Act and hence reporting under paragraph 3(xx) (a) of the Order is not applicable to the Company.

Annexure ‘A’ (Contd..)

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia
Partner
ICAI Membership No: 033494
UDIN: 25033494BMJKDY9401

Place: Mumbai
Date: 05 May 2025

Annexure B to the Independent Auditors' report on the Standalone Financial Statements of JM Financial Credit Solutions Limited for the year ended 31 March 2025

(Referred to in paragraph 17.6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

Opinion

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of JM Financial Credit Solutions Limited ("the Company") as at 31 March 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal controls 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').

Management's responsibility for Internal Financial Controls

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

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

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

6. 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 with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

7. A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include 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

Annexure 'B' (Contd..)

reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, 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 with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia
Partner
ICAI Membership No: 033494
UDIN: 25033494BMJKDY9401

Place: Mumbai
Date: 05 May 2025

Auditor's Additional Report

Certificate No: 0526/2025/BhMa

To

Board of Directors
JM Financial Credit Solutions Limited

Auditor's Additional Report on Financial Statements

1 In addition to the report made under section 143 of the Companies Act, 2013 (the 'Act') on the financial statements of JM Financial Credit Solutions Limited (the 'Company') for the year ended 31 March 2025 and as required by Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions – 2024 issued vide notification RBI/DoS.DSG/2023-24/110 DoS.DSG. No.10/33.01.001/2023-24 dated 27 February 2024 ("the Directions"), we report as follows on the matters specified in paragraphs 3 and 4 of the said Directions to the extent applicable.

Management's Responsibility

2 The Company's management and Board of Directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act.

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

4 The Company's management is responsible for ensuring that the Company complies with the requirements of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'Master Direction 2016'), which was superseded by Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended (the 'Master Direction 2023'). This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Master Direction 2023.

Auditor's Responsibility

5 We have audited the financial statements of the Company for the year ended 31 March 2025, on which we issued an unmodified audit opinion vide our report dated 05 May 2025. Our audit of these financial statements was conducted in accordance with the Standards on Auditing prescribed 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 from material misstatement.

6 Pursuant to the requirements of the Directions, it is our responsibility to provide reasonable assurance on whether the Company has complied with the matters specified in the Directions to the extent applicable to the Company.

7 We have performed verification procedures, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). We have complied with the relevant applicable requirements of the Standard on Quality Control ("SQC") 1, on Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Service Engagements.

Conclusion

8 As required by the Directions, based on our audit referred to in paragraph 5 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3 and 4 of the Directions:

8.1 The Company is engaged in the business of non-banking financial institution, and it has obtained a certificate of registration, the registration no. being

Auditor's Additional Report (Contd..)

B-13.01681 from Reserve Bank of India ('RBI'). The date of issuance of Certificate of Registration ('COR') to FICS Consultancy Services Limited is 27 August 2003 in pursuance of section 45-IA of RBI Act, 1934 (subsequently name changed to JM Financial Credit Solutions Limited and revised registration certificate received from RBI vide communication dated 8 April 2015).

8.2 Based on the Principal Business Criteria (financial asset/income pattern) as on 31 March 2025 determined by the Management in accordance with the audited financial statements for the year ended as on that date, the Company is entitled to continue to hold such COR.

8.3 The company is meeting the required net owned fund requirement as laid down in paragraph 6 of Master Direction 2023.

8.4 The Board of Directors of the Company has passed a resolution in its meeting held on 13 April 2025 confirming non-acceptance of public deposits during the year ended 31 March 2025.

8.5 The Company has not accepted any public deposits during year ended 31 March 2025.

8.6 In our opinion and to the best of our information and according to the explanations given to us, the Company being a Middle Layer non-deposit taking NBFC as defined in paragraph 2.3 of the Master Direction 2023, for the year ended 31 March 2025:

a) The capital adequacy ratio as disclosed in the annual return submitted to RBI in form DNBS03 (Important Prudential Parameters) as at 31 March 2025, has been correctly arrived at and such ratio is in compliance with the minimum capital to risk assets ratio ('CRAR') prescribed by RBI; and

b) The Company has furnished to RBI, the provisional annual statement of capital funds, risk assets/exposures and risk asset ratio ('form DNBS03') for the year ended 31 March 2025 on 19 April 2025 which is within the stipulated period.

8.7 Based on the criteria set forth by RBI in paragraph 5.1.21 of the Master Direction 2023 for classification of NBFCs as NBFC – Micro Finance Institution ('NBFC-MFI'), the Company does not meet the criteria to be classified as NBFC-MFI as defined in the aforesaid Master Direction 2023, with reference to the business carried on by it during the year ended 31 March 2025.

8.8 The Company has adopted Indian Accounting Standards (referred to as "Ind AS") specified under section 133 of the Companies Act, 2013 read with the relevant rules issued there under from April 1, 2018. The Company has complied with the RBI Circular No. RBI/2019-20/ 170 DOR (NBFC). CC. PD.No.109/22.10.106/2019-20 dated March 13, 2020 with respect to Income recognition, accounting standards, asset classification and impairment allowance.

Restriction on Use

9 This certificate is issued for the purpose of submission by the Company to the RBI and should not be used, referred to or distributed for any other purpose or by any person other than the addressees of this report. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia
Partner
ICAI Membership No: 033494
UDIN: 25033494BMJKEE7131

Place: Mumbai
Date: 08 May 2025

Standalone Balance Sheet

as at March 31, 2025

(₹ in Crore)

	Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
	ASSETS			
1	**Financial assets**			
A	Cash and cash equivalents	4	115.95	1,284.05
B	Bank balance other than (A) above	5	7.24	5.83
C	Loans	6	3,745.72	7,030.18
D	Investments	7	3,662.16	1,775.66
E	Other Financial assets	8	6.72	6.90
	Total Financial Assets		**7,537.79**	**10,102.62**
2	**Non-financial Assets**			
A	Current tax assets (net)	9	18.77	96.66
B	Deferred tax assets (net)	10	189.95	112.88
C	Property, Plant and Equipment	11	12.89	20.33
D	Other Intangible assets	11	0.15	0.19
E	Other non-financial assets	12	1.27	1.50
	Total Non-financial Assets		**223.03**	**231.56**
	Total Assets		**7,760.82**	**10,334.18**
	LIABILITIES AND EQUITY			
	Liabilities			
	Financial liabilities			
A	Payables			
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	13	0.28	0.82
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	0.14	0.30
B	Debt securities	14	3,060.25	3,991.10
C	Borrowings (Other than Debt securities)	15	418.53	2,059.82
D	Lease Liabilities	16	8.70	17.71
E	Other financial liabilities	17	43.49	46.76
	Total Financial Liabilities		**3,531.39**	**6,116.51**
	Non-financial liabilities			
A	Provisions	18	2.13	2.59
B	Other non-financial liabilities	19	1.75	2.34
	Total Non-financial Liabilities		**3.88**	**4.93**
3	**EQUITY**			
A	Equity Share Capital	20	2.83	2.83
B	Other Equity	21	4,222.72	4,209.91
	Total Equity		**4,225.55**	**4,212.74**
	Total Liabilities and Equity		**7,760.82**	**10,334.18**
	The accompanying notes form an integral part of the financial statements	1 to 61		

In terms of our report of even date attached
For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W- 100621

For and on behalf of the Board of Directors

Hasmukh B Dedhia
Partner
Membership No. 033494

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

Place: Mumbai
Date: May 5, 2025

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in Crore)

	Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I.	**INCOME:**			
	Revenue from operations			
	Interest income	22	750.65	1,223.23
	Fees and commission income	23	19.14	15.97
	Net gain on fair value changes	24	53.20	64.11
	Net gain on derecognition of financial instruments under amortised cost category	25	–	0.71
	Dividend income		1.08	0.80
	Total Revenue from Operations		**824.07**	**1,304.82**
	Other income	26	2.16	–
	Total Income (I)		**826.23**	**1,304.82**
II.	**EXPENSES:**			
	Finance costs	27	444.86	595.46
	Net loss on derecognition of financial instruments under amortised cost category		0.43	–
	Impairment on financial instruments	28	263.95	561.74
	Employee benefits expense	29	44.09	47.93
	Depreciation, amortization and impairment	30	6.03	5.12
	Other expenses	31	35.01	27.67
	Total Expenses (II)		**794.37**	**1,237.92**
III.	**Profit before Tax (III) (I-II)**		**31.86**	**66.90**
IV.	**Tax expense**			
	Current tax	32	97.05	44.69
	Deferred tax charge / (benefit)	32	(79.27)	(25.40)
	Tax adjustment of earlier years(net)	32	(0.67)	0.45
	Total Tax expenses – (IV)		**17.11**	**19.74**
V.	**Net Profit for the year (V) (III – IV)**		**14.75**	**47.16**
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		(0.07)	(0.35)
	– Equity Instruments through Other Comprehensive Income		8.81	(80.54)
			8.74	**(80.89)**
	– Income tax on the above		(2.20)	(9.58)
	Total Other Comprehensive Loss (VI)		**6.54**	**(90.47)**
VII.	**Total Comprehensive Income (V + VI)**		**21.29**	**(43.31)**
VIII.	**Earnings Per Equity Share**	35		
	(Face value of ₹ 10/- each)			
	Basic (₹)		52.16	166.83
	Diluted (₹)		52.16	166.83
	The accompanying notes form an integral part of the financial statements	1 to 61		

In terms of our report of even date attached
For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W- 100621

For and on behalf of the Board of Directors

Hasmukh B Dedhia
Partner
Membership No. 033494

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

Place: Mumbai
Date: May 5, 2025

Standalone Statement of Cash Flow

for the year ended March 31, 2025

(₹ in Crore)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	31.86	66.90
	Adjustment for:		
	Depreciation, amortization and impairment	6.03	5.12
	Net gain on fair value changes	(53.20)	(64.11)
	Profit on derecoginition of lease liability	(2.14)	–
	Net (gain) / loss on derecognition of financial instruments under amortised cost category	0.43	(0.71)
	Loans Written off	–	481.97
	Provision for impairment written back	–	(124.71)
	Provision for TDS receivables	8.03	–
	Impairment on financial instruments	263.95	204.48
	Provision for gratuity	0.39	0.30
	Provision for compensated absences	0.30	(0.51)
	Interest on fixed deposits	(4.20)	(0.07)
	Interest on Security deposit	(0.19)	(0.25)
	Interest income on loans and Investment	(746.26)	(1,222.91)
	Dividend income	(1.08)	(0.80)
	Finance cost	444.86	595.46
	Operating (loss) before working capital changes and interest received / paid	**(51.22)**	**(59.84)**
	Adjustment for:		
	Decrease in loans	2,967.60	1,552.73
	Increase in other financial and non-financial assets	0.92	(1.26)
	Decrease in trade payables and other liabilities	(4.55)	(7.56)
	Decrease in Provisions	(1.22)	(0.12)
	Interest income received	799.16	1,275.81
	Interest expenses paid	(465.30)	(623.96)
	Cash generated from operations	**3,245.39**	**2,135.80**
	Direct taxes paid	(26.54)	(93.33)
	Net cash generated from operating activities	**3,218.85**	**2,042.47**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of investments	(18,064.47)	(9,493.41)
	Sale of investments	16,239.99	8,896.38
	Fixed deposits placed with bank / change in other bank balance	(1.41)	(0.23)
	Interest received on bank deposits	4.25	0.02
	Dividend received	1.08	0.80
	Purchase of Property, plant and equipment	(2.01)	(5.74)
	Net cash (used in) investing activities	**(1,822.57)**	**(602.18)**

(₹ in Crore)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Dividend paid	(8.48)	(0.85)
	Repayment of lease obligations (Principal)	(3.76)	(3.81)
	Repayment of lease obligations (interest)	(0.94)	(1.77)
	Proceeds from issuance of debt securities	–	1,525.00
	Repayment of debt securities	(911.92)	(1,419.30)
	Proceeds from borrowings other than debt securities	200.00	450.00
	Repayment of borrowings other than debt securities	(1,839.28)	(756.68)
	Net cash (used in) financing activities	**(2,564.38)**	**(207.41)**
	Net decrease in Cash and cash equivalents	(1,168.10)	1,232.88
	Cash and cash equivalents at the beginning of the year	1,284.05	51.17
	Cash and cash equivalents at the end of the year (refer note 4)	**115.95**	**1,284.05**
	Components of cash and cash equivalents		
	Cash on hand	–	–
	Balances with banks		
	– In current accounts	115.95	1,134.05
	– Cheques, drafts on hand	–	–
	– In deposit accounts	–	150.00
		115.95	**1,284.05**
	The accompanying notes form an integral part of the financial statements	**1 to 61**	

# Denotes amount less than ₹ 50,000/-

Additional Disclosure pursuant to IND AS 7 (Borrowings Movement during the year)

(₹ in Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	6,050.92	6,282.88
Cash flows (net)	(2,554.50)	(220.57)
Others*	(17.64)	(11.39)
Closing Balance	**3,478.78**	**6,050.92**
The accompanying notes form an integral part of the financial statements	**1 to 61**	

* includes Effective interest rate (EIR) adjustment etc.

Note

1 The Statement of cash flow 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 KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W- 100621

For and on behalf of the Board of Directors

Hasmukh B Dedhia
Partner
Membership No. 033494

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

Place: Mumbai
Date: May 5, 2025

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

A. Equity share capital

(₹ in Crore)

Particulars	Balance as at March 31, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
Equity Share Capital	2.83	–	2.83	–	2.83

B. Other Equity

(₹ in Crore)

Particulars	Reserves and Surplus					Other Comprehensive Income (OCI)	Total Other Equity
	Securities Premium	General Reserve	Capital Reserve	Statutory Reserve	Retained earnings	Equity instruments through OCI	
Balance at March 31, 2023	**1,715.28**	**0.17**	**#**	**525.41**	**2,028.59**	**(15.38)**	**4,254.07**
Addition/Reduction during the year							
Profit for the year	–	–	–	–	47.16	–	47.16
Other comprehensive income for the year	–	–	–	–	(0.26)	(90.21)	(90.47)
Final Dividend	–	–	–	–	(0.85)	–	(0.85)
Transfer to statutory reserves	–	–	–	9.44	(9.44)	–	–
Balance at March 31, 2024	**1,715.28**	**0.17**	**#**	**534.85**	**2,065.20**	**(105.59)**	**4,209.91**
Addition/Reduction during the year							
Profit for the year	–	–	–	–	14.75	–	14.75
Other comprehensive income for the year	–	–	–	–	(0.06)	6.60	6.54
Final Dividend	–	–	–	–	(8.48)	–	(8.48)
Transfer to statutory reserves	–	–	–	2.97	(2.97)	–	–
Balance at March 31, 2025	**1,715.28**	**0.17**	**#**	**537.82**	**2,068.44**	**(98.99)**	**4,222.72**

 # Denotes amount less than ₹50,000/-

The accompanying notes form an integral part of the financial statements (1 to 61)

In terms of our report of even date attached
For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W- 100621

For and on behalf of the Board of Directors

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date: May 5, 2025

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

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) classified as an Investment and Credit Company and in accordance with the Scale Based Regulations, as a Middle layer NBFC (NBFC-ML)

The Company is a public limited company incorporated under Companies Act, 2013 and its non-convertible debentures and commercial paper are listed on the BSE Limited and the National Stock Exchange of India Limited.

2. Material Accounting Policies

2.1 Basis of preparation and presentation of financial statements

Basis of Measurement

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 rules, as amended.

Accounting policies are consistently applied except where a newly-issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy

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 Convention

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

Measurement of fair values

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 116, 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, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity are together referred as the financial statement of the Company.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

The financial statements are prepared and presented on going concern basis and the relevant provisions of the Act and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable.

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.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR"/"₹") which is also the Company's functional currency. All amounts have been rounded to the nearest crores, unless otherwise indicated.

2.2 Investments in Subsidiaries and Associates

Subsidiaries:

Subsidiaries are all entities over which the company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates:

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

Investments in Subsidiaries and Associates other than security receipt of Trusts are accounted at cost net off impairment loss, if any. Investment in Security Receipts of Subsidiaries and associates are accounted at fair value under Ind AS 109

2.3 Property, Plant and Equipment and Intangible Assets

A Property, Plant and Equipment

a. Recognition and measurement

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).

PPE held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

b. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

c. Depreciation

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

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.

Freehold land has an unlimited useful life and therefore is not depreciated.

d. Derecognition

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 statement of profit or loss.

B Intangible assets

a. Recognition and measurement

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.

b. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

c. Amortisation

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.

d. Derecognition

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 statement of profit or loss when the asset is derecognised.

C 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 the statement of profit or loss.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

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.

Interest income on all trading assets and financial assets, if any, required to be measured at FVTPL is recognized using the contractual interest rate as net gain on fair value changes.

Penal interest / charges accounted on receipt basis

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 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 Fair Value through Profit and Loss

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('FVTPL'), transaction costs are recognised in statement of 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) , Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using contractual interest rate. 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

Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer,

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

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 fees charged for servicing a loan.

Revenue from contract with customer for rendering services is recognized at a point in time when performance obligation is satisfied. Fees and commission income are measured at an amount that reflects the fair value of the consideration received or receivable, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

c. Dividend Income

Dividend income from investments is recognised when the Company's right to receive dividend has been established and it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

d. Other income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

e. Net gain on fair value changes

The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis. However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

2.5 Leases

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 and adjusted for certain re-measurements of the lease liability, 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 lease liabilities is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not be exercised. The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

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 liabilities has been presented in Note 16 "Lease Liability" and ROU asset that do not meet the definition of Investment Property has been presented in Note 11 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

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.

2.6 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 statement of profit or loss in the period in which they arise.

2.7 Borrowing costs

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

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences

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arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial liability. Calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of a financial liability.

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 and Loss of the year when employees have rendered service entitling them to the contributions. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are 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 as per Black and Scholes model. 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 statement of profit or loss for the year.

2.9 Taxation

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.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

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.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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. Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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

Provisions are recognised only when:

i. a Company 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.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks 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

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets:

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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.

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

v. Commitments under loan agreement to disburse Loans, if any

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.

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 except for trade receivables which are initially measured at transaction price. 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 statement of 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 statement of 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.

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.

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.

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 FVTOCI, 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 and Loss.

Gains and losses on equity instruments measured through FVTOCI are never recycled to profit or loss. Dividends are recognised in statement of 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 FVTOCI 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 statement of profit or loss. The net gain or loss recognised in statement of 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 definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL. The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days + Accounts Identified by the Company as NPA as per regulatory guidelines + Objective Evidence for impairment (Qualitative Overlay); or
- the borrower is unlikely to pay its credit obligations to the Company.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

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 given the uncertainty over 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:

Notes
to the Financial Statements for the year ended March 31, 2025 (Contd..)

- 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 are 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 previously written off are credited to the statement of profit and loss.

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 statement of 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 statement of 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

Basic earnings per share is calculated by dividing the net statement of 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.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per share, the net statement of profit or loss (before Other

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

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.

Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders. The dividend payable is recognised as a liability with a corresponding amount recognised directly in equity.

2.18 Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant 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.

Judgements:

Information about judgements made in applying accounting policies that have most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 2.15 - classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

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.

Assumptions and estimation of uncertainties:

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2025 are included in the following notes:

Note 2.3A.C - impairment test of non-financial assets: key assumption underlying recoverable amounts.

Note 2.3.A.c - useful life of property, plant, equipment and intangibles assets

Note 2.9 - Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions

Note 2.11 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Note 37 - measurement of defined benefit obligations: key actuarial assumptions.

Note 40 - determination of the fair value of financial instruments with significant unobservable inputs.

4 Cash and cash equivalents

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- In current accounts	115.95	1,134.05
- In deposit accounts	–	150.00
	115.95	**1,284.05**
	115.95	**1,284.05**

Note:

Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period upto 3 months.

5 Bank balances other than cash and cash equivalents

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
- In current accounts (Refer Note a below)	6.89	5.49
- In deposit accounts (Refer Note b and c below)	0.35	0.34
Total	**7.24**	**5.83**

Notes:

a) Balances with banks in current accounts comprises of unspent money entirely transferred to a separate bank account as prescribed under Sub-section (6) of section 135

b) Balances with banks in deposit accounts comprises deposits that have an original maturity exceeding 3 months at balance sheet date. It earns interest at fixed rate based on short term bank deposit rates.

c) Balances with banks in deposit accounts are held as margin money against creation of Recovery Expense Fund in respect of listed debt securities.

6 Loans

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Term Loans (refer note a)	3,826.30	7,022.63
Short term loan to related parties	350.00	–
Inter Corporate Deposit to related parties	280.00	400.00
Staff Loans	0.01	0.02
Interest accrued	35.90	88.80
Gross loan	**4,492.21**	**7,511.45**
Less: Impairment loss allowance (refer note b)	(746.49)	(481.27)
Loans net of Impairment loss allowance	**3,745.72**	**7,030.18**
Break up of loans into secured and unsecured		
Secured by tangible assets	3,683.39	6,371.34
Unsecured	808.82	1,140.11
Gross loan	**4,492.21**	**7,511.45**
Less: Impairment loss allowance (refer note b)	(746.49)	(481.27)
Loans net of Impairment loss allowance	**3,745.72**	**7,030.18**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Note:

a) Includes impact of Effective interest rate amounting to ₹16.73 crore as at March 31, 2025 (₹38.84 crore as at March 31, 2024).

b) Impairment loss allowance includes provision on undisbursed loan commitment amounting to ₹ Nil as at March 31, 2025 (₹ Nil as at March 31, 2024).

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

d) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) except as disclose above (₹630 crore for FY 24-25, ₹400 crore for FY 23-24 ICD placed to related party), either severally or jointly with any other person that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment

e) Investments in debentures and other financial instruments which, in substance, have been classified under Loans. Management believes that the classification results in a better presentation of the substance of these investments and is in alignment with regulatory filings.

f) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

7 Investments

(₹ in Crore)

	As at March 31, 2025		As at March 31, 2024	
	In numbers	Amount	In numbers	Amount
At FVTPL				
Mutual fund units				
JM Liquid Fund – Growth	17,77,68,031	1,259.07	4,66,79,353	308.13
Aditya Birla Sun Life Liquid fund –Growth	25,66,190	107.45	19,40,936	75.63
ICICI Prudential Liquid Fund – Growth	16,10,762	61.84	21,40,679	76.51
SBI Liquid Fund – Growth	1,44,594	58.65	1,10,784	41.87
HDFC Liquid Fund - Direct Plan –Growth	1,10,142	56.10	1,59,740	75.78
Nippon India Liquid Fund- Growth	78,857	50.05	52,633	31.10
Franklin Mutual Fund	60,228	23.47	34,883	12.65
Mirae Mutual Fund	72,946	19.98	81,514	20.79
Union Mutual Fund	79,135	19.80	–	–
Bajaj Mutual Fund	1,73,615	19.65	2,43,249	25.63
UTI Liquid Cash Plan - Growth	–	–	82,196	32.53
Axis Liquid Fund – Growth	–	–	1,22,521	32.88
Baroda Mutual Fund	–	–	44,420	12.37
		1,676.06		**745.87**
Debt instruments				
Vrutant Real Estate Developers Private Limited	490	–	490	–
(Unrated, Unlisted, Unsecured, Redeemable, Optionally Fully Convertible Debentures)				

(₹ in Crore)

	As at March 31, 2025		As at March 31, 2024	
	In numbers	Amount	In numbers	Amount
Non-Convertible Debentures				
JM Financial Products Limited	12,16,584	119.90	9,66,584	91.86
Government Securities				
364 days Treasury Bills (18/04/2025)	1	4.98	–	–
364 days Treasury Bills (08/05/2025)	1	19.86	–	–
364 days Treasury Bills (23/05/2025)	1	14.86	–	–
91 days Treasury Bills (18/04/2024)	–	–	1	24.91
182 days Treasury Bills (11/07/2024)	–	–	1	4.91
182 days Treasury Bills (04/07/2024)	–	–	1	19.61
182 days Treasury Bills (25/07/2024)	–	–	1	14.71
		39.70		**64.14**
Security receipts				
Victory Real Estate 2021 – Trust	3,40,000	34.00	3,40,000	34.00
Realty March 2022 – Trust	30,17,500	226.31	30,17,500	301.75
In Associates				
CFMARC TRUST – 167	11,39,000	113.90	–	–
In Stepdown subsidiaries				
Real Estate May 2023 – Trust*	10,20,000	76.50	10,20,000	102.00
		450.71		**437.75**
Equity Instruments				
Meghvarnam Realty Private Limited	100	0#	100	0#
Vishal Mega Mart Limited	28,67,140	29.89	–	–
International Gemmological Institute (India) Limited	1,89,297	7.29	–	–
		37.18		**0#**
Compulsory Convertible Preference Shares				
Hero Fincorp Limited	6,00,000	41.01	6,00,000	39.96
Optional Convertible Debentures				
In subsidiaries				
JM Financial Asset reconstruction Company Limited (JMFARC)	20,00,000	167.17	20,00,000	200.00
At FVTOCI				
Equity instruments				
JM Financial Asset Reconstruction Company Limited	–	–	3,97,92,720	59.49
JM Financial Home Loans Limited	5,83,00,830	155.12	3,88,67,220	136.59
		155.12		**196.08**
Investment in Equity Share of subsidiary at cost				
JM Financial Asset Reconstruction Company Limited*	65,03,43,712	975.31	–	–
Total		**3,662.16**		**1,775.66**

# Denotes amount below ₹50,000/-

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Note:

All the above investments are within India.

