K. S. AIYAR & CO
CHARTERED ACCOUNTANTS

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Independent auditor's report

To
The Members of
J.P. Morgan Securities India Private Limited

Report on the audit of the Ind AS financial statements

Opinion

1. We have audited the accompanying Ind AS financial statements of **J.P. Morgan Securities India Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of cash flows and the statement of changes in equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements ")

2. In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for opinion

3. We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Ind AS financial statements.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report

Offices also at
Chennai Kolkata
Bangaluru Coimbatore Hyderabad

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 those charged with governance for the Ind AS financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including the other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Ind AS financial statements

7. Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

10. 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.

11. 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.

Other Matter

12. The financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated June 3, 2021 expressed an unmodified opinion on those financial statements.

    Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

13. 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, and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure A,** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable ("CARO").

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

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

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

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 41 to the Ind AS financial statements;

ii. The Company has made provision as at March 31, 2022, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts - Refer Note 7, 38(vii) and 38(xiii) to the Ind AS financial statements. The Company did not have any derivative contract as at March 31, 2022.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.

iv.

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

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

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

v. During the year the Company has paid dividend on preference shares in respect of financial year ended March 31, 2021 and has proposed dividend on preference shares in respect of financial year ended March 31, 2022 which is in compliance with section 123 of the Companies Act, 2013.

15. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh S Joshi
Partner
(Membership No. 38526)
UDIN: 22038526AJRGPS5177

Place: Mumbai
Date: May 26, 2022

Annexure A to Independent Auditors' Report

(Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of **J.P. Morgan Securities India Private Limited** on the Ind AS financial statements as of and for the year ended March 31, 2022)

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangible assets. Accordingly, provisions of clause 3(i)(a) (B) are not applicable.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 12 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets. Accordingly, provisions of clause 3(i)(d) are not applicable.

(e) According to the information and explanations given to us, 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 does not have any inventory and hence reporting under clause (ii)(a) of the CARO 2020 is not applicable.

(b) During any point of time of the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, provisions of clause 3(ii)(b) are not applicable.

(iii) (a) The Company is a Non-Banking Finance Company registered with Reserve Bank of India and engaged in the business of financing. Accordingly, provisions of clause 3(iii)(a) are not applicable.

(b) The Company has made investments in, companies, firms, Limited Liability Partnerships or any other parties.

As per the information and explanations given to us the terms and conditions of the investments made, guarantees or securities provided in the nature of loans are not prima facie prejudicial to the interest of the Company.

(c) There are no loans and advances in the nature of loans outstanding as on March 31, 2022. Accordingly, reporting under clause 3(iii)(c) is not applicable.

(d) In respect of Investments which are overdue, total amount interest overdue is Rs 418 Lakhs. We have been informed that in respect of interest overdue amounts, the Company has taken reasonable steps including admission for resolution under Insolvency and Bankruptcy Code ("IBC") for recovery of the principal and interest.

(e) There are no loans and advances in the nature of loans outstanding as on March 31, 2022. Accordingly, reporting under clause 3(iii)(e) is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) The Company is a Non-Banking Finance Company registered with Reserve Bank of India and engaged in the business of financing. Accordingly, the provisions of section 185 are not applicable to the company.

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 186(1) of the Companies Act, 2013 in respect of investments made. The other provisions of section 186 are not applicable to the company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

(vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

(vii) (a) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and service Tax Act, cess and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2022, 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, there are no dues of in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues outstanding, as on March 31, 2022, on account of disputes.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company does not have any borrowings from any lender. For the purpose of reporting under this clause '5% Cumulative Convertible Redeemable Preference Shares' have not been considered as borrowings. Accordingly, reporting under clause 3(iii)(ix)(a) is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) During the year, the Company has not raised any term loans. Accordingly, reporting under clause 3(iii)(ix)(c) is not applicable.