*JMFARC became a subsidiary w.e.f. March 18, 2025 consequent upon the acquisition of 71.79% stake. Consequently, Real Estate May 2023 – Trust, being a subsidiary of JMFARC, is also now considered as a step-down subsidiary of the Company.

8 Other Financial assets

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Advances	14.73	14.73
Less: Impairment loss allowance (Expected Credit Loss)	(14.73)	(14.73)
Net	**–**	**–**
Security deposits	1.90	3.02
Accrued interest but not due on investments	4.81	3.83
Accrued interest but not due on deposits with banks	0#	0.05
Total	**6.72**	**6.90**

# Denotes amount below ₹50,000/-

9 Current tax assets (net)

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Advance tax (net of provisions)	18.77	96.66
Total	**18.77**	**96.66**

10 Deferred tax Assets (net)

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Impairment of Financial instruments	185.65	121.36
Change in fair value	0.79	(14.53)
Measurement of Financial instruments at amortised cost (EIR)	(0.25)	1.54
Disallowances under section 43B of the Income Tax Act, 1961	2.99	3.46
Difference between books and tax written down value of Property, plant and equipment	0.77	1.05
Total	**189.95**	**112.88**

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, 2025

(₹ in Crore)

Deferred tax asset / (liability)	Opening balance as at April 1, 2024	Recognised in Statement of profit or loss (Expense) / Income	Recognised in OCI (loss) / Income	Closing balance as at March 31 2025
Fiscal allowance on Property, plant and equipment	1.05	(0.28)	–	0.77
Fiscal allowance on expenditure, etc.	3.46	(0.47)	–	2.99
Measurement of Financial instruments at amortised cost (EIR)	1.54	(1.79)	–	(0.25)
Impairment allowance for financial assets	121.36	64.29	–	185.65
Fair value of financial instruments	(14.53)	17.52	(2.20)	0.79
Total	**112.88**	**79.27**	**(2.20)**	**189.95**

For the year ended March 31, 2024

(₹ in Crore)

Deferred tax asset / (liability)	Opening balance as at April 1, 2023	Recognised in Statement of profit or loss (Expense) / Income	Recognised in OCI (loss) / Income	Closing balance as at March 31 2024
Fiscal allowance on Property, plant and equipment	0.95	0.10	–	1.05
Fiscal allowance on expenditure, etc.	2.70	0.76	–	3.46
Measurement of Financial instruments at amortised cost (EIR)	6.12	(4.58)	–	1.54
Impairment allowance for financial assets	86.40	34.96	–	121.36
Fair value of financial instruments	0.90	(5.76)	(9.67)	(14.53)
Total	**97.07**	**25.48**	**(9.67)**	**112.88**

11 Property, Plant and Equipment and Other Intangible Assets:

(₹ in Crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK
	As at 31.03.2024	Additions for the year	Deduction for the year	As at 31.03.2025	Up to 31.03.2024	Additions for the year	Deduction for the year	Up to 31.03.2025	As at 31.03.2025
PROPERTY, PLANT AND EQUIPMENT									
Owned Assets:									
Freehold land	0.05	–	–	0.05	–	–	–	–	0.05
Computers	1.10	0.17	0.11	1.16	0.63	0.23	0.11	0.75	0.41
Furniture and fixtures	0.68	0.01	0.01	0.68	0.10	0.07	#	0.17	0.51
Office Equipment	0.38	0.03	#	0.41	0.06	0.08	#	0.13	0.28
Leasehold improvements	3.56	0.50	0.60	3.46	0.49	1.31	–	1.80	1.66
Vehicles	1.45	1.91	–	3.36	0.07	0.48	–	0.55	2.81
Right – of – use Asset									
Leased Vehicle	0.16	–	–	0.16	0.05	0.03	–	0.08	0.08
Right of use assets	28.94	3.19	21.65	10.48	14.59	3.79	14.99	3.39	7.09
Total	**36.32**	**5.81**	**22.37**	**19.76**	**15.99**	**5.99**	**15.11**	**6.87**	**12.89**
INTANGIBLE ASSETS – ACQUIRED									
Software	0.58	–	–	0.58	0.39	0.04	–	0.43	0.15

# Denotes amount less than ₹50,000/-

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Note:

i) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

ii) the Company does not hold any benami property.

iii) Title deed of the immovable property (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) are held in the name of the company.

(₹ in Crore)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK
	As at 31.03.2023	Additions for the year	Deduction for the year	As at 31.03.2024	Up to 31.03.2023	Additions for the year	Deduction for the year	Up to 31.03.2024	As at 31.03.2024
PROPERTY, PLANT AND EQUIPMENT									
Owned Assets:									
Freehold land	0.05	–	–	0.05	–	–	–	–	0.05
Computers	0.70	0.41	0.01	1.10	0.50	0.14	0.01	0.63	0.47
Furniture and fixtures	0.26	0.42	–	0.68	0.07	0.03	–	0.10	0.58
Office Equipment	0.08	0.30	–	0.38	0.04	0.02	–	0.06	0.32
Leasehold improvements	0.61	2.95	–	3.56	0.36	0.13	–	0.49	3.07
Vehicles	–	1.45	–	1.45	–	0.07	–	0.07	1.39
Right – of – use Asset									
Leased Vehicle	0.20	–	0.05	0.16	0.05	0.05	0.05	0.05	0.10
Right of use assets	25.59	3.57	0.21	28.94	10.16	4.64	0.21	14.59	14.35
Total	**27.49**	**9.10**	**0.27**	**36.32**	**11.18**	**5.08**	**0.27**	**15.99**	**20.33**
INTANGIBLE ASSETS - ACQUIRED									
Software	**0.36**	**0.22**	**–**	**0.58**	**0.36**	**0.03**	**–**	**0.39**	**0.19**

# Denotes amount less than ₹50,000/-

Note:

i) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

ii) the Company does not hold any benami property.

iii) Title deed of the immovable property (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) are held in the name of the company.

12 Other non-financial assets

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good unless otherwise stated		
Prepaid Expenses	0.40	0.29
Balances with government authorities	0.85	1.20
Others	0.02	0.01
Total	**1.27**	**1.50**

13 Trade Payables

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues to micro enterprises and small enterprises	0.28	0.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.14	0.30
	0.42	**1.12**

Due to related parties as at March 31, 2025 is ₹Nil (as at March 31, 2024 is ₹ Nil)

13. a Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Crore)

		As at March 31, 2025	As at March 31, 2024
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.28	0.82
(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		**0.28**	**0.82**

13. b Trade payable ageing schedule:

(₹ in Crore)

Particulars	Unbilled dues	Trade payables which are not due	Outstanding for following periods from date of transaction				Total FY 2024-25
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	0.24	0.04	–	–	–	0.28
(ii) Others	–	0.06	0.08	–	–	–	0.14
(iii) Disputed dues – MSME	–	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–	–
Total	**–**	**0.30**	**0.12**	**–**	**–**	**–**	**0.42**

Ageing of the trade payables is determined from the date of transaction till the reporting date

(₹ in Crore)

Particulars	Unbilled dues	Trade payables which are not due	Outstanding for following periods from date of transaction				Total FY 2023-24
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	0.23	0.59	–	–	–	0.82
(ii) Others	–	0.23	0.05	–	–	0.02	0.30
(iii) Disputed dues – MSME	–	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–	–
Total	**–**	**0.46**	**0.64**	**–**	**–**	**0.02**	**1.12**

Ageing of the trade payables is determined from the date of transaction till the reporting date

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

14 Debt Securities

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
Non-convertible debentures (refer note 14.1 and 14.2)	2,941.97	3,853.44
Interest Payable	118.28	137.66
Total	**3,060.25**	**3,991.10**
Unsecured		
Commercial paper (refer note 14.3)	–	–
Less: Unamortised interest on commercial paper	–	–
Total	**–**	**–**
Grand Total	**3,060.25**	**3,991.10**

Debt securities are issued in India.

14.1 Non-Convertible Debentures:

Non-convertible debentures aggregating ₹3,060.25 crore (As at March 31, 2024: ₹ 3,991.10) are secured by way of first charge on freehold land and hypothecation on pool of certain loan receivables of the Company.

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

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Private Placement - Face value of ₹10,00,000 each		
10.85 % NCD redeemable in year 2024-25#	–	597.00
8.35 % NCD redeemable in year 2024-25	–	21.00
8.50 % NCD redeemable in year 2025-26	–	200.00
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
8.99 % NCD redeemable in year 2028-29	75.00	75.00
9.75 % NCD redeemable in year 2029-30	100.00	100.00
8.99 % NCD redeemable in year 2029-30	75.00	75.00
9.20 % NCD redeemable in year 2030-31	250.00	250.00
8.99 % NCD redeemable in year 2030-31	75.00	75.00
8.99 % NCD redeemable in year 2031-32	75.00	75.00
8.50 % NCD redeemable in year 2031-32	260.00	260.00
8.60 % NCD redeemable in year 2032-33	30.00	30.00
8.65 % NCD redeemable in year 2032-33	200.00	200.00

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Private Placement - Face value of ₹1,00,000 each		
8.50 % NCD redeemable in year 2025-26	–	102.70
8.80 % NCD redeemable in year 2025-26	100.00	100.00
9.38 % NCD redeemable in year 2026-27	125.00	125.00
9.00 % NCD redeemable in year 2026-27	150.00	150.00
8.81 % NCD redeemable in year 2026-27	25.00	25.00
8.91 % NCD redeemable in year 2026-27	50.00	50.00
9.30 % NCD redeemable in year 2026-27	750.00	750.00
9.00 % NCD redeemable in year 2027-28	50.00	50.00
Public issue - Face value of ₹1000 each		
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	**2,957.94**	**3,878.64**

NCD with floating rate and quarterly reset.

Maturity profile above is disclosed at face value which excludes discount of ₹ Nil (2023-24 : ₹ 2.65 crore) and impact of effective interest rate adjustment amounting to ₹15.97 crore (As at March 31, 2024 : ₹ 22.55 crore).

14.3 The maximum amount of commercial paper outstanding at any time during the year was Nil, (2023-24 : ₹ 400 crore).

14.4 (a) Company have utilized money raised by way of Non-convertible debentures during the year for the purpose for which they were raised

(b) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Maturity profile and rate of interest of Non-Convertible Debentures:

(₹ in Crore)

	As at March 31, 2025		
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)
8.01 % to 9.00%	100.00	275.00	790.00
9.01 % to 10.00%	–	1,075.00	692.90
10.01% to 11.00%	–	–	25.04
Total	**100.00**	**1,350.00**	**1,507.94**

Maturity profile above excludes effective interest rate and discount impact amounting to ₹15.98 Crore

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Maturity profile and rate of Non-Convertible Debentures:

(₹ in Crore)

	As at March 31, 2024		
	Up to one year (April 2024 to March 2025)	**1-3 years (April 2025 to March 2027)**	**3 years & above (April 2027 onwards)**
8.01 % to 9.00%	21.00	627.70	840.00
9.01 % to 10.00%	–	975.00	792.90
10.01% to 11.00%	597.00	–	25.04
Total	**618.00**	**1,602.70**	**1,657.94**

Maturity profile above excludes effective interest rate and discount impact amounting to ₹25.20 crore

The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

15 Borrowings (Other than Debt securities)

(₹ in Crore)

	As at March 31, 2025	**As at March 31, 2024**
At amortised cost		
Term loans		
(i) from banks		
– Secured (refer note 15.1)	418.21	1,908.17
(ii) from other parties		
– Secured (refer note 15.1)	–	149.31
Interest payables on term loan from banks and other parties	0.32	2.34
Total	**418.53**	**2.059.82**
Working Capital Demand Loan (refer note 15.2)	–	–
Total	**418.53**	**2,059.82**

Borrowings are made within India.

15.1 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 ₹2.09 crore (As at March 31, 2024: ₹ 10.51 crore).

The Company have utilized money raised by way of Term loans during the year for the purpose for which they were raised.

15.2 The quarterly returns filed by the company with banks / financial institutions from which borrowing is obtained on the basis of security of current assets are in agreement with the books of account of the company.

Cash credit facility and working capital demand loan from banks 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 at March 31, 2025		
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)
8.01 % to 9.00%	–	–	–
9.01 % to 10.00%	125.00	177.08	46.80
10.01% to 11.00%	25.89	45.53	–
11.01% to 12.00%	–	–	–
Total	**150.89**	**222.61**	**46.80**

Maturity profile above excludes effective interest rate impact amounting to ₹2.09 crore

Maturity profile and rate of interest of term loans:

(₹ in Crore)

Residual Maturities	As at March 31, 2024		
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)
8.01 % to 9.00%	12.00	42.00	–
9.01 % to 10.00%	564.12	929.24	177.99
10.01% to 11.00%	41.52	83.93	40.62
11.01% to 12.00%	97.40	79.17	–
Total	**715.04**	**1,134.34**	**218.61**

Maturity profile above excludes effective interest rate impact amounting to ₹10.51 crore

The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and financial institutions 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 Lease Liability

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Lease liability (refer note 36)	8.70	17.71
	8.70	**17.71**

17 Other financial liabilities

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Employee benefits payable	25.65	30.03
Provision for CSR Expenditure	11.39	13.39
Customer refundable Balance	6.17	3.04
Others	0.28	0.30
	43.49	**46.76**

Notes
to the Financial Statements for the year ended March 31, 2025 (Contd..)

18 Provisions

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
For employee benefits:		
Gratuity (refer note 37)	1.73	2.13
Compensated absences	0.40	0.46
	2.13	**2.59**

19 Other non-financial liabilities

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	1.75	2.34
	1.75	**2.34**

20 Equity Share capital

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Authorised		
30,00,000 (March 2024: 30,00,000) Equity shares of ₹ 10/- each	3.00	3.00
20,00,000 (March 2024: 20,00,000) Preference shares of ₹ 10/- each	2.00	2.00
	5.00	**5.00**
Issued, Subscribed and Paid-up		
2,826,816 (March 2024: 2,826,816) Equity shares of face value of ₹ 10/- each fully paid-up	2.83	2.83
	2.83	**2.83**

Reconciliation of the number of equity shares outstanding

(₹ in Crore)

	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,826,816	2.83	2,826,816	2.83
Shares issued during the year	–	–	–	–
Shares forfeited during the year	–	–	–	–
Shares outstanding at the end of the year	**2,826,816**	**2.83**	**2,826,816**	**2.83**

Details of shareholding in excess of 5%

	As at March 31, 2025		As at March 31, 2024	
	Number	%	Number	%
JM Financial Limited along with its nominees	27,42,473	97.02%	1,319,431	46.68%
INH Mauritius 1	–	–	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 ₹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.

Details of promoters:

Shares held by promoters at the end of the year

Sr No	Name of the Promoter	No of shares as at March 31,2025	Percentage of total shares as at March 31,2025	No of shares as at March 31,2024	Percentage of total shares as at March 31,2024	Percentage of change during the year
1	JM Financial Limited	27,42,473	97.02%	13,19,431	46.68%	50.34%

21 Other Equity

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Securities premium account	1,715.28	1,715.28
General reserve	0.17	0.17
Capital reserve	#	#
Statutory reserve	537.82	534.85
Retained Earnings	1,969.45	1,959.61
Grand Total	**4,222.72**	**4,209.91**

₹39,674/-

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
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	534.85	525.41
Addition	2.97	9.44
Closing balance	**537.82**	**534.85**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Retained earnings:		
Opening balance	1,959.61	2,013.21
(+) Profit for the year	14.75	47.16
(+/-) Other Comprehensive Income	6.54	(90.47)
	1,980.90	**1,969.90**
(–) Appropriations		
Transferred to statutory reserve	2.97	9.44
Final Dividend	8.48	0.85
	11.45	**10.29**
Closing balance	**1,969.45**	**1,959.61**
Grand Total	**4,222.72**	**4,209.91**

₹39,674/-

Note:

The Board of Directors of the Company has recommended a dividend of ₹25/- per equity share of the face value of ₹10/- each amounting to ₹7.07 Crore for the financial year 2024-2025 subject to the approval of the members at their ensuing Annual General Meeting.

Nature

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)

	For the year ended March 31, 2025	For the year ended March 31, 2024
On Financial assets measured at amortised cost		
Interest on Loans	735.17	1,214.39
Interest income on bank deposits	4.20	0.07
Other Interest Income	0.19	0.25
On Financial assets measured at FVTPL		
Interest income from Investments	11.09	8.52
	750.65	**1,223.23**

23 Fees and Commission Income

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Prepayment and other Fees	19.14	15.97
	19.14	**15.97**

24 Net gain on fair value changes

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on financial instruments at fair value through profit		
(i) On trading portfolios		–
(ii) Others		
On financial instruments	53.20	64.11
Total net gain /(loss) on fair value change	**53.20**	**64.11**
Fair value changes		
Realised	150.62	40.47
Unrealised	(97.42)	23.64
	53.20	**64.11**

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 under amortised cost category

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on derecognition of financial instruments under amortised cost category	–	0.71
	–	**0.71**

Notes
to the Financial Statements for the year ended March 31, 2025 (Contd..)

26 Other Income

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on derecognition of lease liabilities	2.14	–
Miscellaneous Income	0.02	–
	2.16	**–**

27 Finance costs

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
At Amortised Cost		
Debt Securities	301.42	349.61
Borrowings (Other than Debt securities)	134.49	231.34
Interest expense on Lease Liabilities	0.93	1.77
Other charges	8.02	12.74
	444.86	**595.46**

28 Impairment on financial instruments

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
At amortised cost		
Provision for Expected Credit Loss (Stage 1 & 2)	(131.84)	(32.82)
Provision for Expected Credit Loss (Stage 3)	397.06	256.63
Provision for Stage 3 assets written back of earlier year	–	(124.71)
Write off of assets	–	481.97
Write back of assets earlier written off	(1.27)	(19.33)
	263.95	**561.74**

29 Employee benefits expense

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, bonus, other allowances and benefits	42.07	46.06
Contribution to provident and other funds	1.46	1.46
Gratuity (refer note 37)	0.39	0.30
Staff welfare expenses	0.17	0.11
	44.09	**47.93**

30 Depreciation, amortization and impairment

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of PPE	5.99	5.09
Amortisation of intangible assets	0.04	0.03
	6.03	**5.12**

31 Other expenses

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Rates and taxes	0.94	0.37
Legal and professional fees	11.21	9.65
Support service charges	2.88	2.16
Information technology expenses	0.49	0.43
Travelling and conveyance	0.63	0.79
Auditors' remuneration (refer note 34)	0.57	0.47
Repairs and maintenance	0.22	0.39
Electricity expenses	0.22	0.24
Corporate social responsibility (refer note 43)	6.56	9.94
Filing fees	0.20	#
Provision for TDS receivables	8.03	–
Insurance Expense	0.46	0.42
Bank charges	0.01	0.05
Printing & Stationery	0.03	0.04
Membership and Subscription	0.19	0.24
Communication expenses	0.15	0.10
Director Sitting Fees	0.34	0.44
Director commission	0.20	0.18
Miscellaneous expenses	1.68	1.76
	35.01	**27.67**

# Denotes amount less than ₹ 50,000/-

32 Tax Expense

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	97.05	44.69
Deferred tax	(79.27)	(25.40)
Tax adjustment in respect of earlier years	(0.67)	0.45
Total income tax expenses recognised in the current year	**17.11**	**19.74**
Income tax expense / (benefit) recognised in other comprehensive income	(2.20)	(9.58)

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Reconciliation of total tax charge

(₹ in Crore)

	Year ended March 31, 2025	Year ended March 31, 2024
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	31.86	66.90
Income tax rate*	25.17%	25.17%
Income tax expense	8.02	16.84
Tax Effect of:		
Items that are allowable or disallowable in determining taxable profits (net)	9.92	2.50
Effect of income taxable at different rate	(0.16)	–
Set off of temporary differences pertaining to earlier years on which no deferred tax was created	–	(0.06)
Tax adjustment in respect of earlier years	(0.67)	0.45
Total	**9.09**	**2.90**
Income tax expense recognised in the statement of profit and loss	**17.11**	**19.74**

*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.

33 Contingent Liabilities and Commitments

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Contingent liability		
Claims against the Company not acknowledged as debt:		
Income tax matters	6.19	2.47
Commitments		
Undisbursed Commitment *	–	–
Investment in right issue of JM Financial Home Loans Limited	19.43	–

*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.

33(a) Disputed matter

During the year ended 31 March 2023, the Company had received assessment order along with computation sheet and demand notice for FY 2019-20. The Income-tax Department had erroneously computed the income by making addition in gross taxable income of ₹1,272.88 crores and also credit for Advance Tax and TDS was not granted which resulted into a demand notice of ₹628.20 crores. The Company had filed a rectification application before the jurisdictional assessing officer for deletion of the erroneous amount and or grant of credit for taxes paid. The Company had also filed an appeal before the Commissioner of Income-tax (Appeals) against the same. Accordingly, this was not classified as contingent liability in Financial Year 2022-23. During the year ended 31 March 2024, the Company has received rectification order under section 154 of the Income tax Act, wherein additional tax liability has been reversed by the Income-tax Department.

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

(₹ in Crore)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Audit Fees	0.22	0.18
In any other manner (Certifications, limited reviews, etc)	0.33	0.27
Out of pocket	0.02	0.02
Total	**0.57**	**0.47**

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	For the year ended March 31, 2025	For the year ended March 31, 2024
Net Profit for the year (₹ in Crore)	14.75	47.16
Profit attributable to equity shareholders (₹ in Crore)	14.75	47.16
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (No of shares)	2,826,816	2,826,816
Basic and Diluted earnings per share (₹)	52.16	166.83
Nominal value per share (₹)	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, 2025:

(₹ in Crore)

Category of ROU asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK
	As at 01.04.2024	Additions	Deletion	As at 31.03.2025	As at 01.04.2024	Depre-ciation	Deduc-tions	As at 31.03.2025	As at 31.03.2025
Premises	28.94	3.19	21.65	10.48	14.59	3.79	14.99	3.39	7.09
Vehicle	0.16	–	–	0.16	0.05	0.03	–	0.08	0.08
Total	**29.10**	**3.19**	**21.65**	**10.64**	**14.64**	**3.82**	**14.99**	**3.47**	**7.17**

Following are the changes in the carry value of the right of use assets for the year ended March 31, 2024:

(₹ in Crore)

Category of ROU asset	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK
	As at 01.04.2023	Additions	Deletion	As at 31.03.2024	As at 01.04.2023	Depre-ciation	Deduc-tions	As at 31.03.2024	As at 31.03.2024
Premises	25.59	3.57	0.21	28.94	10.16	4.64	0.21	14.59	14.35
Vehicle	0.20	–	0.05	0.16	0.05	0.05	0.05	0.05	0.10
Total	**25.79**	**3.57**	**0.26**	**29.10**	**10.21**	**4.69**	**0.26**	**14.64**	**14.45**

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

The following is the movement in lease liabilities during the year ended March 31, 2025 and March 31, 2024:

(₹ in Crore)

	As at March 31, 2025	As at March 31, 2024
Opening balance	**17.71**	**18.11**
Additions during the year	3.06	3.41
Finance cost accrued during the year	0.92	1.77
Deletions/ Modification during the year	(8.30)	–
Payment of lease liabilities	(4.69)	(5.58)
Closing balance	**8.70**	**17.71**

Table showing contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis:

(₹ in Crore)

	Minimum lease Payments		Present Values of Minimum lease Payments	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Not later than one year	4.13	5.60	3.46	4.15
Later than one year and not later than five years	5.85	16.05	5.24	13.56
Later than five years	–	–	–	–
Total	**9.98**	**21.65**	**8.70**	**17.71**
Less: future finance charges	1.28	3.93		
Present value of minimum lease payments	8.70	17.71		

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 for year ended March 31,2025 aggregating ₹ 1.46 crore (March 31,2024: ₹ 1.46 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.

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.55%	7.15%
Expected rate of salary increase	8.00%	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, 2025	As at March 31, 2024
Current service cost	0.25	0.19
Net interest cost	0.14	0.11
Past service cost	–	–
Total amount recognised in statement of profit and loss	**0.39**	**0.30**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	(0.04)	0.22
- Actuarial (gain)/loss from change in financial assumptions	0.10	0.04
- Actuarial (gain)/loss from change in experience adjustments	0.01	0.09
Total amount recognised in other comprehensive income	**0.07**	**0.35**
Total	**0.46**	**0.65**

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

c) The amount included in the balance sheet arising from Company's obligation in respect of its defined benefit plan

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is as follows:

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation	1.73	2.13
Fair value of plan assets	–	–
Net liabilities arising from defined benefit obligation	**1.73**	**2.13**
Current	0.28	0.40
Non-Current	1.45	1.73

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

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	2.13	1.58
Current service cost	0.25	0.19
Past service cost	–	–
Interest cost	0.14	0.11
Remeasurements (gains)/losses:		
Actuarial (gain)/loss from change in demographic assumptions	(0.04)	0.22
Actuarial (gain)/loss from change in financial assumptions	0.11	0.04
Actuarial (gain)/loss from change in experience adjustments	0.01	0.09
Benefits paid	(0.45)	(0.08)
Liabilities assumed/(settled)	(0.42)	(0.01)
Closing defined benefit obligation	**1.73**	**2.13**

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, 2025	As at March 31, 2024
Defined benefit obligation (base)	1.73	2.13

Particulars	As at March 31, 2025		As at March 31, 2024	
	Discount rate	Salary Escalation rate	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	1.67	1.75	2.06	2.17
Impact of increase in 50 bps on DBO	-3.41%	1.15%	-3.33%	1.59%
Defined benefit obligation on decrease in 50 bps	1.79	1.71	2.21	2.10
Impact of decrease in 50 bps on DBO	3.62%	-1.12%	3.55%	-1.58%

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, 2025	For the year ended March 31, 2024
Expected benefits for year 1	0.29	0.40
Expected benefits for year 2	0.22	0.18
Expected benefits for year 3	0.20	0.19
Expected benefits for year 4	0.15	0.19
Expected benefits for year 5	0.13	0.19
Expected benefits for year 6	0.10	0.18
Expected benefits for year 7	0.10	0.18
Expected benefits for year 8	0.05	0.20
Expected benefits for year 9	0.09	0.18
Expected benefits for year 10 and above	1.65	2.00

The weighted average duration of the defined benefit obligation is 7.02 years (previous year 6.87 years)

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) Subsidiaries

JM Financial Asset Reconstruction Limited (JMFARC) (w.e.f. March 18, 2025)

Real Estate May 2023 – Trust (w.e.f. March 18, 2025)

(C) Fellow Subsidiaries

JM Financial Services Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

JM Financial Asset Reconstruction Limited (JMFARC) (upto March 17, 2025)

JM Financial Home Loans Limited

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Real Estate May 2023 – Trust (upto March 17, 2025)

ARB Maestro

JM Financial Institutional Securities Limited

JM Financial Asset Management Limited

(D) Associates

CFMARC TRUST – 167 (w.e.f. March 29, 2025)

(E) The entity is controlled or jointly controlled by a person identified

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

J.M. Assets Management Private Limited

J.M. Financial & Investment Consultancy Services Private Limited

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

Mr. Vishal Kampani (VNK) and (KMP of the parent company and KMP / Managing Director of the Company)

Mr. Nimesh Kampani (NNK) (KMP of the parent company)

Mr. Adi Patel (KMP of the parent company) (Director effective from August 2023)

Mr. Atul Mehra (KMP of the parent company – upto March 28, 2024)

Ms. Jagi Mangat Panda (JMP) (KMP of the parent company- Upto March 30, 2025)

Mr. P S Jayakumar (PSJ) (KMP of the parent company)

Ms. Roshini Bakshi (RHB) (KMP of the parent company)

Mr. Navroz Udwadia (NDU) (KMP of the parent company)

Mr. Pradip Kanakia (PMK) (KMP of the parent company)

Mr. Sumit Bose (SB) (KMP of the parent company)

Non-Executive Directors of company

Mr. Vikram Pandit

Mr. Hariharan Aiyar

Mr. V P Shetty (Upto July 31, 2023)

Mr. Adi Patel (Effective August 1, 2023)

Ms.Dipti Neelakantan

Independent Directors of company

Dr. Anup Shah

Mr. Satish Chand Mathur

Mr. K. G. Krishnamurthy

Relative of Key management personnel of company

Ms.Urmi Apurva Diwan

Ms.Shruti Anup Shah

Ms. Samiksha Mehra (Relative of Atul Mehra) – Upto March 28, 2024)

Ms. Sasha Mehra (Relative of Atul Mehra) – Upto March 28, 2024)

Ms. Suvidha Mehra (relative of Atul Mehra) – Upto March 28, 2024)

(iii) Details of transactions with related parties;

(₹ in Crore)

Name of the related party	Nature of relationship	As at March 31, 2025	As at March 31, 2024
JM Financial Limited	(A)		
Rating and support fees		1.31	4.47
Support service charges		1.98	1.98
Dividend paid		3.96	0.40
Gratuity paid		0.33	0.08
Reimbursement of employee expenses / (ESOP)		–	0#
Purchase of Equity shares of JM Financial Asset Reconstruction Company Limited Shares		856.40	–
Reimbursement of expenses received		0.33	–
Reimbursement of expenses		0.10	0.04
Closing balance payables		–	–
JM Financial Properties and Holdings Limited	(C)		
Space and related charges		1.19	2.74
Reimbursement of expenses (paid)		0.20	0.42
Security deposit received		1.30	–
Gratuity received		–	0.07
Security deposit outstanding		0.92	2.22
JM Financial Services Limited	(C)		
Demat Charges		0#	0#
Interest paid on NCD		–	–
Space and related charges		–	0.02
Inter Corporate Deposits Placed		2,025.00	400.00
Inter Corporate Deposits Received Back		2,425.00	–
Interest income on ICD		37.48	2.17
Secondary Brokerage Paid		0.01	–
Gratuity Received		0.01	–
Assets Transferred		0#	–
Closing Balance on Inter Corporate Deposit		–	400.00
JM Financial Home Loans Limited	(C)		
Dividend received		0.04	0.01
Reimbursement of Expenses received		–	0#
Investment in Compulsory Convertible Debentures		–	6.75
Interest income on Compulsory Convertible Debentures		–	0.58
Investment in Equity Shares Rights Issue		9.72	13.50
Closing Investment in equity shares and Compulsory Convertible Debentures		91.22	81.51
JM Financial Products Limited	(C)		
Interest received on NCDs		7.93	7.93
Gratuity received		0.19	–
Service fees		0.66	–
Assets transferred from JM Financial Products Limited		0.08	–
Closing balance of Non-convertible debentures		120.69	96.65
Payables		–	–
JM Financial Asset Reconstruction Company Limited	(C) & (B)		
Management fees		3.83	4.94
Investment in Optional Convertible Debenture		–	200.00
Recovery of expense		0.17	–
Security Deposit received		0.33	–

Notes
to the Financial Statements for the year ended March 31, 2025 (Contd..)

(₹ in Crore)

Name of the related party	Nature of relationship	As at March 31, 2025	As at March 31, 2024
Interest income on ICD		0.46	–
Inter corporate deposits given		230.00	–
Investment in Equity Shares Rights Issue		59.43	–
Closing balance of Inter Corporate Deposit		230.00	–
Closing balance of equity shares		1,094.27	178.44
Security deposit payable outstanding		0.33	–
Closing balance of Optional Convertible Debentures		200.00	200.00
Astute Investments	(C)		
Interest paid on NCDs		0.05	0.17
Redemption of NCD		–	2.25
Closing balance of Non-convertible debentures		0.53	0.53
J.M. Assets Management Private Limited	(E)		
Rent paid		1.68	1.68
Reimbursement of Expenses		0.01	–
Closing Security Deposit		0.84	0.84
JM Financial Asset Management Limited	(C)		
Purchase of NCDs of JM Financial Products Limited		24.91	–
Gratuity paid		0.30	–
JM Financial Institutional Securities Limited	(C)		
Inter corporate deposits given		50.00	–
Interest income on ICD		0.05	–
Closing balance of Inter Corporate Deposit		50.00	–
ARB Maestro	(C)		
Short term loans given		350.00	–
Interest income on short term loan given		0.46	–
Closing balance of short term loans		350.00	–
Real Estate May 2023 – Trust	(B)		
Investment in Security receipts		–	102.00
Sale of loans		–	300.00
Closing balance of Security receipts		102.00	102.00
CFMARC TRUST – 167	(D)		
Investment in Security receipts		113.90	–
Closing balance of Security receipts		113.90	–
J.M. Financial & Investment Consultancy Services Private Limited	(E)		
Interest paid on NCDs		0.08	0.08
Closing balance of Non-convertible debentures		0.79	0.79
Key management personnel and Relatives of Key managerial personnel	(F)		
Interest paid on NCDs		0.02	0.38
Redemption of NCD		–	3.00
Closing balance of Non-convertible debentures		0.25	0.25
Payables		6.20	3.18
Remuneration details of Key Management Personnel:	(F)		
Short term employee benefits		9.62	6.75
Post employee benefits		0.27	0.26
Share based payments		–	–
Other benefits (Refer Note)		0.51	0.59

#Denotes amount less than ₹50,000/-

Note :-

1) The remuneration excludes provision for gratuity and compensated absences as the incremental liability has been accounted for the group as a whole.

2) Other benefits include commission and sitting fees paid to non-executive directors and independent directors.

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.

38.3 Closing balance / investment has been disclosed at cost.

39 Maturity Analysis of Assets and Liabilities

(₹ in Crore)

		As at March 31, 2025			As at March 31, 2024		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	ASSETS						
1	**Financial Assets**						
A	Cash and cash equivalents	115.95	–	115.95	1,284.05	–	1,284.05
B	Bank Balance other than (A) above	7.24	–	7.24	0.34	5.49	5.83
C	Loans	1,894.81	1,850.91	3,745.72	2,811.43	4,218.75	7,030.18
D	Investments	1,752.94	1,909.22	3,662.16	810.01	965.65	1,775.66
E	Other Financial assets	4.82	1.90	6.72	3.88	3.02	6.90
		3,775.76	**3,762.03**	**7,537.79**	**4,909.71**	**5,192.91**	**10,102.62**
2	**Non-financial Assets**						
A	Current tax assets (net)	–	18.77	18.77	–	96.66	96.66
B	Deferred tax Assets (Net)	–	189.95	189.95	–	112.88	112.88
C	Property, Plant and Equipment	–	12.89	12.89	–	20.33	20.33
D	Other Intangible assets	–	0.15	0.15	–	0.19	0.19
E	Other non-financial assets	1.27	–	1.27	1.50	–	1.50
		1.27	**221.76**	**223.03**	**1.50**	**230.06**	**231.56**
	Total Assets	**3,777.03**	**3,983.79**	**7,760.82**	**4,911.21**	**5,422.97**	**10,334.18**

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(₹ in Crore)

		As at March 31, 2025			As at March 31, 2024		
		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	0.28	–	0.28	0.82	–	0.82
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.14	–	0.14	0.30	–	0.30
B	Debt Securities	217.96	2,842.29	3,060.25	743.29	3,247.81	3,991.10
C	Borrowings (Other than Debt Securities)	151.21	267.32	418.53	717.38	1,342.44	2,059.82
D	Lease liabilities	3.47	5.23	8.70	4.15	13.56	17.71
E	Other financial liabilities	41.79	1.70	43.49	42.13	4.63	46.76
	Total Financial Liabilities	**414.85**	**3,116.54**	**3,531.39**	**1,508.07**	**4,608.44**	**6,116.51**
2	**Non-Financial Liabilities**						
A	Provisions	0.69	1.44	2.13	0.74	1.85	2.59
B	Other non-financial liabilities	1.75	–	1.75	2.34	–	2.34
	Total Non-Financial Liabilities	**2.44**	**1.44**	**3.88**	**3.08**	**1.85**	**4.93**
	Total	**417.29**	**3,117.98**	**3,535.27**	**1,511.15**	**4,610.29**	**6,121.44**
	Net	**3,359.74**	**865.81**	**4,225.55**	**3,400.06**	**812.68**	**4,212.74**

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, 2025	As at March 31, 2024
Debt	**3,478.78**	**6,050.92**
Less - Cash and cash equivalents*	115.95	1,284.05
Less - Investment in liquid mutual funds	1,676.06	745.87
Less - Investment in government securities	39.70	64.14
Less - Other bank deposits	–	–
Adjusted net debt	**1,647.07**	**3,956.86**
Total equity	4,225.55	4,212.74
Adjusted net debt to equity ratio	**0.39**	**0.94**

*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. The Company generally maintain capital adequacy higher than the statutorily prescribed CAR. As at March 31, 2025, 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.

Particulars	Numerator	Denominator	As At March 31, 2025	As At March 31, 2024	% of Variance
CRAR	2,277.05	5,665.57	40.19%	42.00%	–4.31%
Tier I	2,230.64	5,665.57	39.37%	40.96%	–3.88%
Tier II	46.41	5,665.57	0.82%	1.05%	–21.90%
LCR	82.48	18.60	443.34%	1,454.93%	–69.53%

The liquidity coverage ratio (LCR) for the year ended March 31, 2025 is 443.34%, which is lower as compared to the previous year ended March 31, 2024 of 1,454.93% primarily because of numerator variance (HQLA) impact. (Refer note 46)

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, 2025	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	–	–	115.95	115.95
Bank Balance other than (a) above	–	–	7.24	7.24
Trade receivables	–	–	–	–
Loans	–	–	3,745.72	3,745.72
Investments	2,531.73	155.12	975.31	3,662.16
Other Financial assets	–	–	6.72	6.72
Total	**2,531.73**	**155.12**	**4,850.94**	**7,537.79**

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(₹ in Crore)

As at March 31, 2025	FVTPL	FVTOCI	Amortised Cost	Total
Financial liabilities				
Debt securities	–	–	3,060.25	3,060.25
Borrowings	–	–	418.53	418.53
Lease liabilities	–	–	8.70	8.70
Trade payables	–	–	0.42	0.42
Other Financial Liabilities	–	–	43.49	43.49
Total			**3,531.39**	**3,531.39**

(₹ in Crore)

As at March 31, 2024	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	–	–	1,284.05	1,284.05
Bank Balance other than (a) above	–	–	5.83	5.83
Trade receivables	–	–	–	–
Loans	–	–	7,030.18	7,030.18
Investments	1,579.58	196.08	–	1,775.66
Other Financial assets	–	–	6.90	6.90
Total	**1,579.58**	**196.08**	**8,326.96**	**10,102.62**
Financial liabilities				
Debt securities	–	–	3,991.10	3,991.10
Borrowings	–	–	2,059.82	2,059.82
Lease liabilities	–	–	17.71	17.71
Trade payables	–	–	1.12	1.12
Other Financial Liabilities	–	–	46.76	46.76
Total	**–**	**–**	**6,116.51**	**6,116.51**

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, 2025	3,076.22	3,051.47
March 31, 2024	3,306.41	3,189.30

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
Cash and cash equivalents	At amortised cost
Other bank balances	At amortised cost
Loans	At amortised cost
Investment in Mutual Funds	NAV as on the reporting date.
Investments in Government securities	Price from The Clearing Corporation of India Limited
Investment in Security receipts	latest NAV published
Investment in Debt instruments	Market approach - Comparable companies' approach, and Net realisable value
Investment in Compulsory Convertible Preference Shares	Market approach - Comparable companies' approach
Investment in Equity instruments	Market approach – Comparable companies' approach and Net book value
	Quoted price as on reporting date
Investment in Optional Convertible Debenture	Net Present Value / Valuation report
Other Financial assets	At amortised cost

Fair Valuation technique for financial liability - At amortised cost

(₹ in Crore)

As at March 31, 2025	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	1,676.06	1,676.06	–	–	1,676.06
Investments in Debentures or Bonds	119.90	–	–	119.90	119.90
Investments in Equity instrument	37.18	37.18	–	#	37.18
Investments in Security receipts	450.71	–	–	450.71	450.71

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

(₹ in Crore)

As at March 31, 2025	Carrying Value	Level 1	Level 2	Level 3	Total
Investments in Government securities	39.70	–	39.70	–	39.70
Investments in Compulsory Convertible Preference Shares	41.01	–	–	41.01	41.01
Investment in Optional Convertible Debenture	167.17	–	–	167.17	167.17
Measured at FVTOCI					
Investments in Equity instrument	155.12	–	–	155.12	155.12
Total	**2,686.85**	**1,713.24**	**39.70**	**933.91**	**2,686.85**

(₹ in Crore)

As at March 31, 2024	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets					
Measured at FVTPL					
Investments in Mutual Fund	745.87	745.87	–	–	745.87
Investments in Debentures or Bonds	91.86	–	–	91.86	91.86
Investments in Equity instrument	0#	–	–	0#	0#
Investments in Security receipts	437.75	–	–	437.75	437.75
Investments in Government securities	64.14	–	64.14	–	64.14
Investments in Compulsory Convertible Preference Shares	39.96	–	–	39.96	39.96
Investment in Optional Convertible Debenture	200.00	–	–	200.00	200.00
Measured at FVTOCI					
Investments in Equity instrument	196.08	–	–	196.08	196.08
Total	**1,775.66**	**745.87**	**64.14**	**965.65**	**1,775.66**

# Denotes amount less than ₹50,000/-

The following table presents the changes in level 3 items for the year ended March 31, 2025 and March 31, 2024.

(₹ in Crore)

	Equity shares	Debt Instrument	Compulsory Convertible Preference Shares	Security receipts
As at March 31, 2023	**207.89**	**129.03**	**33.00**	**335.75**
Acquisitions	13.50	206.75	–	102.00
Conversion from CCD to Equity Shares	55.22	(55.22)	–	–
Realisations	–	(0.31)	–	–
Net Gain / (Loss) on fair value changes	(80.53)	11.61	6.96	
As at March 31, 2024	**196.08**	**291.86**	**39.96**	**437.75**
Acquisitions	69.15	24.91	–	113.90
Transfer to Amortised cost on change in status of investment	(118.92)	–	–	–
Realisations	–	1.00	–	–
Net Gain / (Loss) on fair value changes	8.81	(30.70)	1.05	(100.94)
As at March 31, 2025	**155.12**	**287.07**	**41.01**	**450.71**

Sensitivity for instruments

(₹ in Crore)

Nature of instrument	Fair value as at March 31, 2025	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2025	
Equity shares	155.12	Market approach – Comparable companies' approach and Net book value	5%	7.76	(7.76)
Debt instruments	287.07	Market approach - Comparable companies' approach, and Net realisable value	5%	14.35	(14.35)
Compulsory Convertible Preference Shares	41.01	Market approach - Comparable companies' approach	5%	2.05	(2.05)
Security receipts	450.71	Latest published NAV	5%	22.54	(22.54)

(₹ in Crore)

Nature of instrument	Fair value as at March 31, 2024	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2024	
Equity shares	196.08	Market approach – Comparable companies' approach and Net book value	5%	9.80	(9.80)
Debt instruments	291.86	Market approach - Comparable companies' approach, and Net realisable value	5%	14.59	(14.59)
Compulsory Convertible Preference Shares	39.96	Market approach - Comparable companies' approach	5%	2.00	(2.00)
Security receipts	437.75	Latest published NAV	5%	21.89	(21.89)

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.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

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 approvals

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 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 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. 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 close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

The Company also requires 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.

Company has rating model in place and does not only relies on external rating.

The credit impaired assets as at the reporting dates were secured by collateral.

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 (Assets for which there is significant increase in credit risk)	Lifetime ECL
Stage 3	Credit Impaired	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

Probability of default (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.

Exposure at Default (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.

Loss Given Default (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 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'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.

(₹ in Crore)

As on March 31, 2025	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – performing assets	Loan	3,662.22	46.41	3,615.82	RE - 1.29 to 6.78
Stage 2 – Assets for which there is significant increase in credit risk	Loan	31.47	3.01	28.46	19.66 to 26.86
Stage 3 – Assets which are credit impaired	Advances	14.73	14.73	–	100
Stage 3 - Assets which are credit impaired	Loan	798.52	697.07	101.44	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for credit impaired assets.

(₹ in Crore)

As on March 31, 2024	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount	PD
Stage 1 – performing assets	Loan	6,702.75	92.72	6,610.03	RE - 0.03 to 6.78
Stage 2 – Assets for which there is significant increase in credit risk	Loan	264.16	88.54	175.62	4.73 to 26.86
Stage 3 – Assets which are credit impaired	Advances	14.73	14.73	–	100
Stage 3 - Assets which are credit impaired	Loan	544.54	300.01	244.53	Refer note

Note: The Company has used discounted cash flow methodology to determine provision for credit impaired assets.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation of loans

(₹ in Crore)

	2024-25			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**6,702.75**	**264.16**	**544.54**	**7,511.45**
New assets originated or purchased / further increase in existing asset	2,019.44	–	16.86	2,036.30
Assets derecognised or repaid (excluding write offs)	(4,916.06)	(44.45)	(95.03)	(5,055.54)
Transfers to Stage 1				
Transfers to Stage 2	28.24	(28.24)	–	–
Transfers to Stage 3	(172.15)	(160.00)	332.15	–
Changes to contractual cash flows due to modifications not resulting in derecognition	–	–	–	–
Amounts written off	–	–	–	–
Gross carrying amount closing balance*	**3,662.22**	**31.47**	**798.52**	**4,492.21**

*Including interest accrued and net of EIR

(₹ in Crore)

	2023-24			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance*	**8,079.74**	**1,016.43**	**483.56**	**9,579.73**
New assets originated or purchased / further increase in existing asset	3,061.74	50.36	–	3,112.10
Assets derecognised or repaid (excluding write offs)	(4,068.14)	(300.04)	(363.87)	(4,732.05)
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(129.06)	129.06	–	–
Transfers to Stage 3	(241.53)	(631.65)	873.18	–
Changes to contractual cash flows due to modifications not resulting in derecognition	–	–	–	–
Amounts written off**	–	–	(448.33)	(448.33)
Gross carrying amount closing balance*	**6,702.75**	**264.16**	**544.54**	**7,511.45**

*Including interest accrued and net of EIR

**Apart from above written off, ₹33.64 crore is on account of TDS credit of earlier years

Reconciliation of Expected Credit Loss (ECL) balance is given below

(₹ in Crore)

	2024-25			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**92.72**	**88.54**	**300.01**	**481.27**
ECL remeasurements due to changes in EAD / assumptions [Net]	11.59	–	174.54	186.13
Assets derecognized or repaid (excluding write off)	(51.72)	(2.30)	(30.75)	(84.77)
Transfers to Stage 1	0.94	(3.23)	–	(2.29)
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	(7.12)	(80.00)	253.27	166.15
"Impact on year end ECL of exposures transferred between stages during the year"	**(6.18)**	**(83.23)**	**253.27**	**163.86**
Recoveries	–	–	–	–
Amounts written off	–	–	–	–
ECL allowance - closing balance	**46.41**	**3.01**	**697.07**	**746.49**

(₹ in Crore)

	2023-24			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**102.81**	**111.27**	**168.09**	**382.17**
ECL remeasurements due to changes in EAD / assumptions [Net]	52.74	74.79	–	127.53
Assets derecognized or repaid (excluding write off)	(34.45)	(38.66)	(10.89)	(84.00)
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(1.75)	5.48	–	3.73
Transfers to Stage 3	(26.63)	(64.34)	307.69	216.72
Impact on year end ECL of exposures transferred between stages during the year	**(28.38)**	**(58.86)**	**307.69**	**220.45**
Recoveries	–	–	–	
Amounts written off	–	–	(164.88)	(164.88)
ECL allowance - closing balance	**92.72**	**88.54**	**300.01**	**481.27**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Advances

(₹ in Crore)

	2024-25			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**–**	**–**	**14.73**	**14.73**
New assets originated or purchased	–	–	–	–
Assets derecognised or repaid (excluding write offs)	–	–	–	–
Transfer to Stage 3	–	–	–	–
Amounts written off	–	–	–	–
Gross carrying amount closing balance	**–**	**–**	**14.73**	**14.73**

(₹ in Crore)

	2023-24			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**–**	**–**	**14.73**	**14.73**
New assets originated or purchased	–	–	–	–
Assets derecognised or repaid (excluding write offs)	–	–	–	–
Amounts written off	–	–	–	–
Gross carrying amount closing balance	**–**	**–**	**14.73**	**14.73**

Reconciliation of ECL balance is given below

(₹ in Crore)

	2024-25			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**–**	**–**	**14.73**	**14.73**
ECL remeasurements due to changes in EAD / assumptions [Net]	–	–	–	–
Transfer to Stage 3	–	–	–	–
Assets derecognized or repaid (excluding write off)	–	–	–	–
Amounts written off	–	–	–	–
ECL allowance - closing balance	**–**	**–**	**14.73**	**14.73**

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to the Financial Statements for the year ended March 31, 2025 (Contd..)