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

(e) On the basis of records of the Company examined by us and according to the information and explanations given to us during the year, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) On the basis of records of the Company examined by us and according to the information and explanations given to us the Company has not raised loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under clause 3(ix) (f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause 3 (x) (a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Therefore, reporting under clause 3 (x) (b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

(c) According to the information and explanations furnished by the management, which have been relied upon by us, there were no whistle blower complaints received during the year by the Company.

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

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

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

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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

(xvi) (a) The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an Non-Banking Financial Institution.

(b) The Company is a registered Non-Banking Finance Company and has a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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

(d) The Company does not have any subsidiary and as such there is no Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable for the year.

(xvii) The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) The previous auditor has tendered the resignation during the year in view of the restriction imposed on maximum limit on the number of audits that can be undertaken by an audit firm, pursuant to RBI Circular No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021. There were no issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations provided to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In our opinion and according to the information and explanations provided to us, amount remaining unspent under sub-section (5) of Section 135 of the Companies Act, pursuant to ongoing projects has been transferred to special account in compliance with the provisions of sub-section (6) of Section 135 of the Companies Act.

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh S Joshi
Partner
(Membership No. 38526)
UDIN: 22038526AJRGPS5177

Place: Mumbai
Date: May 26, 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 17(f) of the Independent Auditors' Report of even date to the members of **J.P. Morgan Securities India Private Limited** on the Ind AS financial statements for the year ended March 31, 2022.

Report on the Internal Financial Controls with reference to Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to Ind AS financial statements of **J.P. Morgan Securities India Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial

controls with reference to 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Ind AS financial statements

6. A company's internal financial controls with reference to Ind AS 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 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 financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31,2022 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Rajesh S Joshi
Partner
(Membership No. 38526)
UDIN: 22038526AJRGPS5177

Place: Mumbai
Date: May 26, 2022

J.P. Morgan Securities India Private Limited
Balance Sheet
(All amounts are in Rs. Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	4	3,015	1,672
Receivables - Other receivables	5	1	1
Loans	6	-	58,069
Investments	7	377,236	303,372
Other financial assets	8	1,262	1,162
Non financial Assets			
Current tax assets (Net)	9	5,970	6,112
Deferred tax assets (Net)	10	1,253	2,389
Property, Plant and Equipment	11	3	6
Other non-financial assets	12	300	73
Total Assets		**389,040**	**372,856**
LIABILITIES AND EQUITY			
Financial Liabilities			
Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		27	- #
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		66	83
Borrowings (Other than debt securities)	14	14,310	13,500
Other financial liabilities	15	559	215
Non-Financial Liabilities			
Current tax liabilities (Net)	16	20	20
Provisions	17	414	423
Other non-financial liabilities	18	206	291
EQUITY			
Equity share capital	19	43,299	43,299
Other equity	20	330,139	315,025
Total Liabilities and Equity		**389,040**	**372,856**