(₹ in Crore)

	2023-24			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**–**	**–**	**14.73**	**14.73**
ECL remeasurements due to changes in EAD / assumptions [Net]	–	–	–	–
Transfer to Stage 3	–	–	–	–
Assets derecognized or repaid (excluding write off)	–	–	–	–
Amounts written off				
ECL allowance - closing balance	**–**	**–**	**14.73**	**14.73**

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 ₹10 Crore and ₹ 10 Crore as of March 31, 2025 and March 31, 2024 respectively, from its lenders and financial institutions for working capital and term loan 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)

As at March 31, 2025	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	0.42	0.42	–	–	–
Debt Securities	3,060.25	217.96	1,346.33	615.11	880.85
Borrowings	418.53	151.21	220.52	46.80	–
Lease Liabilities	8.70	3.47	3.85	1.38	–
Other financial liabilities	43.49	41.79	1.70	–	–
Total	**3,531.39**	**414.85**	**1,572.40**	**663.29**	**880.85**

(₹ in Crore)

As at March 31, 2025	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial Assets					
Cash and cash equivalents	115.95	115.95	–	–	–
Bank Balance	7.24	7.24	–	–	–
Trade receivable	–	–	–	–	–
Loans	3,745.72	1,894.81	1,468.09	272.74	110.08
Investments	3,662.16	1,752.94	119.89	–	1,789.33
Other Financial assets	6.72	4.82	–	–	1.90
Total	**7,537.79**	**3,775.76**	**1,587.98**	**272.74**	**1,901.31**

(₹ in Crore)

As at March 31, 2024	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	1.12	1.12	–	–	–
Debt Securities	3,991.10	743.29	1,604.36	588.64	1,054.81
Borrowings	2,059.82	717.38	1,117.57	224.87	–
Lease Liabilities	17.71	4.15	7.11	6.45	–
Other financial liabilities	46.76	42.13	4.63	–	–
Total	**6,116.51**	**1,508.07**	**2,733.67**	**819.96**	**1,054.81**
Financial Assets					
Cash and cash equivalents	1,284.05	1,284.05	–	–	–
Bank Balance	5.83	0.34	5.49	–	–
Trade receivable	–	–	–	–	–
Loans	7,030.18	2,811.43	2,928.99	1,226.46	63.30
Investments	1,775.66	810.01	91.86	–	873.79
Other Financial assets	6.90	3.88	–	1.44	1.58
Total	**10,102.62**	**4,909.71**	**3,026.34**	**1,227.90**	**938.67**

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.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements

(₹ in Crore)

As at March 31, 2025	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	0.42	0.42	–	–	–
Debt Securities	3,076.22	218.28	1,350.00	617.94	890.00
Borrowings	420.62	151.21	222.61	46.80	–
Lease Liabilities	9.98	4.13	4.40	1.45	–
Other financial liabilities	43.49	41.79	1.70	–	–
Total	**3,550.73**	**415.83**	**1,578.71**	**666.19**	**890.00**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

(₹ in Crore)

As at March 31, 2024	Carrying amount (Gross)	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade Payables	1.12	1.12	–	–	–
Debt Securities	4,016.30	745.47	1,612.89	592.94	1,065.00
Borrowings	2,070.33	717.38	1,128.08	224.87	–
Lease Liabilities	21.65	5.60	8.97	7.08	–
Other financial liabilities	46.76	42.13	4.63	–	–
Total	**6,156.16**	**1,511.70**	**2,754.57**	**824.89**	**1,065.00**

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)

	As at March 31, 2025	As at March 31, 2024
Loans		
Fixed-rate instruments	3,232.97	4,223.88
Floating-rate instruments	1,223.33	3,198.75
Total	**4,456.30**	**7,422.63**
Debt Securities and Borrowings (Other than Debt Securities)		
Fixed-rate instruments	2,941.97	3,210.39
Floating-rate instruments	418.21	2,700.53
Total	**3,360.18**	**5,910.92**

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)

	As at March 31, 2025		As at March 31, 2024	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	12.23	(12.23)	31.98	(31.98)
Floating rate borrowings	(4.18)	4.18	(27.00)	27.00
	8.05	**8.05**	**4.98**	**(4.98)**

Equity price risk:

Equity price risk is related to the change in market reference price of the level 1 and level 2 equity instruments. The fair value of some of the Group's investments exposes the Group to equity price risks. In general, these securities are not held for trading purposes.

The fair value of level 1 and level 2 equity instruments as at March 31, 2025 were ₹37.18 crore. A 5% change in price of equity instruments held as at March 31, 2025 would result in the following:

(₹ in Crore)

	March 31, 2025
5% Increase	1.86
5% Decrease	(1.86)

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 ₹)
17th April 2021	Series – XIII	26,613	Vested	Seven years from the date of Grant	1
17th April 2022	Series – XIII	26,613	Vested	Seven years from the date of Grant	1
17th April 2023	Series – XIII	26,613	Vested	Seven years from the date of Grant	1

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

Particulars	Number of outstanding options	
	Current year	Previous year
Outstanding at the beginning of the year	17,742	17,742
Granted during the year	–	–
Exercised during the year	–	–
Lapsed	–	–
Outstanding at the end of the year	17,742	17,742
Exercisable at the end of the year	17,742	17,742

# Denotes amount less than ₹50,000/-

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

The charge on account of the above scheme is included in employee benefit expense / write back is NIL (Previous year #).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	Closing Balance	Closing Balance
JM Financial Services Ltd	Fellow Subsidiary	600.00 (400.00)	– (400.00)
JM Financial Asset Reconstruction Company Limited	Fellow Subsidiary	230.00 (–)	230.00 (–)
ARB Maestro	Fellow Subsidiary	350.00 (–)	350.00 (–)
JM Financial Institutional Securities Ltd	Fellow Subsidiary	50.00 (–)	50.00 (–)

(Figures in brackets indicates previous year figures)

Loans and advances shown above are short term in nature and interest bearing.

43 Expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

(₹ in Crore)

		For the year ended March 31, 2025	For the year ended March 31, 2024
a)	Gross amount required to be spent by the Company during the year.	6.56	9.94
b)	Amount spent:		
	In cash	2.06	2.04
	Yet to be paid in cash	4.50	7.90
	Total	**6.56**	**9.94**
c)	Short fall at the end of the year	–	–
d)	Total Previous years shortfall	–	–
e)	Reason for shortfall	–	–
f)	Amount contributed to a trust controlled by the Group	–	–
g)	Nature of CSR Activities	–	–
	(i) Construction/acquisition of any asset		–
	(ii) On purposes other than (i) above	6.56	9.94

Amount approved by the Board to be spent during the year ended March 31, 2025 was ₹ 6.56 crore (March 31, 2024 was ₹9.94 crore)

Details of unspent obligations

In case of section 135(5) of the Companies Act, 2013 (ongoing projects)

(₹ in Crore)

Opening balance as on April 1, 2024		Amount required to be spent during the year	Amount spent during the year		Closing balance as on March 31, 2025	
With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	With Company	In separate CSR Unspent account
7.90	5.49	6.56	2.06	6.50	4.50	6.89

In case of section 135(5) of the Companies Act, 2013 (ongoing projects)

(₹ in Crore)

Opening balance as on April 1, 2023		Amount required to be spent during the year	Amount spent during the year		Closing balance as on March 31, 2024	
With Company	In separate CSR Unspent account		From Company's bank account	From separate CSR unspent account	From Company's bank account	From separate CSR unspent account
7.99	5.28	9.94	2.04	7.77	7.90	5.49

44 The Company operates only in one Operating Segment i.e. Loans - Financing Activity and all other activities are incidental to the main business activity. The Company has its operations within India and all revenue is generated within India. As such the Company 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 Chief Operating Decision Maker (CODM).

The Company has its operations within India and all revenue is generated within India

45 Unhedged Foreign Currency Exposure

As at March 31, 2025

(₹ 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

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

As at March 31, 2024

(₹ 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, 2025	17	2,982.37	Not Applicable	84.4%
For the year ended March 31, 2024	24	5,400.87	Not Applicable	88.3%

*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):

For the year ended March 31, 2025		For the year ended March 31, 2024	
Amount (₹ In Crore)	% of Total Borrowings	Amount (₹ In Crore)	% of Total Borrowings
2,374.89	68.3%	3,751.51	62.0%

d. Funding Concentration based on significant instrument/product*:

(₹ in Crore)

Sr. No.	Name of the instrument/product	For the year ended March 31, 2025		For the year ended March 31, 2024	
		Amount	% of Total Liabilities	Amount	% of Total Liabilities
1	Term Loans	418.53	11.8%	2,059.82	33.7%
2	Non-Convertible Debentures	3,060.25	86.6%	3,991.10	65.2%
3	Commercial Papers	–	–	–	–
4	Inter corporate deposit	–	–	–	–
5	Cash Credit and Working Capital lines	–	–	–	–

*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	
		As at March 31, 2025	As at March 31, 2024
1.	Commercial papers as a % of total public funds	–	–
	Commercial papers as a % of total liabilities	–	–
	Commercial papers as a % of total assets	–	–
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	12.0%	25.0%
	Other short-term liabilities, if any as a % of total liabilities	11.8%	24.7%
	Other short-term liabilities, if any as a % of total assets	5.4%	14.6%

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.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

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.

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days HQLAs comprise of Cash, Investment in Central and State Government Securities.

LIQUIDITY COVERAGE RATIO

(₹ in Crore)

Sr. No.	Particulars	For the Quarter ended June 30, 2024		For the Quarter ended September 30, 2024	
		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 (Bank balances and Treasury bills)	105.43	105.43	68.23	68.23
	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				
6.	Other contractual funding obligations	110.79	127.41	49.35	56.76
7.	Other contingent funding obligations	–	–	–	–
8.	**TOTAL CASH OUTFLOWS**	**110.79**	**127.41**	**49.35**	**56.76**
	CASH INFLOWS				
9.	Secured Lending				
10.	Inflows from fully performing exposures	164.41	123.31	450.12	337.59
11.	Other cash inflows	127.38	95.53	187.93	140.95
12.	**TOTAL CASH INFLOWS**	**291.79**	**218.84**	**638.05**	**478.54**
13.	**TOTAL HQLA**		105.43		68.23
14.	**TOTAL NET CASH OUTFLOWS**		**31.85**		**14.19**
15.	**LIQUIDITY COVERAGE RATIO (%)**		**330.97%**		**480.84%**

[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

(₹ in Crore)

Sr. No.	Particulars	For the Quarter ended December 31, 2024		For the Quarter ended March 31, 2025	
		Total Unweighted Value[5] (average)	Total weighted Value (average)[6]	Total Unweighted Value[7] (average)	Total weighted Value (average)[8]
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1.	Total HQLA (Bank balances and Treasury bills	75.02	67.74	102.29	82.48
	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				
6.	Other contractual funding obligations	40.35	46.40	64.71	74.74
7.	Other contingent funding obligations	–	–	–	–
8.	**TOTAL CASH OUTFLOWS**	**40.35**	**46.40**	**64.71**	**74.74**
	CASH INFLOWS				
9.	Secured Lending				
10.	Inflows from fully performing exposures	81.03	60.78	43.13	32.35
11.	Other cash inflows	135.34	101.50	3,136.92	2,352.69
12.	**TOTAL CASH INFLOWS**	**216.37**	**162.28**	**3,180.05**	**2,385.04**
13.	**TOTAL HQLA**		67.74		82.48
14.	**TOTAL NET CASH OUTFLOWS**		**11.60**		**18.60**
15.	**LIQUIDITY COVERAGE RATIO (%)**		**584.04%**		**443.34%**

[5] Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
[6] Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow
[7] Unweighted values is calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
[8] Weighted values is calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

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	3,662.22 (6,702.75)	46.41 (92.71)	3,615.81 (6,610.04)	14.50 (26.98)	31.91 (65.73)
	Stage 2	31.47 (264.16)	3.01 (88.54)	28.46 (175.62)	0.13 (1.06)	2.88 (87.48)
	Stage 3	75.81 (87.89)	72.01 (43.96)	3.80 (43.93)	0.30 (8.79)	71.71 (35.17)
Subtotal		**3,769.50** (7,054.80)	**121.43** (225.21)	**3,648.07** (6,829.59)	**14.93** (36.83)	**106.50** (188.38)
Non-Performing Assets (NPA)						
Substandard	Stage 3	332.15 (398.57)	253.27 (223.45)	78.88 (175.12)	33.22 (39.86)	220.05 (183.59)
	Stage 2	– (–)	– (–)	– (–)	– (–)	– (–)
Doubtful						
Up to 1 year	Stage 3	367.80 (51.08)	349.92 (27.36)	17.88 (23.72)	81.72 (10.22)	268.20 (17.14)
1 to 3 years	Stage 3	19.10 (–)	18.39 (–)	0.71 (–)	9.22 (–)	9.17 (–)
More than 3 years	Stage 3	3.66 (7.00)	3.48 (5.25)	0.18 (1.75)	1.83 (3.50)	1.65 (1.75)
Subtotal for doubtful		**390.56** (58.08)	**371.79** (32.61)	**18.77** (25.47)	**92.77** (13.72)	**279.02** (18.89)
Loss	Stage 3	– (–)	– (–)	– (–)	– (–)	– (–)
Subtotal for NPA		**722.71** (456.65)	**625.06** (256.06)	**97.65** (200.59)	**125.99** (53.58)	**499.07** (202.48)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	– (–)	– (–)	– (–)	– (–)	– (–)
	Stage 2	– (–)	– (–)	– (–)	– (–)	– (–)
	Stage 3	– (–)	– (–)	– (–)	– (–)	– (–)
Subtotal		**–** (–)	**–** (–)	**–** (–)	**–** (–)	**–** (–)

(₹ 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)
Total	Stage 1	3,662.22 (6,702.75)	46.41 (92.72)	3,615.81 (6,610.03)	14.50 (26.98)	31.91 (65.74)
	Stage 2	31.47 (264.16)	3.01 (88.54)	28.46 (175.62)	0.13 (1.06)	2.88 (87.48)
	Stage 3	798.52 (544.54)	697.07 (300.01)	101.45 (244.53)	126.29 (62.36)	570.78 (237.65)
	Total	**4,492.21** (7,511.45)	**746.49** (481.27)	**3,745.72** (7,030.18)	**140.92** (90.40)	**605.57** (390.87)

Figures in brackets represents previous year amount

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, NBFCs are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2025 and accordingly, no amount is required to be transferred to impairment reserve.

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

(₹ in Crore)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Total Number of transactions wherein Loan assets securitized	–	–
(ii)	Total book value of loan assets securitised – ₹	–	–
(iii)	Total sales consideration received for the securitised assets – ₹	–	–
(iv)	Gain on sale on account of securitisation – ₹	–	–
(v)	Gain recognized in the Statement of Profit and Loss – ₹	–	–
(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, 2025	As at March 31, 2024
No. of accounts sold	–	9
No. of accounts purchased	–	–
Aggregate outstanding	–	427.46
Aggregate consideration paid	–	–
Aggregate consideration received	–	300.00

During the year, there are no non-performing financial assets purchased.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Pursuant to Master Directions – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021, applicable disclosures are given below:

Particulars	As at March 31, 2025	As at March 31, 2024
Aggregate principal outstanding of loans acquired (₹ in crores)	–	–
Aggregate consideration paid* (₹ in crores)	–	–
Weighted average residual tenor of loans acquired	**–**	**–**

*Consideration paid includes principal and interest accrued but not due as on date of acquisition.

Pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 vide RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, Disclosure of information as required is as mentioned below

(₹ in Crore)

Details of Stressed loans transferred during the year	To ARC	
	During the year ended March 31, 2025	During the year ended March 31, 2024
Number of accounts	–	9
Aggregate principal amount of loan transferred	–	427.46
Weighted average residual tenor of the loans transferred	–	2.93
New book value of loans transferred at the time of transfer	–	302.75
Aggregate consideration	–	300.00
Additional consideration realised in respect of accounts transferred in earlier years	–	–

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, 2025	As at March 31, 2024
CRAR (%)	40.19%	42.00%
CRAR - Tier I capital (%)	39.37%	40.96%
CRAR - Tier II capital (%)	0.82%	1.05%
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

48.3 Exposures:

A. Exposure to Real Estate Sector

(₹ in Crore)

	Category	As at March 31, 2025	As at March 31, 2024
I)	**Direct Exposure**		
(a)	**Residential Mortgages-**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		
(b)	**Commercial Real Estate-**		
	Lending secured by mortgages on commercial real estate (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.	2,812.93	4,896.72
(c)	**Investments in Mortgage-Backed Securities (MBS) and other securitized exposures**		
	i. Residential		
	ii. Commercial Real Estate		
II)	**Indirect Exposure**		
	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
	Total Investments		
I	**Direct Exposure**		
(i)	Commercial real estate	450.71	437.75
(ii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
	a) Residential,		
	b) Commercial Real Estate.		
	b) Others.		
II	**Indirect Exposure**		
(i)	Funded and Non-funded Exposures NHB and Housing Finance Companies(HFCs)	155.12	136.59
(ii)	Any other		
	Total	**3,418.76**	**5,471.06**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

B. Exposures to Capital Market

(₹ in Crore)

	Category	As at March 31, 2025	As at March 31, 2024
(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	1,053.50	99.45
(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;	961.75	1,101.64
(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;	50.00	400.00
(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)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	–	–
ix.	Financing to stockbrokers for margin trading	–	–
x.	All exposures to Alternative Investment Funds:		
	(i)\Category I		
	(ii)\Category II		
	(iii)\Category III	–	–
	Total exposure to Capital Market	**2,065.25**	**1,601.09**

C) Sectoral Exposure

(₹ in Crore)

Sectors	As at March 31, 2025			As at March 31, 2024		
	Total Exposure	Gross NPA	% of gross NPA to exposure in that sector	Total Exposure	Gross NPA	% of gross NPA to exposure in that sector
1. Agriculture and Allied activities	–	–	–	–	–	–
2. Industry	–	–	–	–	–	–
3. Services						
a) Commercial Real Estate	2,812.93	786.77	27.97%	4,996.72	532.79	10.88%
b) Financial Institution Financing	87.53	–	–	347.82	–	–
c) Other services	1,591.75	11.75	0.26%	2,266.91	11.75	0.52%
4. Personal Loans	–	–	–	–	–	–
5. Others	–	–	–	–	–	–

D) Related Party Disclosure

(₹ in Crore)

Related Parties/ Items	Parent		Fellow Subsidiaries and Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Borrowings										
Closing	–	–	0.79	1.32	–	–	0.25	0.25	1.04	1.57
Maximum balance	–	–	0.79	3.57	–	2.00	0.25	1.25	1.04	6.82
Deposits										
Closing	–	–	1.76	3.06	–	–	–	–	1.76	3.06
Maximum balance			3.06	3.06	–	–	–	–	3.06	3.06
Advances										
Closing	–	–	630.00	400.00	–	–	–	–	630.00	400.00
Maximum balance	–	–	1,230.00	400.00	–	–	–	–	1,230.00	400.00
Investments*										
Closing	–	–	1,722.96	658.61	–	–	–	–	1,722.96	658.61
Maximum balance			1,722.96	658.61	–	–	–	–	1,722.96	658.61
Purchase of fixed/other assets	–	–	0.08	–	–	–	–	–	0.08	–
Sale of fixed/other assets	–	–	#	–	–	–	–	–	#	–
Interest paid	–	–	0.08	0.25	–	0.20	0.02	0.17	0.10	0.62
Interest received	–	–	46.44	10.67	–	–	–	–	46.44	10.67
Others	–	–	–	–	–	–	–	–	–	–

# Denotes amount below ₹50,000/-

* investment has been disclosed at cost

E) Intragroup Exposure

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
i) Total amount of intra-group exposures	630.00	400.00
ii) Total amount of top 20 intra-group exposures	630.00	400.00
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	14.02%	5.33%

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

iii. Asset Liability Management:

Maturity pattern of certain items of assets and liabilities:

(₹ in Crore)

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	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	0.92	–	6.30	42.31	404.01	1,127.93	328.38	1,468.09	303.29	72.48	3,753.71
	(3.04)	(–)	(17.27)	(81.76)	(476.59)	(1,271.99)	(966.16)	(2,928.99)	(1,227.90)	(64.88)	(7,038.58)
Investments	20.00	20.00	104.98	271.89	1,336.06	–	–	119.90	–	1,789.33	3,662.16
	(–)	(10.00)	(124.91)	(–)	(–)	(675.10)	(–)	(91.86)	(–)	(873.79)	(1,775.66)
Liabilities											
Borrowing	0.33	–	4.95	22.79	65.16	88.29	187.66	1,566.85	661.90	880.85	3,478.78
	(8.59)	(–)	(67.28)	(47.17)	(135.00)	(819.85)	(382.78)	(2,721.93)	(813.51)	(1,054.81)	(6,050.92)
Foreign currency assets	–	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)

# Denotes amount below ₹50,000/-

The company has estimated their inflows from investment in liquid mutual fund on the basis of outflows in respective buckets upto 6 months.

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.

48.4 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

(₹ in Crore)

(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	Particulars		
	Liabilities side	**Amount outstanding**	**Amount overdue**
(a)	Debentures		
	(i) Secured	3,060.25 (3,911.10)	– (–)
	(ii) Unsecured (other than falling within the meaning of public deposits)	– (–)	– (–)

(₹ in Crore)

(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	Particulars		
	Liabilities side	**Amount outstanding**	**Amount overdue**
(b)	Deferred Credits	– (–)	– (–)
(c)	Term Loans	418.53 (2,059.82)	– (–)
(d)	Inter-corporate loans and borrowing	– (–)	– (–)
(e)	Commercial Paper	– (–)	– (–)
(f)	Other Loans		
	Working Capital Loan	– (–)	– (–)
	Cash Credits	– (–)	– (–)
	Due under finance lease	– (–)	– (–)

(₹ in Crore)

(2)	Break up of Loans and Advances including bills receivables (other than those included in (3) below):	
	Particulars	
	Assets side	**Amount outstanding**
(a)	Secured	3,683.39 (6,371.34)
(b)	Unsecured	808.82 (1,140.11)

(₹ in Crore)

(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:	
	Particulars	
	Assets side	**Amount outstanding**
(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	– (–)

Notes
to the Financial Statements for the year ended March 31, 2025 (Contd..)

(₹ in Crore)

(4)	Break – up of Investments:	
	Particulars	
	Assets side	**Amount outstanding**
	Current Investment	
	1. Quoted:	
	(i) Shares:	
	(a) Equity	37.18
	(b) Preference	–
	(ii) Debentures and Bonds	– (–)
	(iii) Units of Mutual Funds	1,676.06 (745.87)
	(iv) Government Securities	39.70 (64.14)
	(v) Others (Please Specify)	–
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	1,130.43 (196.08)
	(b) Preference	41.01 (39.96)
	(ii) Debentures and Bonds	287.07 (291.86)
	(iii) Units of Mutual Funds	– (–)
	(iv) Government Securities	– (–)
	(v) Others (Security receipts)	450.71 (437.75)

(₹ in Crore)

(5)	Borrower group – wise classification of assets financed as in (2) and (3) above:			
		Amount (net of provisions)		
	Category	**Secured**	**Unsecured**	**Total**
1)	Related Parties			
	(a) Subsidiaries	– (–)	230.00 (–)	230.00 (–)
	(b) Companies in the same group	– (–)	400.00 (400.00)	400.00 (400.00)
	(c) Other related parties	– (–)	– (–)	– (–)
2)	Other than related parties	3,683.39 (6.371.34)	178.82 (740.11)	3,862.21 (7,111.45)
		3,683.39 (6,371.34)	808.82 (1,140.11)	4,492.21 (7,511.45)
	Less: Provision for non-performing assets	697.07 (300.01)	– –	697.07 (300.01)
		2,986.32 (6,071.33)	808.82 (1,140.11)	3,795.14 (7,211.44)

(₹ in Crore)

(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**	**Book Value (Net of Provisions)**
1)	Related Parties		
	(a) Subsidiaries	1,142.49 (–)	1,142.49 (–)
	(b) Companies in the same group	465.42 (589.94)	465.42 (589.94)
	(c) Other related parties	– (–)	– (–)
2)	Other than related parties	2,054.25 (1,185.72)	2,054.25 (1,185.72)
		3,662.16 (1,755.66)	**3,662.16** (1,755.66)

(₹ in Crore)

(7)	Other Information:	
	Particulars	**Amount**
(i)	Gross Non – Performing Assets	
	(a) Related Parties	– (–)
	(b) Other than related parties	798.52 (544.54)
(ii)	Net Non – Performing Assets	
	(a) Related Parties	– (–)
	(b) Other than related parties	101.45 (244.53)
(iii)	Assets acquired in satisfaction of debt	– (–)

(Figures in brackets indicates previous year figures)

48.5 There are no restructured advances as on March 31, 2024 and March 31, 2023. Hence disclosure of information as required in terms of Paragraph 25 of Master Directions – Non-Banking Financial Company - “Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 is not warranted.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

48.6 Investments

(₹ in Crore)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	**Value of Investments**		
(i)	Gross Value of Investments		
	(a) in India	3,662.16	1,775.66
	(b) Outside India	–	–
(ii)	Provision for depreciation		
	(a) in India	–	–
	(b) Outside India	–	–
(iii)	Net Value of Investments		
	(a) in India	3,662.16	1,775.66
	(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	–	–

48.7 Additional & Miscellaneous Disclosures:

(I) Registration obtained from other financial sector regulators

Company has not registered with other financial sector regulator except with Reserve Bank of India

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

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Penalties imposed	Nil	Nil

(III) Net Statement of 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, 2025	As at March 31, 2024
Premium utilised for share issue expenses	–	–

(V) Drawdown from Reserves

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Drawdown from reserves	–	–

48.8 Ratings assigned by credit rating agencies and migration of ratings during the year:

	Particulars	As at March 31, 2025	As at March 31, 2024
	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 PP-MLD ICRA AA / Stable	[ICRA]AA/Stable PP-MLD ICRA 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

48.9 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

(₹ in Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Provisions for depreciation on Investment*	–	–
Provision towards NPA / ECL (stage 3)	397.05	256.63
Provision for TDS receivables	8.03	–
Provision made towards Income tax	96.38	45.14
Other Provision and Contingencies (with details)	–	–
Provision for Standard Assets / ECL stage 1 and 2	(131.84)	(32.82)

Netted off from "Net gain on fair value changes" in schedule III as per Ind AS requirement

48.10 Concentration of Deposits, Advances and Exposures and NPAs:

Concentration of Deposits (for deposit taking NBFCs)

Particulars	As at March 31, 2025	As at March 31, 2024
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

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Advances to twenty largest borrowers	3,806.69	5,210.35
Percentage of Advances to twenty largest borrowers to total Advances of the NBFC	85.42%	70.20%

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Concentration of Exposures

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to twenty largest borrowers / customers	3,844.64	5,257.10
Percentage of Exposures to twenty largest borrowers / customers to total Exposure of the NBFC on borrowers / customers	85.58%	69.99%

Concentration of NPAs

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to top four NPA accounts	644.07	373.13

Sector-wise NPAs

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Agriculture & allied activities	Nil	Nil
MSME	Nil	Nil
Corporate borrowers	798.52	544.54
Services	Nil	Nil
Unsecured personal loans	Nil	Nil
Auto loans	Nil	Nil
Other personal loans	Nil	Nil

48.11 Movement of NPAs:

(₹ in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Net NPAs to Net Advances (%)	2.67%	3.39%
Movement of NPAs (Gross)		
(a) Opening balance	544.54	483.56
(b) Additions during the year	349.01	873.19
(c) Reductions during the year	95.03	812.20
(d) Closing balance	798.52	544.54
Movement of Net NPAs		
(a) Opening balance	244.53	315.47
(b) Additions during the year	79.73	565.49
(c) Reductions during the year	222.81	636.43
(d) Closing balance	101.45	244.53
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	300.01	168.09
(b) Provisions made during the year	427.81	307.69
(c) Write-off / write-back of excess provisions	30.75	175.77
(d) Closing balance	**697.07**	**300.01**

48.12 Disclosures of customer complaints

Disclosure of complaints:

1) Summary information on complaints received by the Company from customers and from the Office of Ombudsman:

Sr. No.	Particulars	Current Year	Previous Year
	Complaints received by the NBFC from its customers		
1.	Number of complaints pending at beginning of the year	–	–
2.	Number of complaints received during the year	1	2
3.	Number of complaints disposed during the year	1	2
	3.1 Of which, number of complaints rejected by the NBFC	–	–
4.	Number of complaints pending at the end of the year	–	–
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	–	–
	5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	–	–
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	–	–
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	–	–
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	–	–

Note:

Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously the Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

The compliant was withdrawn by the Complainant against the Company.

2) Top five grounds of complaints received by the Company from customers:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	Current Year				
Ground – 1	–	–	–	–	–
Ground – 2	–	–	–	–	–
Ground – 3	–	–	–	–	–
Ground – 4	–	–	–	–	–
Ground – 5	–	–	–	–	–
Others	–	1	(50%)	–	–
Total		**1**	**(50%)**		

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
		Previous Year			
Ground – 1	–	–	–	–	–
Ground – 2	–	–	–	–	–
Ground – 3	–	–	–	–	–
Ground – 4	–	–	–	–	–
Ground – 5	–	–	–	–	–
Others	–	2	100%	–	–
Total		**2**	**100%**		

48.13 There were no instances of fraud reported in the Company during the financial year ended March 31, 2025 and financial year ended March 31, 2024.

48.14 During the year, there are no Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company.

48.15 Disclosure in respect of derivatives, securitisation transactions, 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.

49 Disclosure as per Master Direction of RBI, requirement given in section II (Financial statement of NBFC-ML), para 5:

(₹ in Crore)

Sr No	Particulars	Amount
1	Gross NPAs as on March 31, 2024 as reported by the NBFC	456.65
2	Gross NPAs as on March 31, 2024 as assessed by the Reserve Bank	624.54
3	Divergence in Gross NPAs (2-1)	167.89
4	Net NPAs as on March 31, 2024 as reported by the NBFC	200.59
5	Net NPAs as on March 31, 2024 as assessed by the Reserve Bank	368.48
6	Divergence in Net NPAs (5-4)	167.89
7	Provisions for NPAs as on March 31, 2024 as reported by the NBFC	256.06
8	Provisions for NPAs as on March 31, 2024 as assessed by the Reserve Bank	272.85
9	Provision held against divergent account	7.12
10	Divergence in provisioning (8-7-9)	9.67
11	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2024	628.64
12	Reported Net Profit after Tax (PAT) for the year ended March 31, 2024	47.16
13	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2024 after considering the divergence in provisioning	39.93

50 No accounts has been sold during the year ended March 31, 2025.

During the year ended 31 March 2024, the Company has sold Nine loans worth ₹ 427.46 crores to JM Financial Asset Reconstruction Company Limited, through a publicly conducted auction mode as per the guidelines of Reserve Bank of India, for an aggregate consideration of ₹ 300 crores which include cash of ₹ 198.00 crores and security receipts of ₹ 102.00 crores issued by the Trust. Ind AS 109 – Financial Instruments, requires substantially all risk and rewards to be transferred for the purpose of derecognition of such loans from the company's books and recognizing security receipts so acquired. The control on the loan resolution and the associated risk and reward on the outstanding loan granted to the borrower rest fully and without recourse with JM Financial Asset Reconstruction Company Limited in capacity as the trustees of the respective trust. As a result, these assets have been derecognised from the books of accounts and investments in security receipts have been recognised which are classified as FVTPL.

51 Pursuant to the approval granted by the Board of Directors at its meeting on July 6, 2024, as well as the approvals received from the Competition Commission of India and the Reserve Bank of India, the Company, during the year ended March 31, 2025, acquired 57,09,32,034 equity shares, representing 71.79% of the equity share capital of JM Financial Asset Reconstruction Company Limited ("JMFARC"), from JM Financial Limited (JMFL) for a total consideration of approximately ₹ 856 Crore. As a result of this acquisition, the Company's shareholding in JMFARC has increased from 9.98% to 81.77%.

52 There is no amount due to be credited to Investor education and Protection fund as at March 31, 2025 (As at March 31, 2024 – Nil)

53 Willful Defaulter

The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

54 Relationship with struck off Companies

The Company has no transactions with the companies struck off under the Companies Act, 2013.

55 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

56 Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

57 Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

58 Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

59 Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

60 In accordance with the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company has maintained its books of account using accounting software that incorporates a feature of recording an audit trail (edit log) of each and every transaction. The audit trail functionality has been operated consistently throughout the financial year for all transactions recorded in the software and has also been enabled at the database level to capture direct modifications impacting the books of account. The audit trail has been maintained without any tampering and preserved by the Company in compliance with the applicable statutory requirements for record retention.

61 The financial statements were approved by the Board of Directors on May 5, 2025.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W- 100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date: May 5, 2025

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

Form AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies as on March 31, 2025

Part "A": Subsidiaries

(₹ in Crore)

Name of the Subsidiary	Currency	Share Capital	Other Equity[a]	Total assets including investments	Total liabilities[b]	Investments[c]	Turnover	Profit / (Loss) before Tax	Provision for tax	Profit / (Loss) after Tax	Proposed Dividend	% of shareholding
JM Financial Asset Reconstruction Company Limited [Refer Note (d)]	₹	795.31	779.73	3,252.40	1,677.36	903.30	176.54	(60.69)	27.23	(87.92)	–	81.77%

Notes

a. Other Equity includes Non-controlling interest, wherever applicable.

b. Total liabilities exclude share capital and other equity.

c. Investments exclude investment in subsidiaries under consolidation.

d. The numbers presented are as per consolidated financial statements of JM Financial Asset Reconstruction Company Limited (JMFARC).

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

Independent Auditor's Report

To

The Members of
JM Financial Credit Solutions Limited

Report on the audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of JM Financial Credit Solutions Limited ('the Parent') and its subsidiary (the parent and its subsidiary together referred to as 'the Group'),its associate, which comprise the Consolidated Balance Sheet as at 31 March 2025 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Consolidated Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statement of such subsidiary, its associate(not material to the group and not audited), as were audited by the other auditor, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group, as at 31 March 2025, and its Consolidated Profit and Loss And Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Key Audit Matter of Parent Company - JM Financial Credit Solutions Limited ('JMFCSL')

Key Audit Matter	How the matter was addressed in our audit
Allowance for Expected Credit Loss on Retail Loan Assets: (Refer to the Accounting Policies Note 2.8 Impairment, Note 7 Presentation of allowance for ECL in the Balance Sheet, Note 28 to the consolidated financial statements)	
The Company's loan portfolio, primarily comprising exposures to the commercial real estate sector along with other financial exposures, is subject to impairment assessment under the Expected Credit Loss (ECL) model prescribed by Ind AS 109 Financial Instruments. The ECL estimation involves significant management judgment and complexity, particularly in: • Classification of loans into Stage 1, Stage 2, or Stage 3, including qualitative assessments of credit risk.	Evaluated the design and operating effectiveness of controls over the credit risk assessment, staging of loans, and ECL computation. • Inquired management's assessment Over credit risk in loan portfolio & adequacy of management overlay • Tested a sample of loans to verify internal risk scores, mapping to CRISIL default rates, staging determinations (including qualitative assessments for Stage 2 and Stage 3 classifications), and key model assumptions.

Independent Auditor's Report (Contd..)

Key Audit Matter	How the matter was addressed in our audit
• Estimation of Probability of Default (PD) by mapping internal credit scores to external ratings using CRISIL default rates. • Incorporation of forward-looking macroeconomic information and management overlays for sector-specific risks. While some exposures continue to remain in Stage 1, staging assessments and model-driven parameters materially impact the determination of the impairment allowance. Given the significance of the loan book to the Company's financial position, the level of estimation uncertainty, and the use of management judgment, this area was considered a key audit matter.	• Assessed the appropriateness of forward-looking macroeconomic scenarios, management overlays, and adjustments made to the model-driven results. • Reviewed modelling methodologies, key assumptions relating to PD, LGD, and EAD • Evaluated the adequacy and transparency of the disclosures made in the financial statements relating to ECL estimates, credit risk exposures and staging. Based on the audit procedures performed, the impairment assessment under ECL Model & disclosures thereof are in accordance with requirements of Ind AS 109 and 107.

2. Key Audit Matter of Subsidiary Company – JM Financial Asset Reconstruction Company Limited and its subsidiaries constituted as Trust ('JMFARC and its entities') as provided by their statutory auditor.

Key Audit Matter – Fair Valuation of Investments in Financial Instruments	How the matter was addressed in our audit
The valuation of the financial instruments is based on a recovery range provided by the External Rating Agency and other unobservable inputs (i.e. projection of future cash flows and expenses etc.). These assets are classified as level 3 in the valuation hierarchy and the same are not actively traded. Initially, the independent committee finalizes the resolution strategy for each trust, which may involve actions such as settling dues, selling assets through legal action or other means like NCLT, restructuring, and bringing in investors or strategic partners. The fair value of the investment can only be estimated based on the chosen resolution strategy, expected cash flows, recovery ranges provided by the external rating agency, collateral values, discount rates, proposed investor offer and other relevant assumptions. Further, the JMFARC and its entities has applied judgements in estimating the cash flows. The financial instruments carried at fair value of the JMFARC and its entities are: – The JMFARC and its entities has investments in security receipts in Trusts formed under distressed credit business aggregating to ₹ 898.83 crores as at March 31, 2025; – Financial assets under distressed credit business by the Trusts consolidated as subsidiaries aggregating ₹ 1,405.79 crores as at March 31, 2025.	**Audit Procedures Performed:** We have tested the design and effectiveness of internal controls implemented by the management in respect of valuation of the investments and financial assets including those relating to assessment of recovery plan by Asset Acquisition Committee for determination of appropriate recovery rate based on the range provided by the External Rating Agency, independent verification of the valuation inputs viz. estimated cash flows, collateral values and discount rates etc. We have selected the sample and performed the following audit procedures: – Analysed reasonableness of the determination of the appropriate recovery rate and estimated cash flows and the other relevant judgments and estimates, if any; and we assessed the information used to determine the key assumptions; – Compared the historical estimates of the cash flows with the actual recoveries and obtained explanations for the variations, if any; – Compared the management's assumption of discount rate with the supporting internal/ external evidence; – We assessed the reasonableness of the judgements in estimating the cash flows in response to corroborating the assumptions based on the information used by the JMFARC and its entities, adopted/change in resolution strategy; and verified the accounting treatment applied. – Read and assessed the disclosure made in the consolidated financial statements to assess compliance with respect to the disclosure requirements.

Other Information

5. The Parent Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the Consolidated Financial Statements and our auditors' report thereon.

6. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Parent Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the Consolidated State of Affairs, Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows of the Group including its associate is 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 and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group including its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

9. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

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

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

12.1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

Independent Auditor's Report (Contd..)

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.

12.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

12.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

12.5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

12.6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statement of 1 subsidiary, whose financial statements reflect total assets of ₹ 3,252 Crores as at 31 March 2025, total revenues of ₹ NIL and net cash flows amounting to ₹ 170.22 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. The financial statement have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

17. The consolidated financial results also reflect Group's share of total net profit after tax of ₹ NIL for the year ended 31 March 2025, in respect of (1) associate. The unaudited financial information has been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts

and disclosures included in respect of the associate is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, the financial information are not material to the Group.

18. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

19. As required by section 143(3) of the Act, based on our audit and on the consideration of audit report of the other auditor on separate financial statements of such subsidiary, associate as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

19.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

19.2. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

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

19.4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.

19.5. On the basis of the written representations received from the directors of the Parent Company as on 31 March 2025, taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary company, associate company incorporated in India, none of the directors of the Group companies, its associate company incorporated in India are disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

19.6. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Parent Company, its subsidiary company, associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

19.7. In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of such subsidiary company, associate company incorporated in India which were not audited by us, the remuneration paid during the current year by the Parent Company, its subsidiary company, its associate company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Parent Company, its subsidiary company, its associate company incorporated in India is not in excess of the limit laid down under Section 197 of the Act.

20. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiary, its associate company as noted in the 'Other Matters' paragraph:

20.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group, its associate.

20.2. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.

20.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary company and its associate.

20.4. The respective managements of the Parent Company, its subsidiary, its associate whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share

Independent Auditor's Report (Contd..)

premium or any other sources or kind of funds) by the Parent Company or any of such subsidiary, its associate to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiary, its associate ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.5. The respective managements of the Parent Company, its subsidiary, its associate (not audited) whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, to best of their knowledge and belief, that no funds have been received by the Parent Company or any of such subsidiary, its associate from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiary, its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by auditor of the subsidiary whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representation under para 20.4 and 20.5 contain any material misstatement.

20.7. In our opinion and according to the information and explanations given to us, the dividend declared and paid during the year by the Parent Company is in compliance with Section 123 of the Act.

20.8. Based on our examination which included test checks and that performed by respective auditor of the subsidiary, whose financial statements have been audited under the Act, the company, subsidiary, its associate have used an accounting software for maintaining its books of accounts which has a feature of recording audit trail facility (edit log) and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditor of the above referred subsidiary, did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Company and above referred subsidiary, as per the statutory requirements for record retention.

21. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and based on our consideration of CARO reports issued by respective auditor of the companies included in consolidated financial statements, we report that there are no qualifications or adverse remarks in these CARO reports.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia
Partner
ICAI Membership No: 033494
UDIN: 25033494BMJKDZ2244

Place: Mumbai
Date: 05 May 2025

Annexure A to the Independent Auditors' report on the Consolidated Financial Statements of JM Financial Credit Solutions Limited for the year ended 31 March 2025

(Referred to in paragraph '19.6' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

1. In conjunction with our audit of the Consolidated Financial Statements of JM Financial Credit Solutions Limited as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to the Consolidated Financial Statements of JM Financial Credit Solutions Limited ('the Parent Company') and its subsidiary company, which are companies incorporated in India, as of that date.

2. In our opinion, the Parent Company, and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls 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').

Management's responsibility for Internal Financial Controls

3. The respective Board of Directors of the Parent Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Parent Company, its subsidiary, which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA '), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs 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 with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

Meaning of Internal Financial controls with reference to the Consolidated Financial Statements

7. A company's internal financial controls with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Consolidated Financial Statements 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 with reference to the consolidated Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, 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 with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the Consolidated Financial Statements in so far as it relates to 1 subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditor of such subsidiary, incorporated in India.

For KKC & Associates LLP
Chartered Accountants
(Formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Hasmukh B Dedhia
Partner
ICAI Membership No: 033494
UDIN: 25033494BMJKDZ2244

Place: Mumbai
Date: 05 May 2025

Consolidated Balance Sheet

as at March 31, 2025

(₹ in Crore)

Particulars	Note No.	As at March 31, 2025
ASSETS		
Financial Assets		
Cash and cash equivalents	4	286.18
Bank balances other than cash and cash equivalents	5	9.22
Trade receivables	6	155.66
Loans	7	4,239.21
Investments	8	3,040.26
Other financial assets	9	1,454.25
Total Financial Assets		**9,184.78**
Non-financial Assets		
Current tax assets	10	52.63
Deferred tax assets	11	307.42
Goodwill on consolidation		23.67
Property, plant and equipment	12	16.80
Capital work-in-progress		–
Other Intangible assets	12	0.30
Other non-financial assets	13	2.34
Total Non-Financial Assets		**403.16**
Total Assets		**9,587.94**
LIABILITIES AND EQUITY		
Liabilities		
Financial Liabilities		
Trade payables	14	
(i) total outstanding dues of micro enterprises and small enterprises		0.57
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3.22
Debt securities	15	3,885.44
Borrowings (other than debt securities)	16	681.06
Lease liabilities	17	12.95
Other financial liabilities	18	181.37
Total Financial Liabilities		**4,764.61**
Non-Financial Liabilities		
Provisions	19	3.79
Other non-financial liabilities	20	14.24
Total Non-Financial Liabilities		**18.03**
Equity		
Equity share capital	21	2.83
Other equity	22	4,255.56
Equity attributable to owners of the Company		**4,258.39**
Non-controlling interests		212.13
Non-Controlling interests of Distressed Credit business		334.78
Total Equity		**4,805.30**
Total Liabilities and Equity		**9,587.94**
The accompanying notes form an integral part of the consolidated financial statements	1 to 50	

In terms of our report of even date attached
For and on behalf of
KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm's Registration No. 105146W/W- 100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date: May 5, 2025

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(₹ in Crore)

Particulars	Note No.	For the year ended March 31, 2025
INCOME		
Revenue from Operations		
Interest income	23	750.65
Fees and commission income	24	19.14
Net gain on fair value changes	25	53.20
Dividend income		1.08
Total Revenue from Operations		**824.07**
Other Income	26	2.16
Total Income		**826.23**
EXPENSES		
Finance costs	27	444.86
Net loss on derecognition of financial instruments under amortised cost		0.43
Impairment on financial instruments	28	263.95
Employee benefits expense	29	44.09
Depreciation, amortisation and impairment	10	6.03
Other expenses	31	35.01
Total Expenses		**794.37**
Profit before exceptional item and tax		
Exceptional item		–
Profit before tax		**31.86**
Tax expense:	32	
Current tax		97.05
Deferred tax		(79.27)
Tax adjustment of earlier years(net)		(0.67)
Total tax expense		**17.11**
Profit for the year		14.75
Add : Share in profit of associate		–
Profit after tax and share in profit of associate		**14.75**
Other Comprehensive Income (OCI)		
(i) Items that will be reclassified to profit or loss		
-Exchange differences on translation of foreign operations		
(ii) Items that will not be reclassified to profit or loss		
-Actuarial gain/(losses) on post-retirement benefit plans		(0.07)
- Equity Instruments through Other Comprehensive Income		8.81
-Income tax on above		(2.20)
Total Other Comprehensive Income (Net of tax)		**6.54**
Total Comprehensive Income for the year		**21.29**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025 (Contd..)

(₹ in Crore)

Particulars	Note No.	For the year ended March 31, 2025
Net Profit Attributable to:		
Owners of the Company		14.75
Non-controlling interests		–
Other Comprehensive Income Attributable to:		
Owners of the Company		6.54
Non-controlling interests		–
Total Comprehensive Income Attributable to:		
Owners of the Company		21.29
Non-Controlling interest		–
Earnings per equity share (EPS)	34	
(face value of ₹ 10/- each)		
Basic EPS (in ₹)		52.16
Diluted EPS (in ₹)		52.16
The accompanying notes form an integral part of the consolidated financial statements	1 to 50	

# Denotes amount below ₹ 50,000/-

In terms of our report of even date attached

For and on behalf of
KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm's Registration No. 105146W/W- 100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date: May 5, 2025

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

Consolidated Statement of Cash Flow

for the year ended March 31, 2025

(₹ in Crore)

	Particulars	For the year ended March 31, 2025
A	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Profit before exceptional item* and tax	31.86
	Adjustment for:	
	Depreciation, amortization and impairment	6.03
	Net gain on fair value changes	(53.20)
	Profit on derecoginition of lease liability	(2.14)
	Net (gain) / loss on derecognition of financial instruments under amortised cost category	0.43
	Provision for TDS receivables	8.03
	Impairment on financial instruments	263.95
	Provision for gratuity	0.39
	Provision for compensated absences	0.30
	Interest on fixed deposits	(4.20)
	Interest on Security deposit	(0.19)
	Interest income on loans and Investment	(746.26)
	Dividend income	(1.08)
	Finance cost	444.86
	Operating profit / (loss) before working capital changes	**(51.22)**
	Adjustment for:	
	Decrease in loans	2,967.60
	Increase in other financial and non-financial assets	0.92
	Decrease in trade payables and other liabilities	(4.55)
	Decrease in Provisions	(1.22)
	Interest income received	799.16
	Interest expenses paid	(465.30)
	Cash generated from operating activies	**3,245.39**
	Direct taxes paid (net)	(26.54)
	Net cash generated operating activities	**3,218.85**
B	**CASH FLOW FROM INVESTING ACTIVITIES**	
	Purchase of investments	(18,064.47)
	Sale of investments	16,239.99
	Effect of change in interest of subsidiary	170.23
	Placement of earmarked balance with bank	(1.41)
	Interest received on bank deposits	4.25
	Dividend received	1.08
	Purchase of Property, plant and equipment	(2.01)
	Net cash (used in) investing activities	**(1,652.34)**

Consolidated Statement of Cash Flow (Contd..)

(₹ in Crore)

	Particulars	For the year ended March 31, 2025
C	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Dividend paid	(8.48)
	Repayment of lease obligations (Principal)	(3.76)
	Repayment of lease obligations (interest)	(0.94)
	Repayment of debt securities	(911.92)
	Proceeds from borrowings other than debt securities	200.00
	Repayment of borrowings other than debt securities	(1,839.28)
	Net Cash (used in) financing activities	**(2,564.38)**
	Net decrease in cash and cash equivalents	(997.87)
	Cash and cash equivalents at the beginning of the year	1,284.05
	Cash and cash equivalents at the end of the year (Refer note 4)	**286.18**
	Components of cash and cash equivalents	
	Cash on hand	
	Balances with banks	
	- In current accounts	286.18
	- Cheques, drafts on hand	–
	- In deposit accounts	–
	The accompanying notes form an integral part of the consolidated financial statements	1 to 50

Additional Disclosure pursuant to Ind AS 7 (Borrowings Movement during the Year):

(₹ in Crore)

Particulars	As at March 31, 2025
Opening balance	**6,050.92**
Cash flows (net)	(2,554.50)
Others**	(17.64)
	3,478.78
On account of control in subsidiary	1,087.72
Closing balance	**4,566.50**

** includes Effective interest rate (EIR) adjustment, interest accrued, etc.

In terms of our report of even date attached
For and on behalf of
KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm's Registration No. 105146W/W- 100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date: May 5, 2025

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

A. Equity share capital

(₹ in Crore)

Particulars	Balance as at March 31, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
Equity Share Capital	2.83	–	**2.83**

B. Other Equity

(₹ in Crore)

Particulars	Reserves and Surplus								Other Comprehensive Income (OCI)	Other Equity	Non-Controlling interests	Total Equity
	Securities Premium	General Reserve	Capital Reserve	Statutory Reserve	Impairment Allowance Reserve	Employee Stock option outstanding	Initial Corpus	Retained earnings	Equity instruments through OCI			
Balance at March 31, 2024	1,715.28	0.17	#	534.85	–	–	–	2,065.20	(105.59)	4,209.91	–	4,209.91
Addition/Reduction during the year												
On account of control in subsidiary	–	–	28.15	–	243.72	8.13	0.01	(247.17)	–	32.84	546.91	579.75
Profit for the year	–	–	–	–	–	–	–	14.75	–	14.75	–	14.75
Other comprehensive income for the year	–	–	–	–	–	–	–	(0.06)	6.60	6.54	–	6.54
Final Dividend	–	–	–	–	–	–	–	(8.48)	–	(8.48)	–	(8.48)
Transfer to statutory reserves	–	–	–	2.97	–	–	–	(2.97)	–	–	–	–
Balance at March 31, 2025	**1,715.28**	**0.17**	**28.15**	**537.82**	**243.72**	**8.13**	**0.01**	**1,821.27**	**(98.99)**	**4,255.56**	**546.91**	**4,802.47**

 # Denotes amount below ₹ 50,000/-

In terms of our report of even date attached
For and on behalf of
KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm's Registration No. 105146W/W- 100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date: May 5, 2025

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

Material Accounting Policies

and Notes to the Consolidated Financial Statements

1. Corporate Information

JM Financial Credit Solutions Limited ("the Company") along with its subsidiaries (collectively referred to as "the Group") and an associate is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) classified as an Investment and Credit Company and in accordance with the Scale Based Regulations, as a Middle layer NBFC (NBFC-ML)

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 public limited company incorporated under Companies Act, 2013 and its non-convertible debentures and commercial paper are listed on the BSE Limited and the National Stock Exchange of India Limited.