Represents amounts below rounding off norm adopted by the Company

The accompanying notes are an integral part of these financial statements

For K.S. Aiyar & Co.
Firm Registration Number : 100186W

Rajesh Joshi
Partner
Membership No. 38526

Place: Mumbai

Date : May 26, 2022

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

For and on behalf of the Board of Directors

Rinku Ahuja
CEO and Whole-time Director
DIN: 6369232
Place: Mumbai

Harsh Bansal
Whole-time Director
DIN: 8878571
Place: Mumbai

Ketki Bhogle
Company Secretary
ACS35033
Place: Mumbai

Date : May 26, 2022

J.P. Morgan Securities India Private Limited

Statement of Profit and Loss

(All amounts are in Rs. Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
Interest income	21	24,920	27,797
Fees and commission income	22	757	327
Net gains on fair value changes	23	-	6,788
TOTAL INCOME		**25,677**	**34,912**
Expenses			
Finance costs	24	890	4,571
Net loss on fair value changes	23	1,438	-
(Reversal of impairment) / impairment on financial assets	25	(24)	4
Employee benefits expenses	26	786	1,187
Depreciation	11	4	4
Other expenses	27	1,280	957
Write-off of interest income		984	-
TOTAL EXPENSES		**5,358**	**6,723**
PROFIT BEFORE TAX		**20,319**	**28,189**
Tax expenses	29		
Current tax		(4,220)	(5,118)
Adjustment of tax relating to prior year		126	(732)
Deferred tax (Net)		(1,136)	(624)
PROFIT FOR THE YEAR		**15,089**	**21,715**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit plans		- #	29
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit plans		- #	(7)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		- #	22
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**15,089**	**21,737**
Earnings per share	32		
Basic (Face value of Rs. 10 each)		**3.48**	**5.02**
Diluted (Face value of Rs. 10 each)		**3.36**	**4.84**

Represents amounts below rounding off norm adopted by the Company

The accompanying notes are an integral part of these financial statements

For K.S. Aiyar & Co.
Firm Registration Number: 100186W

Rajesh Joshi

Rajesh Joshi
Partner
Membership No. 38526

Place: Mumbai
Date : May 26, 2022

K.S. AIYAR & CO. ★ Mumbai-11. ★ Chartered Accountants

For and on behalf of the Board of Directors

Rinku Ahuja
CEO and Whole-time Director
DIN: 6369232
Place: Mumbai

H. Bansal

Harsh Bansal
Whole-time Director
DIN: 8878571
Place: Mumbai

KCS Bhogle

Ketki Bhogle
Company Secretary
ACS35033
Place: Mumbai

Date : May 26, 2022

J.P. Morgan Securities India Private Limited

Statement of Cash Flows

(All amounts are in Rs. Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	20,319	28,189
Adjustments for:		
Depreciation	4	4
Structuring and upfront fees	(5)	(87)
Fair value loss/ (gains) on investments	1,816	(742)
Preference dividend	890	840
Expense booked for share-based payment	27	235
Provision for short term compensated absences	-	4
Impairment/ (reversal of impairment) on financial assets	(24)	4
Debenture issuance cost	-	16
Net Exchange differences	10	-
Cash generated from operations before working capital changes	23,037	28,463
Adjustments for:		
Decrease in Trade receivables	-	2,803
Decrease in Other receivables	- #	9
(Increase) / Decrease in Investments	(75,680)	33,418
Decrease in Loans	58,098	47,921
Increase in Other financial assets	(100)	(225)
(Increase) / Decrease in Other non financial assets	(227)	147
Increase / (Decrease) in Trade payables	10	(13)
Decrease in accrued interest on borrowings	-	(3,635)
Decrease in Other non financial liabilities	(85)	(371)
Increase / (Decrease) in Other financial liabilities	344	(250)
(Decrease) / Increase in Provisions	(9)	17
	5,388	108,284
Less : Direct Taxes paid	(3,952)	(8,522)
Net cash generated from operating activities - [A]	**1,436**	**99,762**
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment/intangible assets	(1)	(1)
Net cash used in investing activities - [B]	**(1)**	**(1)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Dividends paid	(80)	(80)
Decrease in debt securities	-	(100,000)
Settlement of Share-based payments to employees	(12)	-
Net cash used in financing activities - [C]	**(92)**	**(100,080)**
Net increase in cash and cash equivalents - [A+B+C]	1,343	(319)
Add: Cash and cash equivalents at the beginning of the year	1,672	1,991
Cash and cash equivalents at the end of the year (Refer Note 4)	**3,015**	**1,672**

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Represents amounts below rounding off norm adopted by the Company

The accompanying notes are an integral part of these financial statements

For K.S. Aiyar & Co.
Firm Registration Number : 100186W

Rajesh Joshi
Partner
Membership No. 38526

Place: Mumbai

Date : May 26, 2022

K. S. AIYAR & CO. Mumbai-11. Chartered Accountants

For and on behalf of the Board of Directors

Rinku Ahuja
CEO and Whole-time Director
DIN: 6369232
Place: Mumbai

Harsh Bansal
Whole-time Director
DIN: 8878571
Place: Mumbai

Ketki Bhogle
Company Secretary
ACS35033
Place: Mumbai

Date : May 26, 2022

J.P. Morgan Securities India Private Limited
Statement of Changes in Equity
(All amounts are in Rs. Lakhs, unless otherwise stated)

EQUITY SHARE CAPITAL

	Beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	End of the year
For the year ended 31st March, 2021	43,299	-	43,299	-	43,299
For the year ended 31st March, 2022	43,299	-	43,299	-	43,299

	Equity Component of Compound Financial Instruments	Reserves and Surplus						Other Comprehensive Income	Total
		General Reserve	Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	Securities Premium Reserve	Capital Contribution towards Employee Benefits	Impairment Reserve on Expected Credit Loss (ECL)	Retained Earnings		
As at March 31, 2020	10,702	236	19,542	201,548	299	404	60,332	(10)	293,053
Profit for the year	-	-	-	-	-	-	21,737	-	21,737
Other comprehensive income for the year	-	-	-	-	-	-	(22)	22	-
Total comprehensive income for the year	-	-	-	-	-	-	21,715	22	21,737
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-	4,343	-	-	-	(4,343)	-	-
Transfer to Impairment Reserve	-	-	-	-	-	108	(108)	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	(10)	10	-
Expense booked for share-based payment	-	-	-	-	235	-	-	-	235
As at March 31, 2021	10,702	236	23,885	201,548	534	512	77,586	22	315,025
Profit for the year	-	-	-	-	-	-	15,089	-	15,089
Other comprehensive income for the year	-	-	-	-	-	-	-	- #	- #
Total comprehensive income for the year	-	-	-	-	-	-	15,089	- #	15,089
Transfer to Special Reserve under Section 45-IC of the Reserve Bank of India Act,1934	-	-	3,018	-	-	-	(3,018)	-	-
Transfer to Impairment Reserve	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	22	(22)	-
Expense booked for share-based payment	-	-	-	-	27	-	-	-	27
Settlement of share-based payment	-	-	-	-	(12)	-	-	-	(12)
FX Loss on outstanding share-based payment	-	-	-	-	10	-	-	-	10
As at March 31, 2022	10,702	236	26,903	201,548	559	512	89,679	- #	330,139

The accompanying notes are an integral part of these financial statements

Represents amounts below rounding off norm adopted by the Company

For K.S. Aiyar & Co.
Firm Registration Number : 100186W

Rajesh Joshi
Partner
Membership No. 38526

Place: Mumbai
Date : May 26, 2022

For and on behalf of the Board of Directors

Rinku Ahuja
CEO and Whole-time Director
DIN: 06369232
Place: Mumbai

Harsh Bansal
Whole-time Director
DIN: 8878571
Place: Mumbai

Ketki Bhogle
Company Secretary
ACS35033
Place: Mumbai
Date : May 26, 2022

K.S. AIYAR & CO. ★ Mumbai-11. ★ Chartered Accountants

1. BACKGROUND

J.P. Morgan Securities India Private Limited ('the Company') was incorporated in India on July 27, 1998. The Company is a subsidiary of J.P. Morgan International Finance Limited, USA (JPMIFL), and a part of the J.P. Morgan group. On December 31, 2007, 10% of the shareholding of the Company had been transferred to J.P. Morgan Overseas Capital Corporation ('JPMOCC') by JPMIFL.

The Company is registered as a non-banking finance company (NBFC) vide registration number 13.01149 under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 since January 7, 1999. The Company is primary engaged in wholesale lending in the form of loans and investments and is also engaged in the activity of rendering advisory services.