JM Financial Asset Reconstruction Company Limited ("JMFARC") was incorporated as a private limited company on September 19, 2007 under the provision of Companies Act, 1956 and is registered with the Reserve Bank of India ("RBI") as an asset reconstruction company ("ARC") under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") vide RBI certificate of registration no. 11/2008 dated September 23, 2008. The Company was converted into a Public Limited Company with effect from April 12, 2017. The Company is engaged in the business of acquisition of non-performing and distressed assets (NPA) from Banks and Financial institutions and resolving them.

2. Material accounting policies

2.1 Basis of preparation and presentation of financial statements

Statement of Compliance:

The consolidated financial statements of the Group 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 rules, as amended.

Basis of Measurement

Historical Cost Convention

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

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

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

Measurement of Fair values

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 Group 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, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Cash flow statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

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

2.2 Principles of consolidation

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

– has power over the investee

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

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

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

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Group, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31st. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2.2.1 Subsidiaries

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income and expenses (including unrealised income and expenses) and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group losses control of a subsidiary, a gain or loss is recognised in the Consolidated Statement of Profit and Loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified /permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

2.3 Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that

- Deferred tax assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with Ind AS 12 Income taxes and Ind AS 19 Employee benefits respectively.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in Statement of Profit and Loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in Statement of Profit and Loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to Statement of Profit and Loss where such treatment would be appropriate if that interest were disposed of.

Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

1) The assets and liabilities of the combining entities are reflected at their carrying amounts.
2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost established at the date of acquisition of the business less accumulated impairment loss if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, if the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

to the other assets of the units pro-rata based on the carrying amount of each asset in the unit, any impairment loss or goodwill is not reversed in subsequent period.

On disposal of relevant CGU the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.6 Investment Property

Investment properties are properties held to earn rentals and/or capital appreciation and are measured and reported at cost, less accumulated depreciation and accumulated impairment losses.

An Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

Investment property under construction / Capital work in progress includes assets not ready for the intended use and is carried at cost, comprising direct cost and related incidental expenses.

2.7 Property, plant and equipment and Intangible assets

Recognition and Measurement

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. 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".

PPE held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

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

Assets	Useful life
Property, Plant & Equipment	
Premises	60 years
Leasehold building	60 years or lease period whichever is lower
Leasehold improvements	10 years or lease period whichever is lower
Computers	3 years
Servers and Networks	6 years
Office equipment	5 years
Furniture and fixtures	10 years
Motor Vehicles	5 years / 8 years or lease period whichever

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

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 for those assets whose useful lives are not as per the Companies Act.

Derecognition

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 Statement of Profit and Loss.

Intangible assets

Recognition and Measurement

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".

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Amortisation

Amortisation is recognised on a straight-line basis over the estimated useful lives as under:

Assets	Useful life
Intangible Assets	
Computer Software	5 years

The estimated useful lives and amortisation method are reviewed at the end of each reporting period.

Derecognition

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 the statement of Profit and Loss when the asset is derecognised.

Impairment losses on non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those 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 the Statement of Profit and Loss.

2.8 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognized when the Group becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances, premises and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. 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 Fair Value through Profit or loss (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 Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Group 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 Statement of Profit and 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

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

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

- the Group 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 Group 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 Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Securities held for trading instruments are classified as at FVTPL. The gains/losses on sale of securities held for trading are recognized in the Statement of Profit and Loss on the trade date. Gain or loss on sale of securities held for trading is determined after consideration of cost on FIFO basis.

Financial assets at amortised cost or at FVTOCI

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

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

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

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

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

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to Statement of Profit and 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 Statement of Profit and 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 Group subsequently measures all equity investments at fair value through profit or loss, unless the Group management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, 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 FVTOCI are never recycled to Statement of Profit and Loss. Dividends are recognised in Statement of Profit and Loss as dividend income when the right of the payment has been established, except when the Group 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 FVTOCI 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 Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group'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 Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment of financial assets

Overview of the Expected Credit Loss principles:

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments issued, financial guarantee contracts and other assets, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment loss 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 Group in accordance with the contract and all the cash flows that the Group 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 Group 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 Group 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 Group 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-

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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 Group measures ECL on an individual basis, or on a collective basis for loans that share similar economic risk characteristics. 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 definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL. The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days + Accounts Identified as NPA as per regulatory guidelines + Objective Evidence for impairment (Qualitative Overlay); or
- the borrower is unlikely to pay its credit obligations.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. Quantitative indicators, such as overdue status and nonpayment on another obligation of the same counterparty are key inputs in this analysis

The Group 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 Group 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, the Group 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 Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

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 Group 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 Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset 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 Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities previously written off are credited to the statement of profit and loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity 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 Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group'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 Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group'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 Group, and commitments issued by the Group 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 Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

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

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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 Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange 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 Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, there is a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Revenue recognition

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.

Interest income on all trading assets and financial assets, if any, required to be measured at FVTPL is recognized using the contractual interest rate as net gain on fair value changes.

Penal interest / charges accounted on receipt basis

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 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 Fair Value through Profit and Loss ('FVTPL'), transaction costs are recognised in statement of 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) , Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using contractual interest rate. 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

Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The Group recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer,

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

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 fees charged for servicing a loan.

Revenue from contract with customer for rendering services is recognized at a point in time when performance obligation is satisfied. Fees and commission income are measured at an amount that reflects the fair value of the consideration received or receivable, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties.

Distress Credit business

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

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

c. Dividend Income

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

d. Other income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

e. Net gain on fair value changes

The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis. However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

Additional realisation of assets over Net Asset Value of security receipt is accounted as per the terms of relevant trust deed / offer document on actual distribution from the trust after full redemption of the Net Asset Value of security receipts in the trust.

Net appreciation/ depreciation in Net Asset Value of security receipts is considered as fair value gain/(loss) on change in investment and credit impaired financial assets.

2.10 Leases

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

As a lessee

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,

b) the right to obtain substantially all the economic benefits from use of the identified asset, and

c) the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognizes a Right to Use asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right to Use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The cost of the right to 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 to use assets is measured at cost less any accumulated depreciation and accumulated impairment losses and adjusted for certain re-measurements of the lease liability, if any. The right to use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right to use assets.

Right to 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

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are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not be exercised. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

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

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

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 Group's general policy on borrowing costs.

Lease liability has been presented in Note 17 "Lease liabilities" and Right to Use asset that do not meet the definition of Investment Property has been presented in Note 12 "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

As a lessor

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

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

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.11 Foreign currency transactions

In preparing the financial statements of each individual group entity, 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 Statement of Profit and Loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

2.12 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.

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial liability. Calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of a financial liability.

2.13 Employee benefits

Defined contribution obligation

Retirement benefits in the form of provident fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined benefit obligation

The 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 Group recognises current service cost, past service cost, if any and interest cost in the statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the period in which they occur in the OCI.

Short-term 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 where there is 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 in respect of services provided by employees up to the reporting date.

2.14 Share-based payment arrangements

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

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

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

2.15 Taxation

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

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Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities 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 and unused tax losses 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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset 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 Group intends to settle its current tax assets and liabilities on a net basis.

2.16 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.

2.17 Segment Reporting

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, “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 Group. 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 Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.18 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;

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 a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

2.19 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; and

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

2.20 Statement of Cash Flows

Cash Flow Statement 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, 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 Cash flow statement exclude items which are not available for general use as on the date of Balance Sheet, if any.

2.21 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 consolidated cash flow statement, cash and cash equivalents consist of cash at banks and on hand, Cheques on hand and short term deposits.

2.22 Earnings Per Equity Share

Basic 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.

Diluted Earnings Per Share

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.

2.23 Dividend on Ordinary Shares

The Group recognises a liability to make cash to equity holders of the Group when the dividend is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.24 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3 Significant accounting judgements and key sources of estimation uncertainties

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Consolidation of Entities where Group holds less than majority of voting rights

An entity is consolidated as a subsidiary if the Company has control over the said entity based on the management evaluation of investments and related agreements/ deeds and determine that the Group has control over the said entity in terms of Ind AS 110 on Consolidated Financial Statements. Control shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner.

Fair Valuation

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group has applied appropriate valuation techniques and inputs to the valuation model and has engaged third party external rating agencies to perform the valuations.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 48.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group 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 Group's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in Note 46.

Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profits and all tax bases of assets and liabilities the company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Assumptions and estimation of uncertainties:

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2025 are included in the following notes:

Note 2.7 - impairment test of non-financial assets: key assumption underlying recoverable amounts.

Note 2.7 - useful life of property, plant, equipment and intangibles assets

Note 2.15 - Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions

Note 2.18 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Note 36 - measurement of defined benefit obligations: key actuarial assumptions.

Note 44 - determination of the fair value of financial instruments with significant unobservable inputs.

4 CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at March 31, 2025
Cash	–
Cheque on hand	–
Balances with banks:	
- In current accounts	188.14
- In deposit accounts (refer note 4.1)	98.04
Total	**286.18**

Note:

4.1 Balances with banks in deposit accounts earns interest at fixed rate based on short term bank deposit rates for a period upto 3 months

5 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at March 31, 2025
- In current accounts (Refer Note a below)	8.57
- In deposit accounts (Refer Note b, c and d below)	0.65
Total	**9.22**

Notes:

a) Balances with banks in current accounts comprises of unspent money entirely transferred to a separate bank account as prescribed under Sub-section (6) of section 135

b) Balances with banks in deposit accounts comprises deposits that have an original maturity exceeding 3 months at balance sheet date. It earns interest at fixed rate based on short term bank deposit rates.

c) Balances with banks in deposit accounts are held as margin money against creation of Recovery Expense Fund in respect of listed debt securities

d) Balance in deposit accounts carry fixed rate of interest and are for period up to 12 monthsand have lien against bank guarantees obtained by the subsidiary.

6 TRADE RECEIVABLES

(₹ in Crore)

	As at March 31, 2025
Secured, considered good	–
Unsecured, considered good	200.60
Less: Impairment loss allowance	(44.94)
	155.66
Unsecured, significant increase in credit risk	–
Less: Impairment loss allowance	–
	–
Total	**155.66**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

The JMFARC's trade receivables arise in the normal course of business. Although certain balances are overdue beyond 90 days, the nature of the business, the existence of contractual safeguards and consistent historical recovery trend indicate that there is no significant increase in credit risk or evidence of credit impairment. These receivables are secured through contractual terms and are considered recoverable irrespective of their overdue status. Accordingly, the above disclosures are considered adequate.

6.1 Trade receivable ageing schedule:

(₹ in Crore)

As on March 31, 2025	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable - Considered good	7.21	2.80	25.57	30.36	134.66	200.60
Less : Impairment loss allowance	–	0.72	5.66	14.94	23.62	44.94
Total*	**7.21**	**2.08**	**19.91**	**15.42**	**111.04**	**155.66**

*excludes impairment loss allowance

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

7 LOANS

(₹ in Crore)

	As at March 31, 2025
(At amortised cost)	
Term Loans (refer note a)	4,662.02
Short term loan to related parties	350.00
Inter Corporate Deposit to related parties	50.00
Staff Loans	0.01
Interest accrued	135.49
Gross loan	**5,197.52**
Less: Impairment loss allowance	(958.31)
	4,239.21
Break up of loans into secured and unsecured	
Secured by tangible assets	4,388.70
Unsecured	808.82
Gross loan	**5,197.52**
Less: Impairment loss allowance (refer note b)	(958.31)
Total	**4,239.21**

Note:

a) Includes impact of Effective interest rate amounting to ₹16.73 crore as at March 31, 2025.

b) Impairment loss allowance includes provision on undisbursed loan commitment amounting to ₹ Nil crore as at March 31, 2025.

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

d) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) except as disclose above (₹400 crore for FY 24-25 ICD placed to related party), either severally or jointly with any other person that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment

e) Investments in debentures and other financial instruments which, in substance, have been classified under Loans. Management believes that the classification results in a better presentation of the substance of these investments and is in alignment with regulatory filings.

f) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

8 INVESTMENTS

(₹ in Crore)

	As at March 31, 2025
(At cost)	
Investment in Associate	
Security Receipts	
CFMARC TRUST – 167	113.90
Add : Share in post-acquisition profit	–
	113.90
(At FVTPL)	
Equity Instruments	41.65
Preference Shares	41.01
Debt Instruments	119.90
Treasury Bills	39.70
Security Receipts	852.92
Mutual Fund Units	1,676.06
	2,771.24
(At FVTOCI)	
Equity instruments	155.12
	155.12
Total	**3,040.26**
Break-up of Investments:	
Investments in India	3,040.26
Investments outside India	–
	3,040.26
Less: Impairment loss allowance	–
Total	**3,040.26**

There are no investments made by the Group outside India.

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

Notes
to the Financial Statements for the year ended March 31, 2025 (Contd..)

9 OTHER FINANCIAL ASSETS

(₹ in Crore)

	As at March 31, 2025
(At FVTPL)	
Financial Assets of Distressed Credit business	1,405.79
Less : Impairment loss allowances	(12.95)
	1,392.84
(At Amortised Cost)	
Advances - Financial assets	14.73
Less : Impairment loss allowances	(14.73)
	–
Recoverable from trusts	48.81
Earnest Money Deposits	5.00
Security deposits	2.79
Accrued interest on Investments	4.81
Others	#
	61.41
Total	**1,454.25**

# Denotes amount below ₹ 50,000/-

Note :

1. The JMFARC has paid Earnest Money Deposit for participating in auctions conducted by Bank and Financial Institutions for the acquisition of stress financial assets as part of its ordinary course of business.
2. Includes interest-free security deposits assessed as per Ind AS 109 - Financial Instrument by recognising such deposits measured at fair value on initial recognition and subsequently carried at amortised cost using the effective interest method.

10 CURRENT TAX ASSETS

(₹ in Crore)

	As at March 31, 2025
Advance tax (Net of Provisions)	52.63
Total	**52.63**

11 DEFERRED TAX (ASSETS) / LIABILITIES (NET)

(₹ in Crore)

	As at March 31, 2025
Fiscal allowance on Property, plant and equipment	1.03
Disallowances under section 43B of the Income Tax Act, 1961	4.52
Fair value of financial instruments	97.52
Measurement of Financial instruments at amortised cost (EIR)	(0.25)
Impairment allowance for financial assets	204.60
Total	**307.42**

11.1 Table showing deferred tax recorded in the balance sheet and changes recorded in the tax expense:

For the year ended March 31, 2025

(₹ in Crore)

Deferred tax (asset) / liability	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	On account of control in subsidiary	Closing Balance
Fiscal allowance on Property, plant and equipment	1.05	(0.28)	–	0.26	1.03
Disallowances under section 43B of the Income Tax Act, 1961	3.46	(0.46)	–	1.52	4.52
Fair value of financial instruments	(14.53)	17.53	(2.22)	96.74	97.52
Measurement of Financial instruments at amortised cost (EIR)	1.54	(1.79)	–	–	(0.25)
Impairment allowance for financial assets	121.36	64.29	–	18.95	204.60
Total	**112.88**	**79.29**	**–2.22**	**117.47**	**307.42**

12 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS:

(₹ in Crore)

	Gross carrying amount					Accumulated Depreciation / Amortisation					Net carrying amount
	As at 01.04.2024	Additions for the year	Deductions for the year	Addition due to Control	As at 31.03.2025	As at 01.04.2024	Additions for the year	Deductions for the year	Addition due to Control	As at 31.03.2025	As at 31.03.2025
A) PROPERTY, PLANT AND EQUIPMENT											
Owned assets:											
Freehold land	0.05	–	–	0.03	0.08	–	–	–	–	–	0.08
Computers	1.10	0.17	0.11	1.09	2.25	0.63	0.23	0.11	0.75	1.50	0.75
Furniture and fixtures	0.68	0.01	0.01	0.01	0.69	0.09	0.07	0.00	0.01	0.17	0.52
Office Equipment	0.38	0.03	–	0.08	0.49	0.06	0.08	–	0.08	0.22	0.27
Leasehold improvements	3.56	0.51	0.61	1.71	5.17	0.50	1.31	–	1.53	3.34	1.83
Vehicles	1.45	1.91	–	–	3.36	0.07	0.48	–	–	0.55	2.81
Right – of – use Asset											
Leased Vehicle	0.16	–	–	–	0.16	0.05	0.03	–	–	0.08	0.08
Right of use assets	28.94	3.19	21.65	15.34	25.82	14.59	3.78	14.99	11.97	15.36	10.46
TOTAL – A	**36.32**	**5.82**	**22.38**	**18.26**	**38.02**	**15.99**	**5.98**	**15.10**	**14.34**	**21.22**	**16.80**
B) INTANGIBLE ASSETS											
Software	**0.58**	**–**	**–**	**0.65**	**1.23**	**0.39**	**0.04**	**–**	**0.50**	**0.93**	**0.30**

# Denotes amount below ₹ 50,000/-

Note:

i) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

ii) the Group does not hold any benami property.

iii) Title deed of the immovable property (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) are held in the name of the company.

Notes
to the Financial Statements for the year ended March 31, 2025 (Contd..)

13 OTHER NON-FINANCIAL ASSETS

(₹ in Crore)

	As at March 31, 2025
Prepaid expenses	0.99
Balances with government authorities	1.26
Others	0.09
Total	**2.34**

14 TRADE PAYABLES

(₹ in Crore)

	As at March 31, 2025
Total outstanding dues of micro and small enterprises	0.57
Total outstanding dues of creditors other than micro and small enterprises	3.22
Total	**3.79**

Due to related parties as at March 31, 2025 is ₹ 2.36 crore.

14.1 Total outstanding dues of micro and small enterprises:

The amounts due to Micro and Small Enterprises (MSME) as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Group. Disclosures pertaining to Micro and Small Enterprises are as under:

(₹ in Crore)

	As at March 31, 2025
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.57
(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	**0.57**

14.3 Trade payable ageing schedule:

(₹ in Crore)

As on March 31, 2025	Trade payables which are not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.24	0.33	–	–	–	0.57
(ii) Others	0.06	3.16	–	–	–	3.22
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
Total	**0.30**	**3.79**	**–**	**–**	**–**	**3.79**

Ageing of the trade payables is determined from the date of transaction till the reporting date

15 DEBT SECURITIES

(₹ in Crore)

	As at March 31, 2025
(At amortised cost)	
Secured	
Non-convertible debentures (Refer Notes 15.1 & 15.3)	3,740.35
Unsecured	
Commercial papers	–
Less: Unamortised discount on commercial papers	–
	–
Interest Accrued	145.09
Total	**3,885.44**
Debt securities in India	3,885.44
Debt securities outside India	–
Total	**3,885.44**

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

(₹ in Crore)

	As at March 31, 2025
Private Placement - Face value of ₹ 10,00,000 each	
9.60 % NCD redeemable in year 2025-26	125.00
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
8.99 % NCD redeemable in year 2028-29	75.00
9.75 % NCD redeemable in year 2029-30	100.00
8.99 % NCD redeemable in year 2029-30	75.00
9.20 % NCD redeemable in year 2030-31	250.00
8.99 % NCD redeemable in year 2030-31	75.00
8.99 % NCD redeemable in year 2031-32	75.00
8.50 % NCD redeemable in year 2031-32	260.00
8.60 % NCD redeemable in year 2032-33	30.00
8.65 % NCD redeemable in year 2032-33	200.00
Private Placement - Face value of ₹ 1,00,000 each	
10.20 % NCD redeemable in year 2025-26	350.00
10.21 % NCD redeemable in year 2025-26	50.00
8.80 % NCD redeemable in year 2025-26	100.00
10.20 % NCD redeemable in year 2026-27	50.00
9.38 % NCD redeemable in year 2026-27	125.00

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

(₹ in Crore)

	As at March 31, 2025
9.00 % NCD redeemable in year 2026-27	180.00
8.81 % NCD redeemable in year 2026-27	25.00
8.91 % NCD redeemable in year 2026-27	50.00
9.30 % NCD redeemable in year 2026-27	750.00
9.00 % NCD redeemable in year 2027-28	50.00
Private Placement - Face value of ₹ 50,000 each	
10.21% NCD redeemable in year 2025-26	200.00
Public issue - Face value of ₹ 1000 each	
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
10.25% 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	**3,762.94**

15.2 Maturity profile above is disclosed at face value which excludes premium and impact of effective interest rate adjustment amounting to ₹ 22.59 cr.

15.3 Secured Non-convertible debentures are secured by way of first pari passu charge on freehold land, hypothecation on certain identified loan fund balances and receivables and pledge of certain security receipts of the relevant subsidiary companies.

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

15.5 (a) During the year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Maturity profile and rate of interest of Non-Convertible Debentures:

(₹ in Crore)

	As at March 31, 2025		
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)
8.01 % to 9.00%	100.00	305.00	790.00
9.01 % to 10.00%	125.00	1,075.00	692.90
10.01% to 11.00%	600.00	50.00	25.04
Total	**825.00**	**1,430.00**	**1,507.94**

The above categorisation of loans has been based on the interest rates, prevalent as on the respective reporting dates.

16 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Crore)

	As at March 31, 2025
(At amortised cost)	
Secured	
Term loans	
(i) from banks (Refer notes 16.1,16.2, 16.3 ,16.4 & 16.6)	485.31
(ii) from others (Refer notes 16.1, 16.3, 16.4 & 16.7)	14.02
Cash credit / WCDL facilities (Refer note 16.5)	79.24
Total	**578.57**
Interest Accrued	0.38
Total	**578.95**
Unsecured	
Inter corporate deposits (Refer note 16.10)	100.00
Interest Accrued	2.11
Total	**102.11**
Total	**681.06**
Borrowings in India	681.06
Borrowings outside India	–
Total	**681.06**

16.1 Term Loans from banks ,and othersare secured by way of:

- floating first pari passu charge by way of hypothecation on certain identified loan fund balances,
- exclusive charge by way of hypothecation on certain identified loan fund balances,
- pledge of certain identified security receipts,

16.2 Term loan includes impact of Effective interest rate (EIR) adjustment.

16.3 The Group have utilized money obtained by way of term loans during the year for the purpose for which they were obtained.

16.4 The quarterly returns filed by the Group with banks / financial institutions from which borrowing is obtained on the basis of security of current assets are in agreement with the books of account of the relevant subsidiary companies.

16.5 Cash credit facility and working capital demand loan from banks are secured by way of pledge of certain identified security receipts.

16.6 Maturity profile and rate of interest of term loans from banks:

(₹ in Crore)

Residual Maturities	As at March 31, 2025		
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	3 years & above (April 2028 onwards)
8.01% to 9.00%	–	–	–
9.01% to 10.00%	148.33	188.75	46.79
10.01% to 11.00%	54.61	48.92	–
Total	**202.94**	**237.67**	**46.79**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

16.7 Maturity profile and rate of interest of term loans from others

(₹ in Crore)

Residual Maturities	As at March 31, 2025		
	Up to one year (April 2025 to March 2026)	1-3 years (April 2026 to March 2028)	Up to one year (April 2025 to March 2026)
8.00 % to 9.00%	–	–	–
9.01 % to 10.00%	–	–	–
10.01% to 11.00%	14.02	–	–
Total	**14.02**	**–**	**–**

16.8 Maturity profiles above are disclosed at face value which excludes impact of EIR adjustment.

16.9 The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and financial institutions 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.