The Board of Directors at its meeting held on September 18, 2020 noted that the Company had issued 'JPMSIPL NCD SERIES 2 Rated, Listed, Unsecured Non-Convertible Debentures ("NCDs")' aggregating up to Rupees One Thousand Crores on a private placement basis on October 03, 2017 for a tenor of 10 years, with a Call Option at the end of third year i.e. October 03, 2020. Accordingly, the Board of Directors, at its meeting held on September 18, 2020 had decided to exercise the Call Option and redeem all NCDs fully. The NCDs were redeemed fully on October 03, 2020 and as a result of which ISIN No:INE737F08039 with the National Stock Exchange has been de-listed. The company is no longer required to comply with regulation 52 of Listing Obligations and Disclosure Requirements.

2. SCHEME OF AMALGAMATION

During the financial year ended March 2010, pursuant to a composite scheme of Reduction of Capital and Amalgamation of the erstwhile Bear Stearns Financial Services (India) Private Limited (BSFSIPL) with and into the Company, as sanctioned by the Hon'ble High Court of Bombay on December 18, 2009 and upon the coming into effect of the Scheme on March 10, 2010 being the last date on which the conditions mentioned in the scheme were fulfilled, all assets, liabilities and balance in reserves of the Transferor Company ('BSFSIPL') then represented by the reduced share capital were recorded by the Transferee Company ('the Company') at their respective book values. BSFSIPL was registered as a NBFC under section 45-IA of the Reserve Bank of India Act, 1934 since January 24, 1998.

3. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time)] along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company and notification for implementation of Indian Accounting Standards vide circular RBI/2019-20/170 DOR.(NBFC).CC.PD.no.109/22.10.106/2019-20 dated March 13th, 2020 ('RBI notification for implementation of IND AS') issued by RBI. The Company has ascertained a 12 month operating cycle.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets and liabilities that are measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments - measured at fair value.

ii. Critical Estimates and Judgements

The preparation of 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 financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments
The areas involving critical estimates or judgments are:
- Estimation of current tax expense and payable – Note 9 and Note 16

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- Estimation of defined benefit obligation – Note 12 and Note 28 (ii)
- Estimation of annual incentives payable to employees - Note 15 and 26
- Estimation of useful life of tangible assets - Note 11
- Recognition of deferred tax assets and liabilities – Note 10
- Assessment of carrying value of Loans and related impairment loss provisioning (ECL) - Note 6, Note 34C and Note 35
- Assessment of valuation of investments in certain debt instruments – Note 7 and Note 35
- Segregation of compound financial instrument into debt and equity – Note 14 and Note 20

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

iii. Revenue Recognition

1. **Interest income**

The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

Interest income is recognised by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. Loan Origination fees/Upfront fees or any other fee integral to EIR are amortized over the life of the loan to produce an effective rate of interest.

When a financial asset becomes credit-impaired (as set out in Note 3(viii)) and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures (as outlined in Note 34 part C) and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate. Accretion of discount is recognised as interest income over the life of the discounted instruments.

2. **Fee and commission income**

Any other fees are recognised when a binding obligation to receive the fee has arisen and amortised based on EIR.

3. **Net gain/(loss) on fair value changes**

The net gain/(loss) on the financial assets which are measured at fair value through profit and loss are recognised in Statement of Profit and Loss under line item 'Net gain/(loss) on fair value changes'.

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iv. Financial Instruments – Initial Recognition & Measurement

1. **Date of Recognition**
Financial assets and liabilities, with the exception of loans, investments, debt securities and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when they are disbursed. Investments are recognised on settlement date. The Company recognises debt securities and borrowings when funds are received by the Company.

2. **Initial Measurement**
The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value [as described in Notes 3(ix)]. Trade receivables are measured at the transaction price [as described in Notes 35D].

3. **Measurement categories of financial assets and liabilities**
The Company classifies all of its financial instruments based on the business model for managing the assets and the asset's contractual terms, measured at either:
   - Amortised cost, as explained in Note 3 (V)(1)
   - Fair value through other comprehensive income (FVOCI), as explained in Note 3 (V)(1)
   - Fair value through profit or loss (FVTPL), as explained in Note 3 (V)(1)

v. Financial assets and liabilities

1. The Company measures its financial instruments at amortised cost if both of the following conditions are met:
   - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
   - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
   - Financial assets that are in the hold-to-collect and sell business model are eligible to be measured at FVOCI, provided that the contractual cash flows also meet the solely payment of principal and interest criteria (SPPI).
   - Financial assets that are held in neither of the above two business models are required to be measured at FVTPL.
   - The Company measures all of its financial assets and liabilities except investments at amortised cost. Investments are measured at FVTPL.

2. **Business model assessment**
The Company determines its business model at the level that best reflects how it manages its financial instruments to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

   The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3. **The SPPI test**
As a second step of its classification process the Company assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

   'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).
   The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

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In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

4. **Financial assets or financial liabilities held for trading**

The Company classifies financial assets like investments as held for trading when they have been purchased or subscribed for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is an evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised as net gain/loss on fair value changes. The fair value is determined as per the guidelines issued by Fixed Income Money Market and Derivatives Association and any appreciation or depreciation is recognised in "net gain/(loss) on fair value changes" under profit and loss statement.

5. **Debt Securities and Borrowings (Other than Debt Securities)**

After initial measurement at fair value, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

The Company has issued financial instruments with equity conversion rights and call options. When establishing the accounting treatment for these, the Company has first established whether the instrument is a compound instrument and classified such instrument separately as liability and equity in accordance with Ind AS 32.

Classification of the liability and equity components of a convertible instrument is not revised as a result of a change in the likelihood that a conversion option will be exercised, even when exercising the option may appear to have become economically advantageous to some holders. When allocating the initial carrying amount of a compound financial instrument to the equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component.

The value of any derivative features (such as a call options) embedded in the compound financial instrument, other than the equity component (such as an equity conversion option), is included in the liability component. Once the Company has determined the split between equity and liability, it further evaluates whether the liability component has embedded derivatives that must be separately accounted for.

6. **Undrawn Loan Commitments**

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer. These are in the scope of the expected credit loss (ECL) requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet while ECL on the same is recorded under provisions in balance sheet. The nominal values of these instruments together with the corresponding ECL are disclosed in accompanying notes, if any.

vi. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

vii. Derecognition of financial assets & financial liabilities

A financial asset is derecognised only when

The Company 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 assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where

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the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

viii. Impairment of financial assets

a. Overview of the ECL principles

The Company estimates credit impairment through an allowance for expected credit losses ("ECLs"). ECLs are recognised for financial assets that are measured at amortised cost and for specified lending-related commitments such as undrawn loan commitments.

The measurement of ECL also reflects how the Company manages the credit risk in the financial instruments such as Traditional Credit Products ("TCP"), and non-traditional credit products ("Non-TCP"). TCP are wholesale loans and lending-related commitments (including undrawn loan commitments) from extensions of credit to borrowers; whereas Non-TCP are all other financial assets measured at amortised cost.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case the allowance is based on the 12 months' expected credit loss (12mECL) as outlined below. The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 34 part C. The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company uses statistical models to estimate ECLs for TCP on a collective basis; however ECL for credit-impaired instruments is estimated on an individual borrower basis. When determining how exposures should be grouped for collective assessment, the Company considers many factors including, but not limited to, internal credit risk ratings, tenor, borrower and industry.

ECLs are measured using a three stage model based on changes in credit quality of the financial instrument since it was initially recognised ("initial recognition"): (For details refer Note 34 part C)

- **Stage 1** - performing financial instruments that have not had a significant increase in credit risk since initial recognition. When loans are first recognised, the Company recognises an allowance based on 12mECLs.

- **Stage 2** - performing financial instruments that have experienced a significant increase in credit risk. When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs.