16.10 Inter corporate deposits taken from others are for 709 days.

17 LEASE LIABILITY

(₹ in Crore)

	As at March 31, 2025
Lease liability (Refer note 35)	12.95
Total	**12.95**

17.1 Secured by way of hypothecation of vehicles.

18 OTHER FINANCIAL LIABILITIES

(₹ in Crore)

	As at March 31, 2025
Employee benefit payable	31.23
Provision for Corporate Social Responsibility (CSR) Expenditure	14.62
Undistributed collections in trusts under Distressed Credit Business	119.55
Amount collected on behalf of trusts under Distressed Credit Business	9.24
Customer Refundable Balance	6.17
Other liabilities	0.56
Total	**181.37**

19 PROVISIONS

(₹ in Crore)

	As at March 31, 2025
For employee benefits	
Gratuity (Refer Note 36)	3.10
Compensated absences	0.69
Total	**3.79**

20 OTHER NON-FINANCIAL LIABILITIES

(₹ in Crore)

	As at March 31, 2025
Statutory dues	10.65
Others	3.59
Total	**14.24**

21 EQUITY SHARE CAPITAL

(₹ in Crore)

	As at March 31, 2025
Authorised	
30,00,000 Equity shares of ₹ 10/- each	3.00
20,00,000 Preference shares of ₹ 10/- each	2.00
	5.00
Issued, Subscribed and Paid-up	
2,826,816 Equity shares of face value of ₹ 10/- each fully paid-up	2.83
Total	**2.83**

21.1 Reconciliation of the number of equity shares outstanding:

(₹ in Crore)

	As at March 31, 2025	
	Number	Amount
Shares outstanding at the beginning of the year	2,826,816	2.83
Shares issued during the year	–	–
Shares forfeited during the year	–	–
Shares outstanding at the end of the year	**2,826,816**	**2.83**

21.2 Terms and rights attached to equity shares:

The Company has only one class of equity shares. The shareholders are entitled to one vote per share, dividend, as and when declared by the Board of directors and shareholders and residual assets, if any, after payment of all liabilities, in the event of liquidation of the Company.

Name of Shareholders	As at March 31, 2025	
	No. of Shares held	% of total holding
JM Financial Limited along with its nominees	27,42,473	97.02%

21.3 Details of promoter and promoter group:

Shares held by promoter and promoter group at the end of the year:

Sr No	Name of the Promoter	No of shares as at March 31,2025	Percentage of total shares as at March 31,2025	No of shares as at March 31,2024	Percentage of total shares as at March 31,2024	Percentage of change during the year
1	JM Financial Limited	27,42,473	97.02%	13,19,431	46.68%	50.34%

Notes
to the Financial Statements for the year ended March 31, 2025 (Contd..)

22 OTHER EQUITY

(₹ in Crore)

	As at March 31, 2025
Securities Premium Reserve	1,715.28
Statutory reserve	537.82
Impairment Reserve	243.72
Capital Reserve	28.15
Stock Option Outstanding	8.82
Less: Deferred Employee Compensation Expense	(0.69)
Stock Option Outstanding	**8.13**
General Reserve	0.17
Initial Corpus	0.01
Retained Earnings	1,722.28
Share in OCI of associate	–
Total	**4,255.56**

Movement in Other Equity

(₹ in Crore)

	As at March 31, 2025
Retained Earnings	
Opening balance	**1,959.62**
On account of control in subsidiary	(247.18)
Add: Profit for the year	14.75
Add: Other Comprehensive Income	6.54
Amount available for appropriations	**1,733.73**
Less: Appropriations	
Final dividend	8.48
Interim Dividend	–
Transferred to Statutory Reserve	2.97
Closing balance	**1,722.28**
Share of OCI of Associate	
Opening balance	**–**
Add: During the year	–
Closing balance	**–**
Total	**1,722.28**

Note:

The Board of Directors of the Company has recommended a dividend of ₹ 25/- per equity share of the face value of ₹ 10/- each amounting to ₹ 7.07 Crore for the financial year 2024-2025 subject to the approval of the members at their ensuing Annual General Meeting.

Statutory reserve

Statutory Reserve is the reserve created by transferring a sum not less than twenty percent of its net profit every year in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

Capital reserve:

Capital reserve and capital redemption reserve represents reserves created pursuant to the business combination and buy-back of shares in subsidiary companies up to the year end.

Reserve on acquisition / dilution in subsidiary companies:

Reserve on acquisition / dilution in subsidiary companies represents reserves created pursuant to the acquisition, infusion or dilution of stake in subsidiary companies not resulting in change of control in those subsidiary companies.

Securities premium reserve:

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

Stock option outstanding:

Stock option outstanding relates to the stock options granted by the Company to employees under an Employee Stock options Plan (Refer Note 40).

Capital reserve on consolidation:

Capital reserve on consolidation represents reserves created pursuant to the acquisition of stake in subsidiaries resulting in gain of control in those subsidiaries.

General reserve:

General reserve is created from time to time by transferring profits from retained earnings and can be utilized for purposes such as dividend payout, bonus issue, etc.

Impairment reserve:

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

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. It is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. However, as per the amendment in the 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.

Initial corpus:

Initial corpus is contributed by JM Financial Asset Reconstruction Company Limited for setting up of a Trust under SARFAESI Act for acquisition of account under distressed credit business.

Retained earnings:

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

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Note 22.1:

A subsidiary company namely, JM Financial Asset Reconstruction Company Limited (JMFARC), has created in accordance with Income Recognition, Asset Classification and Provisioning (IRACP) provided under RBI /2019-20/ 170 DOR (NBFC). CC. PD. No. 109/ 22.10.106/2019-20 dated March 13, 2020. Total provision as required under the extant RBI guidelines for Non - Performing Advances is ₹ 239.83 crore.

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

As at March 31, 2025, two loan accounts belonging to the same borrower group have outstanding interest which has not been serviced for more than 180 days.

In consideration to the aforesaid orders issued by the Honourable Supreme Court of India, the two accounts are classified as Standard. However, the provision as required under the extant RBI guidelines for Non - Performing Advances amounting to ₹ 227.18 crore is carried for these borrower accounts.

In the matter of Unitech Limited, the Adjudicating Authority under the Prevention of Money Laundering Act, 2002 (the "Act") issued an order dated February 21, 2024, upholding the attachment of property held by the JMFARC as one of the collaterals against loans acquired in the Trust (as a Trustee) and an additional loan given to the Borrower Group as referred to above ("Borrower Group"). The JMFARC has appealed against the aforesaid order before the Appellate Tribunal. Considering the total security against the loans acquired from the Borrower Group and the expected cash flows to the JMFARC as per the documented waterfall, the JMFARC believes that the above proceedings do not have a material impact on its financial position. The JMFARC views these legal proceedings as arising in the normal course of its asset reconstruction business.

In addition, during the year one loan account of another borrower also had both interest and principal overdue for more than 180 days. Consequently, in accordance with the asset classification norms prescribed by the Reserve Bank of India (RBI), the JMFARC reclassified this loan account amounting to ₹ 126.50 crore from the 'standard' category to a 'non-performing asset' (NPA) category.

23 INTEREST INCOME

(₹ in Crore)

	For the year ended March 31, 2025
On Financial assets measured at amortised cost	
Interest on Loans	735.17
Interest income on bank deposits	4.20
Other Interest Income	0.19
On Financial assets measured at FVTPL	
Interest income from Investments	11.09
Total	**750.65**

24 FEES AND COMMISSION INCOME

(₹ in Crore)

	For the year ended March 31, 2025
Prepayment and other Fees	19.14
Total	**19.14**

25 NET GAIN ON FAIR VALUE CHANGES

(₹ in Crore)

	For the year ended March 31, 2025
Net gain on financial instruments at fair value through profit	
On financial instruments	53.20
Total net gain /(loss) on fair value change	**53.20**
Fair value changes	
Realised	150.62
Unrealised	(97.42)
Total	**53.20**

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

26 OTHER INCOME

(₹ in Crore)

	For the year ended March 31, 2025
Gain on derecognition of lease liabilities	2.14
Miscellaneous Income	0.02
Total	**2.16**

27 FINANCE COSTS

(₹ in Crore)

	For the year ended March 31, 2025
At Amortised Cost	
Debt Securities	301.42
Borrowings (Other than Debt securities)	134.49
Interest expense on Lease Liabilities	0.93
Other charges	8.02
Total	**444.86**

28 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Crore)

	For the year ended March 31, 2025
At amortised cost	
Provision for Expected Credit Loss (Stage 1 & 2)	(131.84)
Provision for Expected Credit Loss (Stage 3)	397.06
Write back of assets earlier written off	(1.27)
Total	**263.95**

Notes
to the Financial Statements for the year ended March 31, 2025 (Contd..)

29 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	For the year ended March 31, 2025
Salaries, bonus, other allowances and benefits	42.07
Contribution to provident and other funds	1.46
Gratuity (refer note 36)	0.39
Staff welfare expenses	0.17
Total	**44.09**

30 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Crore)

	For the year ended March 31, 2025
Depreciation of PPE	5.99
Amortisation of intangible assets	0.04
Total	**6.03**

31 OTHER EXPENSES

(₹ in Crore)

	For the year ended March 31, 2025
Rates and taxes	0.94
Legal and professional fees	11.21
Support service charges	2.88
Information technology expenses	0.49
Travelling and conveyance	0.63
Auditors' remuneration (refer note 31.1)	0.57
Repairs and maintenance	0.22
Electricity expenses	0.22
Corporate social responsibility (refer note 42)	6.56
Filing fees	0.20
Provision for TDS receivables	8.03
Insurance Expense	0.46
Bank charges	0.01
Printing & Stationery	0.03
Membership and Subscription	0.19
Communication expenses	0.15
Director Sitting Fees	0.34
Director commission	0.20
Miscellaneous expenses	1.68
Total	**35.01**

31.1 Payment to Auditors (excluding Goods and services tax)

(₹ in Crore)

	For the year ended March 31, 2025
Audit Fees	0.22
In any other manner (Certifications, limited reviews, etc)	0.33
Out of pocket	0.02
Total	**0.57**

32 TAX EXPENSE

(₹ in Crore)

	For the year ended March 31, 2025
Current tax	97.05
Deferred tax	(79.27)
Tax adjustment in respect of earlier years	(0.67)
Total income tax expenses recognised in Statement of Profit and Loss	**17.11**
Income tax expense recognised in OCI	(2.20)

RECONCILIATION OF TOTAL TAX CHARGE

(₹ in Crore)

	For the year ended March 31, 2025
Income tax expense for the year reconciled to the accounting profit:	
Profit before tax	31.86
Income tax rate	25.17%
Income tax expense	8.02
Tax Effect of:	
Items that are allowable or disallowable in determining taxable profits (net)	9.92
Effect of income taxable at different rate	(0.16)
Set off of temporary differences pertaining to earlier years on which no deferred tax was created	–
Tax adjustment in respect of earlier years	(0.67)
Total	**9.10**
Income tax expense recognised in Statement of Profit and Loss	**17.11**

33 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent Liability*

	As at March 31, 2025
Contingent liability	
Claims against the Company not acknowledged as debt:	
Income tax matters	6.60

*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.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Capital Commitments

	As at March 31, 2025
Undisbursed Commitment	–
Investment in right issue of JM Financial Home Loans Limited	19.43

In respect of one trust, the JMFARC has given a commitment to the security receipt holders for purchase/ arrange to purchase the outstanding security receipts at a consideration equivalent to outstanding face value of security receipts along with yield of 10.70% p.a. compounded annually from June 19, 2019 till January 31, 2026. Commitment of outstanding as at March 31, 2025 is ₹ 10.71 crore.

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:

Particulars	For the year ended March 31, 2025
Net Profit for the year (₹ in Crore)	14.75
Profit attributable to equity shareholders (₹ in Crore)	14.75
Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (No of shares)	2,826,816
Basic and Diluted earnings per share (₹)	52.16
Nominal value per share (₹)	10

35 LEASE TRANSACTIONS

Following are the changes in the carrying value of Leased assets for the year ended March 31, 2025:

(₹ in Crore)

CATEGORY OF LEASED ASSETS	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK
	As at 01.04.2024	Control in subsidiary	Additions	Deletion	As at 31.03. 2025	As at 01.04. 2024	Control in subsidiary	Depre-ciation	Deduc-tions	As at 31.03. 2025	As at 31.03. 2025
Premises	28.94	15.34	3.19	21.65	25.82	14.59	11.97	3.79	14.99	15.36	10.46
Motor Vehicles	0.16	–	–	–	0.16	0.05	–	0.03	–	0.08	0.08
Total	**29.10**	**15.34**	**3.19**	**21.65**	**25.98**	**14.64**	**11.97**	**3.82**	**14.99**	**15.44**	**10.54**

# Denotes amount below ₹ 50,000/-

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

The following is the movement in lease liabilities during the year ended March 31, 2025:

On Premises:

(₹ in Crore)

	As at March 31, 2025
Opening balance	**17.60**
Additions during the year	3.06
Finance cost accrued during the year	0.92
Deletions/ Modification during the year	(8.30)
Payment of lease liabilities	(4.65)
Closing balance	**8.63**
On account of control in subsidiary	4.24
	12.87

# Denotes amount below ₹ 50,000/-

Table showing contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis:

On Motor Vehicles:

(₹ in Crore)

	As at March 31, 2025
Opening balance	**0.11**
Additions during the year	–
Deletions during the year	–
Finance cost accrued during the year	#
Payment of lease liabilities	0.04
Closing balance	**0.08**

# Denotes amount below ₹ 50,000/-

Table showing contractual maturities of lease liabilities as at March 31, 2025 on an undiscounted basis:

On Premises:

(₹ in Crore)

	As at March 31, 2025
Not later than one year	5.93
Later than one year and not later than five years	8.86
Later than five years	–
Total	**14.79**

On Motor Vehicles:

(₹ in Crore)

	As at March 31, 2025
Not later than one year	0.04
Later than one year and not later than five years	0.06
Total	**0.10**

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

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

36 EMPLOYEE BENEFIT

Defined contribution plans

The Group 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 for year ended March 31,2025 aggregating ₹ 1.46 crore has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Defined benefit obligation

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

The plan is of a final salary defined benefit in nature which is sponsored by the 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.

Particulars	As at March 31, 2025
Discount rate	6.55%
Expected rate of salary increase	8.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table

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

(₹ in Crore)

	As at March 31, 2025
Current service cost	0.25
Net interest cost	0.14
Past service cost	–
Total amount recognised in statement of profit and loss	**0.39**
Remeasurements on the net defined benefit liability :	
- Actuarial (gain)/loss from change in demographic assumptions	(0.04)
- Actuarial (gain)/loss from change in financial assumptions	0.10
- Actuarial (gain)/loss from change in experience adjustments	0.01
Total amount recognised in other comprehensive income	**0.07**
Total	**0.46**

#Denotes below ₹ 50,000/-

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

c) The amount included in the balance sheet arising from Group's obligation in respect of its defined benefit plan is as follows:

(₹ in Crore)

Particulars	As at March 31, 2025
Present value of defined benefit obligation	3.10
Fair value of plan assets	–
Net liabilities arising from defined benefit obligation	**3.10**
Current	0.53
Non-Current	2.57

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

(₹ in Crore)

Particulars	As at March 31, 2025
Opening defined benefit obligation	2.13
Current service cost	0.25
Past service cost	–
Interest cost	0.14
Remeasurements (gains)/losses:	
Actuarial (gain)/loss from change in demographic assumptions	(0.04)
Actuarial (gain)/loss from change in financial assumptions	0.11
Actuarial (gain)/loss from change in experience adjustments	0.01
Benefits paid	(0.45)
Liabilities assumed/(settled)	(0.42)
Closing defined benefit obligation	**1.73**
On account of control in subsidiary	1.37
Closing defined benefit obligation – Group	**3.10**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

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, 2025
Defined benefit obligation (base) of the Group	3.10

Particulars	As at March 31, 2025	
	Discount rate	Salary Escalation rate
Defined benefit obligation on increase in 50 bps	3.02	3.15
Impact of increase in 50 bps on DBO	-2.86%	1.39%
Defined benefit obligation on decrease in 50 bps	3.20	3.06
Impact of decrease in 50 bps on DBO	2.90%	-1.37%

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, 2025
Expected benefits for year 1	0.54
Expected benefits for year 2	0.45
Expected benefits for year 3	0.55
Expected benefits for year 4	0.31
Expected benefits for year 5	0.34
Expected benefits for year 6	0.21
Expected benefits for year 7	0.19
Expected benefits for year 8	0.13
Expected benefits for year 9	0.16
Expected benefits for year 10 and above	1.99

37 Disclosure in respect of related parties pursuant to Ind AS 24 on 'Related Party Disclosures'

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) Subsidiaries

JM Financial Asset Reconstruction Company Limited (JMFARC) (w.e.f. March 18, 2025)

(C) Fellow Subsidiaries

JM Financial Services Limited

JM Financial Products Limited

JM Financial Properties and Holdings Limited

JM Financial Asset Reconstruction Company Limited (JMFARC) (upto March 17, 2025)

JM Financial Home Loans Limited

Astute Investments

Real Estate May 2023 – Trust (upto March 17, 2025)

ARB Maestro

JM Financial Institutional Securities Limited

JM Financial Asset Management Limited

(D) Associates

CFMARC TRUST – 167 (w.e.f. March 29, 2025)

(E) The entity is controlled or jointly controlled by a person identified

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

J.M. Assets Management Private Limited

J.M. Financial & Investment Consultancy Services Private Limited

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

Mr. Vishal Kampani (VNK) and (KMP of the parent company and KMP / Managing Director of the Company)

Mr. Nimesh Kampani (NNK) (KMP of the parent company)

Mr. Adi Patel (KMP of the parent company) (Director effective from August 2023)

Mr. Atul Mehra (KMP of the parent company – Upto March 28, 2024)

Ms. Jagi Mangat Panda (JMP) (KMP of the parent company- Upto March 30, 2025)

Mr. P S Jayakumar (PSJ) (KMP of the parent company)

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Ms. Roshini Bakshi (RHB) (KMP of the parent company)

Mr. Navroz Udwadia (NDU) (KMP of the parent company)

Mr. Pradip Kanakia (PMK) (KMP of the parent company)

Mr. Sumit Bose (SB) (KMP of the parent company)

Non-Executive Directors of company

Mr. Vikram Pandit

Mr. Hariharan Aiyar

Mr. V P Shetty (Upto July 31, 2023)

Mr. Adi Patel (Effective August 1, 2023)

Ms.Dipti Neelakantan

Independent Directors of company

Dr. Anup Shah

Mr. Satish Chand Mathur

Mr. K. G. Krishnamurthy

Relative of Key management personnel of company

Ms. Urmi Apurva Diwan

Ms. Shruti Anup Shah

Ms. Samiksha Mehra (Relative of Atul Mehra) – Upto March 28, 2024)

Ms. Sasha Mehra (Relative of Atul Mehra) – Upto March 28, 2024)

Ms. Suvidha Mehra (relative of Atul Mehra) – Upto March 28, 2024)

1) Details of transactions with related parties:

(₹ in Crore)

Name of the related party	Nature of relationship	As at March 31, 2025
JM Financial Limited	(A)	
Rating and support fees		1.31
Support service charges		1.98
Dividend paid		3.96
Gratuity paid		0.33
Purchase of Equity shares of JM Financial Asset Reconstruction Company Limited Shares		856.40
Reimbursement of expenses received		0.33
Reimbursement of expenses		0.10
Closing balance payables		2.36
JM Financial Properties and Holdings Limited	(C)	
Space and related charges		1.19
Reimbursement of expenses (paid)		0.20
Security deposit received		1.30
Security deposit outstanding		1.38

(₹ in Crore)

Name of the related party	Nature of relationship	As at March 31, 2025
JM Financial Services Limited	(C)	
Demat Charges		0#
Inter Corporate Deposits Placed		2,025.00
Inter Corporate Deposits Received Back		2,425.00
Interest income on ICD		37.48
Secondary Brokerage Paid		0.01
Gratuity Received		0.01
Assets Transferred		0#
JM Financial Home Loans Limited	(C)	
Dividend received		0.04
Investment in Right issue of Shares		9.72
Closing Investment in equity shares		91.22
JM Financial Products Limited	(C)	
Interest received on NCDs		7.93
Gratuity received		0.19
Service fees		0.66
Assets Transferred from JM Financial Products Limited		0.08
Closing balance of Non-convertible debentures held		120.69
Closing Balance on Inter Corporate Deposit Payables		245.00
JM Financial Asset Reconstruction Company Limited	(C) & (B)	
Management fees		3.83
Recovery of expense		0.17
Security Deposit received		0.33
Interest income on ICD		0.46
Inter corporate deposits given		230.00
Investment in Equity Shares Rights Issue		59.43
Astute Investments	(C)	
Interest paid on NCDs		0.05
Closing balance of Non-convertible debentures		0.53
J.M. Assets Management Private Limited	(E)	
Rent paid		1.68
Reimbursement of Expenses		0.01
Closing Security Deposit		0.84
JM Financial Asset Management Limited	(C)	
Purchase of NCDs of JM Financial Product Limited		24.91
Gratuity paid		0.30

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

(₹ in Crore)

Name of the related party	Nature of relationship	As at March 31, 2025
JM Financial Institutional Securities Limited	(C)	
Inter corporate deposits given		50.00
Interest income on ICD		0.05
Closing balance of Inter Corporate Deposit		50.00
ARB Maestro	(C)	
Short term loans given		350.00
Interest income on short term loan given		0.46
Closing balance of short term loans		350.00
CFMARC TRUST – 167	(D)	
Investment in Security receipts		113.90
Closing balance of Security receipts		113.90
J.M. Financial & Investment Consultancy Services Private Limited	(E)	
Interest paid on NCDs		0.08
Interest payable on NCDs		–
Closing balance of Non-convertible debentures		0.79
Key management personnel and Relatives of Key managerial personnel	(F)	
Interest paid on NCDs		0.02
Redemption of NCD		–
Closing balance of Non-convertible debentures		0.25
Payables		6.20
Remuneration details of Key Management Personnel:	(F)	
Short term employee benefits		9.62
Post employee benefits		0.27
Share based payments		–
Other benefits (Refer Note)		0.51

Note :-

1) The remuneration excludes provision for gratuity and compensated absences as the incremental liability has been accounted for the group as a whole.

2) Other benefits include commission and sitting fees paid to non-executive directors and independent directors.

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 GST.

37.3 Closing balance / investment has been disclosed at cost.

38 Maturity Analysis of Assets and Liabilities

(₹ in Crore)

		As at March 31, 2025		
		Within 12 months	After 12 months	Total
	ASSETS			
1	**Financial Assets**			
A	Cash and cash equivalents	286.18	–	286.18
B	Bank balance other than (A) above	9.22	–	9.22
C	Trade receivables	22.11	133.55	155.66
D	Loans	1,897.51	2,341.70	4,239.21
E	Investments	2,073.60	966.66	3,040.26
F	Other financial assets	1,308.15	146.10	1,454.25
	Total Financial Assets	**5,596.77**	**3,588.01**	**9,184.78**
2	**Non-financial Assets**			
A	Current tax assets	–	52.63	52.63
B	Deferred tax assets	–	307.42	307.42
C	Property, plant and equipment	–	16.80	16.80
E	Other Intangible assets	–	0.30	0.30
E	Goodwill on consolidation	–	23.67	23.67
F	Other non-financial assets	2.34	–	2.34
	Total Non-Financial Assets	**2.34**	**400.82**	**403.16**
	Total Assets	**5,599.11**	**3,988.83**	**9,587.94**

(₹ in Crore)

		As at March 31, 2025		
		Within 12 months	After 12 months	Total
1	**LIABILITIES**			
	Financial Liabilities			
A	Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	0.57	–	0.57
	(ii) total outstanding dues of creditors other than microenterprises and small enterprises	3.22	–	3.22
B	Debt securities	1,163.90	2,721.54	3,885.44
C	Borrowings (Other than debt securities)	298.62	382.44	681.06
D	Lease Liabilities	4.99	7.96	12.95
E	Other financial liabilities	179.06	2.31	181.37
	Total Financial Liabilities	**1,650.36**	**3,114.25**	**4,764.61**
2	**Non-Financial Liabilities**			
A	Current tax liabilities			–
B	Provisions	1.23	2.56	3.79
C	Other non-financial liabilities	14.24	–	14.24
	Total Non-Financial Liabilities	**15.47**	**2.56**	**18.03**
	Total Liabilities	**1,665.83**	**3,116.81**	**4,782.64**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

39 A) Entities included in Consolidation

Name of the Entity	Country of incorporation	Proportion of interest as on March 31, 2025 (%)
Subsidiaries in India (including step-down subsidiaries)		
JM Financial Asset Reconstruction Company Limited (Refer Note 48)	India	81.77
Associate		
CFMARC TRUST – 167	India	50.00

B) Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Subsidiary/Associate.