- **Stage 3** - non-performing financial instruments that have been determined to be credit-impaired.

- **POCI:** Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

b. Calculation of ECL

The Company calculates ECLs using the forward looking Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD") values to produce the scenario credit losses ("SCL"). The final ECL is a probability-weighted combination of SCLs discounted using the original effective interest rate or an approximation thereof.

- PD: The PD model estimates the probability of downgrade and default each quarter. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively. The model considers input variables that are region, industry and borrower segment specific and considers scenario - and borrower-specific information. PDs are determined at a facility-level based on risk ratings and other characteristics.

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- EAD: The EAD model predicts gross exposure upon a borrower's default as a percentage of the total commitment at the reporting date under a given macroeconomic environment. The model estimates the probability of a change in the utilisation, and direction and magnitude of the change. Input variables include exposure and utilization at the reporting date, facility purpose, industry and macro-economic variables ("MEVs").

- LGD: The LGD model estimates expected losses under given macroeconomic environments on the EAD given the event of default and, taking into account, among other attributes, the mitigating effect of collateral and the time value of money.

The 12-month ECL is calculated by multiplying the 12-month PD, EAD and LGD. Lifetime ECL is calculated using the lifetime PD instead.

c. Forward-looking information

The PD, LGD and EAD models are designed to forecast the credit quality and performance of a TCP portfolio based on industry, rating and size of obligors, among other attributes of the portfolio. PD, LGD and EAD models are calibrated based on historical MEVs and use forecasted macroeconomic scenarios for projecting PD, LGD and EAD variables. ECL estimates are derived from the Company's historical experience and future forecasted economic conditions.

d. Measurement of Non-TCP

The Company's approach to measuring ECLs for Non-TCP portfolios depends on the type of asset. The Company has determined that ECLs on all Non-TCP portfolios are without significant increase in credit risk ("SICR") i.e Stage 1 and immaterial due to: the credit quality of the borrower, short-term nature of the instrument and the existence of collateral. (For details refer Note 34 part C)

ix. Determination of fair value

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments: quoted prices for identical instruments in an active market;
- Level 2 financial instruments: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3 financial instruments: inputs which are not based on observable market data.

x. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes balances with banks and other short-term deposits with an original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

xi. Property, Plant and Equipment and depreciation

a. Property, Plant and Equipment are stated at historical cost less accumulated depreciation.
b. Depreciation is provided, from the month in which the asset is capitalised, on the straight-line method over the useful life of the asset as estimated by the Management and in accordance with Schedule II to the 2013 Act.

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Asset Type	Estimated useful life
Computers	3 years
Office Equipment	5 years

No depreciation is provided for the month in which the asset is sold or disposed. Items individually costing below Indian Rupee equivalent of USD 1,000 are expensed off to Statement of Profit and Loss, unless they are a part of major capital outlay. Property, Plant and Equipment purchased from group entities are depreciated over the remaining estimated useful life of the assets as indicated above. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other income/expenses.

xii. Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

xiii. Impairment of Non-financial assets

Non-financials assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, these assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

xiv. Provisions and contingencies

Provisions for legal claims, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Contingent liabilities are disclosed when the Company has a possible obligations or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

xv. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker i.e. Board of Directors which assesses the financial performance and position of the Company and make strategic decisions.

xvi. Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary assets that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

xvii. Finance Costs

Interest expenses are recognised on a time proportionate basis using the effective interest method. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts. Dividend Cost and Tax Related to the same on liability component of compound financial instrument has been considered as part of finance cost.