Name of the Entity	Net Assets*, i.e., total assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Amount ₹ in Crore	As % of consolidated net assets	Amount ₹ in Crore	As % of consolidated profit or loss	Amount ₹ in Crore	As % of consolidated OCI	Amount ₹ in Crore	As % of consolidated Total Comprehensive Income
Parent								
JM Financial Credit Solutions Limited	3,092.67	64.68%	14.75	100.0%	6.54	100.00%	21.29	100.0%
Subsidiaries (including step-down subsidiaries) in India								
JM Financial Asset Reconstruction Company Limited	1,028.15	21.50%	–	–	–	–	–	–
Associate								
CFMARC TRUST – 167	113.90	2.38%	–	–	–	–	–	–
Non-controlling Interests in all subsidiaries	546.91	11.44%	–	–	–	–	–	–

*Net Assets have been arrived at after adjustments of Goodwill on consolidation.

The numbers presented above are as per consolidated financial statements of JM Financial Asset Reconstruction Company Limited.

40 Employee Stock Option Scheme (ESOS)

(A) JM Financial Limited:

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
May 10, 2024	20,000 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 ₹)
17th April 2021	Series – XIII	26,613	Vested	Seven years from the date of Grant	1
17th April 2022	Series – XIII	26,613	Vested	Seven years from the date of Grant	1
17th April 2023	Series – XIII	26,613	Vested	Seven years from the date of Grant	1
10th May 2025	Series-XIX-B	5,000	Unvested	Seven years from the date of Grant	1
10th May 2026	Series-XIX-B	5,000	Unvested	Seven years from the date of Grant	1
10th May 2027	Series-XIX-B	5,000	Unvested	Seven years from the date of Grant	1
10th May 2028	Series-XIX-B	5,000	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
Outstanding at the beginning of the year	17,742
Granted during the year	20,000
Exercised during the year	–
Lapsed	–
Outstanding at the end of the year	37,742
Exercisable at the end of the year	17,742

# Denotes amount less than ₹50,000/-

The charge on account of the above scheme is included in employee benefit expense / write back is 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.

Of Subsidiary Companies

(B) JM Financial Asset Reconstruction Company Limited ('JMFARC'):

JMFARC has formulated the Employee Stock Option Scheme ('the Scheme') which provides for grant of stock options to its eligible employees ("the Employees"). The Stock Options are granted at an exercise price, as may be determined by the Nomination and Remuneration Committee of the Board of JMFARC.

During the year 2024-25, the Nomination and Remuneration Committee has not granted any stock options to the Employees, that will vest in a graded manner and which can be exercised within a specified period.

During the year, the Parent Company approved a modification to its Employee Stock Option Scheme (ESOS) in accordance with the applicable regulations and the approval of the Board of Directors / Shareholders. The modification involved a change in the exercise price of outstanding stock options granted to eligible employees under the scheme. Effective from May 16, 2024, the exercise price of 30,54,492 outstanding options (no of options : Series I -10,47,705, Series II - 5,34,888 and Series III - 14,71,899) revised from ₹ 28.46 for Series I, ₹ 29.69 for Series II and ₹ 33.63 for Series III to ₹ 11.25 for all series to continue incentivising and retaining key talent.

As per Ind AS 102 – Share-based Payment, this modification has been accounted for as a repricing of the stock options. The incremental fair value arising from the modification, determined as the difference between the fair value of the modified options and the original options as on the date of modification, has been calculated using the Black-Scholes option pricing model and will be recognized as an expense over the remaining vesting period. The impact of the modification on the statement of profit and loss for the year is an additional expense of ₹ 1.53 crore, with a corresponding increase in stock option outstanding under equity.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

The details of options are as under:

	For the year ended March 31, 2025
Outstanding at the beginning of the year	34,42,191
Less: Forfeited/cancelled during the year	(3,87,699)
Outstanding at the end of the year	30,54,492
Exercisable at end of the year	18,94,930

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

Details of options granted during the current and previous year and their fair values are as under:

Particulars	Series I	Series II	Series III
Grant date	16 April 2020	19 April 2021	04 May 2022
Options granted	15,81,444	9,09,549	19,60,749
Options forfeited/cancelled till March 31, 2025	(5,33,739)	(3,74,661)	(4,88,850)
Outstanding at end of year	10,47,705	5,34,888	14,71,899
Exercisable at end of year	10,47,705	3,56,592	4,90,633
Vesting of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options	1/3rd Options each on completion of first, second and third year from the date of grant of options
Exercise period	Within 3 years from the date of vesting	Within 3 years from the date of vesting	Within 3 years from the date of vesting
Exercise price as per original scheme	₹ 28.46	₹ 29.69	₹ 33.63
Exercise price as per new scheme	₹ 11.25	₹ 11.25	₹ 11.25
Pricing formula	As was determined by the Nomination and Remuneration Committee	As was determined by the Nomination and Remuneration Committee	As was determined by the Nomination and Remuneration Committee

41 SEGMENT DISCLOSURES

A) OPERATING SEGMENT INFORMATION

On a consolidated basis, the Group has two reportable segments, namely,

(i) Mortgage Lending which includes wholesale mortgage lending (primarily catering to real estate developers); and

(ii) Distressed Credit which includes the asset reconstruction business

The reportable segments are in line with the segment wise information as presented to the Chief Operating Decision Maker (the "CODM"). The Company and the Group do not have any operations outside India and hence disclosure of geographic segments is not required.

As per Ind AS 108 'Operating Segments', segment-wise details are disclosed on a consolidated basis and hence, no separate disclosure has been given on a standalone basis.

B) GEOGRAPHICAL SEGMENT INFORMATION

The Company has its operations within India and all revenue is generated within India.

(₹ in Crore)

Sr No	Particulars	Year ended March 31, 2025
	Segment Revenue	
A	Loans - Financing Activity (Mortgage Lending)	826.23
B	Distressed Credit	–
	Total Segment Revenue	**826.23**
	Less: Inter - segmental revenue	–
	Total Revenue	**826.23**
	Segment Results (Profit / (loss) before tax)	
A	Loans - Financing Activity (Mortgage Lending)	31.86
B	Distressed Credit	–
	Profit before tax	**31.86**
	Less: Tax expense	17.11
	Profit for the year	**14.75**
	Add : Share in profit of associate	–
	Profit after tax and share in profit of associate	**14.75**
	Other Comprehensive Income	6.54
	Total Comprehensive Income	**21.29**
	Segment Assets	
A	Loans - Financing Activity (Mortgage Lending)	6,741.83
B	Distressed Credit	2,822.44
	Total Segment Assets	**9,564.27**
	Segment Liabilities	
A	Loans - Financing Activity (Mortgage Lending)	3,535.26
B	Distressed Credit	1,247.38
	Total Segment Liabilities	**4,782.64**
	Capital expenditure incurred during the year	
A	Loans - Financing Activity (Mortgage Lending)	24.07
B	Distressed Credit	–
	Total capital expenditure	**24.07**
	Depreciation / amortisation for the year	
A	Loans - Financing Activity (Mortgage Lending)	6.03
B	Distressed Credit	–
	Total depreciation / amortisation	**6.03**
	Significant Non-Cash Expenses other than depreciation / amortisation	
A	Loans - Financing Activity (Mortgage Lending)	273.93
B	Distressed Credit	–
	Total Significant Non-Cash Expenses	**273.93**
	Segment Capital Employed	
A	Loans - Financing Activity (Mortgage Lending)	3,206.57
B	Distressed Credit	1,575.06
	Total Capital Employed	**4,781.63**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

42 Details of expenses towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereto.

(₹ in Crore)

		For the year ended March 31, 2025		
		Holding Company and Subsidiaries	Associate	Total
a)	Gross amount required to be spent by the Group during the year.	9.54	–	9.54
b)	Amount spent in cash	3.49	–	3.49
	Amount yet to be spent	6.05	–	6.05
	Total	**9.54**	**–**	**9.54**
c)	Short fall at the end of the year	–	–	–
d)	Total Previous years shortfall	–	–	–
e)	Reason for shortfall	–	–	–
f)	Amount contributed to a trust controlled by the Group	–	–	–
g)	Nature of CSR Activities	–	–	–
(i)	Construction/acquisition of any asset	–	–	–
(ii)	On purposes other than (i) above	9.54	–	9.54

Details of unspent obligations:

In case of section 135(5) of the Companies Act, 2013 (ongoing projects)

(₹ in Crore)

Opening balance as on April 1, 2024			Amount required to be spent	Amount spent during the year		Closing balance as on March 31, 2025	
With Group	In separate CSR Unspent account	On account of control in subsidiary		From Group's bank account	From separate CSR unspent account	With Group	In separate CSR Unspent account
7.90	**5.49**	**2.94**	**9.54**	**3.49**	**7.76**	**6.05**	**8.57**

43 Financial information of subsidiaries that have material non-controlling interest

a) Subsidiaries that have material non-controlling interests is provided below:

(₹ in Crore)

Name of the entity	Place of business / country of incorporation	Ownership interest held by the Company	Ownership interest held by non-controlling interest	Principal Activities
JM Financial Asset Reconstruction Company Limited (JMFARC)	India	81.77%	18.23%	Distressed Credit

b) The following table summarises financial information of subsidiaries that have material non-controlling interests, before any inter-company eliminations:

i) Summarised Statement of Profit and Loss

(₹ in Crore)

Particulars	JM Financial Asset Reconstruction Company Limited (Refer note 43.1) For the year ended March 31, 2025
Total Income	176.54
Profit / (loss) for the year	(87.92)
Other Comprehensive Income (OCI)	(0.09)
Profit / (loss) allocated to non-controlling interests	(58.62)
OCI allocated to non-controlling interests	–
Dividends paid to non-controlling interests	–

ii) Summarised Balance Sheet

(₹ in Crore)

Particulars	JM Financial Asset Reconstruction Company Limited (Refer note 43.1) As at March 31, 2025
Financial Assets	3,095.92
Non-Financial Assets	156.48
	3,252.40
Financial Liabilities	1,663.21
Non-Financial Liabilities	14.15
	1,677.36
Net Assets (Equity)	**1,575.04**
Net assets attributable to non-controlling interests	212.13
Net assets attributable to security receipts holders under distressed credit business	334.78

iii) Summarised Cash Flow

(₹ in Crore)

Particulars	JM Financial Asset Reconstruction Company Limited (Refer note 43.1) For the year ended March 31, 2025
Net Cash flows from operating activities	1,100.54
Net Cash flows from investing activities	(7.73)
Net Cash flows from financing activities	(994.15)
Net increase / (decrease) in cash and cash equivalents	**98.66**

Note:

43.1 The numbers presented above are as per consolidated financial statements of JMFARC.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

44 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 for which 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 a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

1) Accounting classification and fair values

(₹ in Crore)

As at March 31, 2025	FVTPL	FVOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	–	–	286.18	286.18
Bank balances other than cash and cash equivalents	–	–	9.22	9.22
Trade receivables	–	–	155.66	155.66
Loans	–	–	4,239.21	4,239.21
Investments	2,885.14	155.12	–	3,040.26
Other financial assets	1,405.79	–	48.46	1,454.25
Total	**4,290.93**	**155.12**	**4,738.73**	**9,184.78**
Financial liabilities				
Debt securities	–	–	3,885.44	3,885.44
Borrowings (other than debt securities)	–	–	681.06	681.06
Lease liabilities	–	–	12.95	12.95
Trade payables	–	–	3.79	3.79
Other financial liabilities	–	–	181.37	181.37
Total	**–**	**–**	**4,764.61**	**4,764.61**

2) 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 group 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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(₹ in Crore)

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
(Measured at FVTPL)				
Investments				
Investments in Mutual Fund	1,676.06	–	–	1,676.06
Investments in Debentures or Bonds	–	–	119.90	119.90
Investments in Equity instrument	37.18	–	4.47	41.65
Investments in Security receipts	–	–	852.93	852.93
Investments in Government securities	–	39.70	–	39.70
Investments in Compulsory Convertible Preference Shares	–	–	41.01	41.01
Total	**1,713.24**	**39.70**	**1,018.31**	**2,771.25**
(Measured at FVTOCI)				
Investments in Equity instrument	–	–	155.12	155.12
Other Financial assets				
- Financial assets under Distressed Credit Business	–	–	1,405.79	1,405.79
	–	**–**	**1,405.79**	**1,405.79**

Fair value of the financial instruments that are not measured at fair value

a. Non-convertible Debentures measured at amortised cost for which carrying value and fair value are as under:

(₹ in Crore)

	As at March 31, 2025
Carrying value*	3,901.40
Fair value	3,879.72

*Carrying value includes interest accrued and excludes premium and impact of effective interest rate adjustment.

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.

Valuation Technique

Type of Financial Instrument	Valuation Technique
Equity shares	Market approach – Comparable companies' approach and Net book value
Debt Instrument	Market approach - Comparable companies' approach, and Net realisable value
Compulsory Convertible Preference Shares	Market approach - Comparable companies' approach
Security receipts	Latest published NAV
Financial Assets under Distressed Credit Business	Same as above

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

Impact on observable and unobservable inputs:

Impact of illiquidity and volatility have been considered on the observable and unobservable inputs used for the purpose of valuation. Further, necessary and appropriate adjustments have been made by considering credit risk, uncertainties associated with prevailing economic conditions, timing of the recoveries and the value at which the collaterals are expected to be recovered for determination of fair value of the financial assets.

3) 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, 2025:

(₹ in Crore)

	Equity shares	Debt Instrument	Compulsory Convertible Preference Shares	Security receipts	Other financial assets
As at March 31, 2024	**196.08**	**291.86**	**39.96**	**437.75**	**–**
On account of control in subsidiary	(114.45)	(167.17)	–	516.12	1,405.79
Acquisitions	69.15	24.91	–	–	–
Realisations	–	1.00	–	–	–
Reclassification from Level 3 to Level 2	–	–	–	–	–
Net (Loss)/Gain on fair value changes	8.82	(30.70)	1.05	(100.94)	–
As at March 31, 2025	**159.60**	**119.90**	**41.01**	**852.93**	**1,405.79**

4) Sensitivity for instruments:

(₹ in Crore)

Nature of the instrument	Fair Value As at March 31, 2025	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2025	
				FV Increase	FV Decrease
Equity shares	159.60	Market approach – Comparable companies' approach and Net book value	5%	7.98	(7.98)
Debt Instrument	119.90	Market approach - Comparable companies' approach, and Net realisable value	5%	6.00	(6.00)
Compulsory Convertible Preference Shares	41.01	Market approach - Comparable companies' approach	5%	2.05	(2.05)
Security receipts	852.93	Latest published NAV	5%	42.65	(42.65)
Financial Assets under Distressed Credit Business	1,405.79	Same as above	5%	70.29	(70.29)

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

45 Capital Management

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

The primary objective of the Group's Capital Management is to maximize shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances, and liquid investments.

(₹ in Crore)

	As at March 31, 2025
Gross debt	**4,566.50**
Less: Cash and cash equivalents	286.18
Less: Deposits under lien against which facilities are not availed	–
Less: Investment in treasury bills	39.70
Less: Investments in mutual funds	1,676.06
	2,001.94
Adjusted net debt	**2,564.56**
Total equity (refer note 45.1)	4,446.85
Adjusted net debt to equity ratio	**0.58**

In order to achieve this overall objective, the Group'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 lenders to accelerate the repayment of outstanding amount, enforce security interests created under the financing documents, and taking possession of the assets given as security.

45.1 Equity includes total equity less non-controlling interests of security receipts holders under distressed credit business and net of goodwill on consolidation.

46 Financial Risk Management

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

- Credit risk;
- Liquidity risk; and
- Market risk (including currency risk, equity price risk and interest rate risk)

Risk management framework

Risk management forms an integral part of our business operations and monitoring activities. The Group is exposed to various risks related to our lending business and operating environment. The objective is to evaluate and monitor various risks that we are subject to and follow stringent policies and procedures to address these risks. The Group has formulated comprehensive risk management policies and processes to identify, evaluate and manage the risks that are encountered during conduct of business activities in an effective manner.

i) Credit risk:

For Wholesale Loans:

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.

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to the Financial Statements for the year ended March 31, 2025 (Contd..)

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 approvals

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 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 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. 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 close monitoring of debt servicing enables us to maintain high recovery ratios and maintain satisfactory asset quality.

The Company also requires 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.

Company has rating model in place and does not only relies on external rating.

The credit impaired assets as at the reporting dates were secured by collateral.

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 (Assets for which there is significant increase in credit risk)	Lifetime ECL
Stage 3	Credit Impaired	Lifetime ECL – credit-impaired

For Capital Market Loans:

The team measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. There is a 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.

For Trade receivables and other financial assets:

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

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

The Group'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 (Assets for which there is significant increase in credit risk)	Lifetime ECL
Stage 3	Credit impaired	Lifetime ECL

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.

The table below shows the credit quality and the exposure to credit risk of loans based on the year-end stage classification. The amounts presented are gross of impairment allowances.

(₹ in Crore)

	March 31, 2025
Stage 1	3,502.73
Stage 2	31.47
Stage 3	1,663.32
Total	**5,197.52**

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans:

(₹ in Crore)

	2024-25			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,702.75**	**264.16**	**544.54**	**7,511.45**
On account of control in subsidiary	70.51	–	864.81	935.32
New assets originated or purchased (including additions in existing assets and interest accruals)	1,789.44	–	16.86	1,806.30
Assets derecognised or repaid (excluding write offs)	(4,916.06)	(44.45)	(95.04)	(5,055.55)
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	28.24	(28.24)	–	–
Transfers to Stage 3	(172.15)	(160.00)	332.15	–
Amounts written off	–	–	–	–
Gross carrying amount closing balance	**3,502.73**	**31.47**	**1,663.32**	**5,197.52**

(₹ in Crore)

	2024-25			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**92.72**	**88.54**	**300.01**	**481.27**
On account of control in subsidiary	1.17	–	210.65	211.82
ECL remeasurements due to changes in EAD / assumptions [Net]	11.59	–	174.54	186.13
Assets derecognized or repaid (excluding write off)	(51.72)	(2.30)	(30.75)	(84.77)
Transfers to Stage 1	0.94	(3.23)	–	(2.29)
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	(7.12)	(80.00)	253.27	166.14
Amounts written off				
ECL allowance - closing balance	**47.58**	**3.01**	**907.72**	**958.31**

Collaterals Held:

The Group holds collateral and other credit enhancements against its loan exposure. The following tables sets out the principal types of collateral held against loans:

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Advances

(₹ in Crore)

	2024-25			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**–**	**–**	**14.73**	**14.73**
New assets originated or purchased	–	–	–	–
Assets derecognised or repaid (excluding write offs)	–	–	–	–
Transfer to Stage 3	–	–	–	–
Amounts written off	–	–	–	–
Gross carrying amount closing balance	**–**	**–**	**14.73**	**14.73**

Reconciliation of ECL balance is given below

(₹ in Crore)

	2024-25			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**–**	**–**	**14.73**	**14.73**
ECL remeasurements due to changes in EAD / assumptions [Net]	–	–	–	–
Transfer to Stage 3	–	–	–	–
Assets derecognized or repaid (excluding write off)	–	–	–	–
Amounts written off	–	–	–	–
ECL allowance - closing balance	**–**	**–**	**14.73**	**14.73**

For other receivables under distressed credit business:

For the purpose of measuring the expected credit loss, including the lifetime expected credit loss allowances for other receivables under distress credit business, the JMFARC 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. ECL rates are based on actual credit loss experience over the past six years and the ECL rate is calculated by averaging loss rates over past six years.

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

Provision for impairment

(₹ in Crore)

Particulars	As at March 31, 2025		
	Trade receivables	Other financial assets	Total
Closing balance	44.95	12.96	57.91

The ageing of trade receivables :

(₹ in Crore)

Particulars	As at March 31, 2025
Past due 1–180 days	7.21
More than 180 days	193.39
	200.60

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 Group 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 Group 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.

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to the Financial Statements for the year ended March 31, 2025 (Contd..)

The Group manages 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 of the respective subsidiaries. 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) formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

The Group has undrawn lines of credit of ₹ 93.77 crore from its bankers for working capital requirements.

The Group 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 Group's remaining contractual maturities of financial liabilities and assets at the reporting date.

(₹ in Crore)

March 31, 2025	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities					
Trade payables	3.79	3.79	–	–	–
Debt securities	3,885.44	963.89	1,425.59	615.11	880.85
Borrowings (other than debt securities)	681.06	298.64	335.62	46.80	–
Lease liabilities	12.95	4.99	5.89	2.07	–
Other financial liabilities	181.37	179.06	2.31	–	–
Total	**4,764.61**	**1,450.37**	**1,769.41**	**663.98**	**880.85**
Financial Assets					
Cash and cash equivalents	286.18	286.18	–	–	–
Bank balances other than cash and cash equivalents	9.22	9.22	–	–	–
Trade receivables	155.66	22.10	133.56	–	–
Loans	4,239.21	1,897.51	1,958.88	272.75	110.07
Investments	3,040.26	2,073.56	129.21	23.47	814.02
Other financial assets	1,454.25	1,308.15	131.78	8.39	5.93
Total	**9,184.78**	**5,596.72**	**2,353.43**	**304.61**	**930.02**

The following are the details of Group's remaining contractual maturities of financial liabilities at the reporting date on an undiscounted basis.

(₹ in Crore)

March 31, 2025	Carrying amount	Total	0-1 year	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Trade payables	3.79	3.79	3.79	–	–	–
Debt securities	3,885.44	3,908.02	970.08	1,430.00	617.94	890.00
Borrowings (other than debt securities)	681.06	683.16	298.64	337.72	46.80	–
Lease liabilities	12.95	14.89	5.98	6.74	2.17	–
Other financial liabilities	181.37	181.37	179.06	2.31	–	–
Total	**4,764.61**	**4,791.23**	**1,457.55**	**1,776.77**	**666.91**	**890.00**

iii) Market Risk:

The Group's activities exposes it primarily to currency risk, equity price risk and interest rates risk.

Equity price risk:

Equity price risk is related to the change in market reference price of the level 1 and level 2 equity instruments. The fair value of some of the Group's investments exposes the Group to equity price risks. In general, these securities are not held for trading purposes.

The fair value of level 1 and level 2 equity instruments as at March 31, 2025 were ₹ 37.18 crore. A 5% change in price of equity instruments held as at March 31, 2025 would result in the following:

(₹ in Crore)

	March 31, 2025
5% Increase	1.86
5% Decrease	(1.86)

Interest rate risk:

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. Interest rates are susceptible to a number of factors beyond our control, including monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. The Group assesses and manages interest rate risk on balance sheet by managing assets and liabilities in line with Asset Liability Management Policy.

Exposure to interest rate risk

The Group's exposures to interest rates on financial assets and financial liabilities are detailed as under:

(₹ in Crore)

	As at March 31, 2025
Loans:	
Fixed rate Instruments	3,838.69
Floating rate Instruments	1,223.33
Total	**5,062.02**
Borrowings:	
Fixed rate Instruments	3,840.33
Floating rate Instruments	578.57
Total	**4,418.90**

Note: The above numbers are gross of expected credit losses and does not include accrued interest.

Notes

to the Financial Statements for the year ended March 31, 2025 (Contd..)

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. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Group's profit before tax would have changed by the following:

(₹ in Crore)

	As at March 31, 2025	
	100 bps higher	100 bps lower
Floating rate loans	12.23	(12.23)
Floating rate borrowings	(5.78)	5.78

47 In accordance with the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company has maintained its books of account using accounting software that incorporates a feature of recording an audit trail (edit log) of each and every transaction. The audit trail functionality has been operated consistently throughout the financial year for all transactions recorded in the software and has also been enabled at the database level to capture direct modifications impacting the books of account. The audit trail has been maintained without any tampering and preserved by the Company in compliance with the applicable statutory requirements for record retention

48 Pursuant to the approval granted by the Board of Directors at its meeting on July 6, 2024, as well as the approvals received from the Competition Commission of India and the Reserve Bank of India, the Company, during the year ended March 31, 2025, acquired 57,09,32,034 equity shares, representing 71.79% of the equity share capital of JM Financial Asset Reconstruction Company Limited ("JMFARC"), from JM Financial Limited (JMFL) for a total consideration of approximately ₹ 856 Crore. As a result of this acquisition, the Company's shareholding in JMFARC has increased from 9.98% to 81.77%.

49 Additional Disclosures:

a) Revaluation of PPE and details of Benami property held

The Companies in the Group have not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year. Also, the companies in the Group do not hold any benami property.

b) Willful Defaulter

The Companies in the Group have not been declared willful defaulter by any bank or financial institutions or government or any government authority.

c) Relationship with struck off Companies

The Companies in the Group have no transactions with the companies struck off under the Companies Act, 2013.

d) Compliance with number of layers of companies

The Companies in the Group have complied with the number of layers prescribed under the Companies Act, 2013.

e) **Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

50 The Financial Statements are approved by the Board of Directors at its meeting held on May 05, 2025.

In terms of our report of even date attached
For and on behalf of
KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm's Registration No. 105146W/W- 100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date: May 5, 2025

For and on behalf of the Board of Directors

Vishal Kampani
Managing Director
DIN – 00009079

Adi Patel
Director
DIN – 02307863

Vishal Solanki
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: May 5, 2025

JM FINANCIAL

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