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xviii. Employee benefits

(i) Long-term obligations

a. Provident fund

The Company has a defined contribution plan for post-employment benefits in the form of provident fund. The Company contributes to a government administered provident fund on behalf of its employees. The Company's contributions to the above plan are charged to the Statement of Profit and Loss.

b. Gratuity

The Company has a defined benefit plan for post-employment benefits in the form of gratuity. The Company has formed a Gratuity Trust and taken group gratuity policies with insurance companies which are funded. The gratuity fund is recognised by the Income Tax Authorities and is administered through trustees. Liability with regards to the gratuity plan is determined by actuarial valuation at the balance sheet date using the Projected Unit Credit Method. The fair value of assets available with the insurance companies is compared with the gratuity liability as per an independent actuarial valuation at the year end and shortfall, if any, is provided in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

(ii) Short-term obligation

a. Short term compensated absences

Unutilised leave balance that accrues to employees as at the yearend is charged to the Statement of Profit and Loss on an undiscounted basis.

b. Special awards and incentive compensation

Special awards and incentive compensation payable to employees as per the Company's policy within twelve months from the date of balance sheet is charged to the Statement of Profit and Loss on an undiscounted basis.

(iii) Share based Payments

The Company does not provide any equity-based compensation to its employees. However, the ultimate holding company, J.P. Morgan Chase & Co. ("the grantor") grants long-term stock-based awards to certain employees under its Long-Term Incentive ("LTI") Plan.

Under the LTI Plans, Restricted stock units ("RSUs") are awarded at no cost to the recipient upon their grant to the employees of the Company. Generally, RSUs are granted annually and vest at a rate of 50% after two years and 50% after three years and are converted into shares of common stock as of the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, subject to post-employment and other restrictions based on age or service-related requirements. All RSUs awards are subject to forfeiture until vested and contain claw back provisions that may result in cancellation under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding and, as such, are considered participating securities. RSUs provide an employee with a share of JPMorgan Chase common stock upon vesting.

RSUs issued by the ultimate holding Company are accounted for as equity-settled and the company settles the said expense in cash with the group company.

Company recognises the expenses over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, as determined on the grant date, based on the fair value of the RSUs. The Company separately recognises compensation expense for each tranche of each award as if it were a separate award with its own vesting date with a debit to Employee compensation expense and a credit to employee benefits reserve in other equity. Annually, the Company revises its estimates of the number of share units that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to employee benefit reserve in other equity.

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xix. Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33, Earnings per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding for the year. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end

xx. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Current income tax is computed in accordance with the Indian Income Tax Act, 1961 and applicable laws and rules thereunder. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously and are disclosed on a net basis.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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(All amounts are in Rs. Lakhs, unless otherwise stated)

4	CASH AND CASH EQUIVALENTS	As at March 31, 2022	As at March 31, 2021
	Balances with banks in current accounts	3,015	1,672
		3,015	**1,672**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and previous year

5	RECEIVABLES	As at March 31, 2022	As at March 31, 2021
	Other receivables (considered good - unsecured)	1	1
		1	**1**

Receivable from related party Rs. 1 as at March 31, 2022 (Rs.1 as at March 31, 2021)

6	LOANS	As at March 31, 2022	As at March 31, 2021
	Loans (measured at amortised cost)		
	Term Loans	-	28,973
	Triparty Repo System (TREPS)	-	29,119
	Interest accrued but not due	-	6
	Unamortised loan fees	-	(5)
	Total (A) - Gross	-	**58,093**
	Less: Impairment loss allowance	-	(24)
	Total (A) - Net	-	**58,069**
	Covered by standby letter of credit	-	13,971
	Secured by government securities	-	29,119
	Unsecured	-	15,003
	Total (B) - Gross	-	**58,093**
	Less: Impairment loss allowance	-	(24)
	Total (B) - Net	-	**58,069**

All loans have been given in India and other than to public sector enterprises
The company did not grant any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties during the reporting year and previous year

7	INVESTMENTS	As at March 31, 2022	As at March 31, 2021
	Debt Securities (measured at fair value through profit or loss)		
	Investment in debentures and bonds *	231,420	300,338
	Investment in government approved securities including treasury bills	143,804	-
	Interest accrued (including overdue interest) *	4,599	3,805
	Total investments at cost	379,823	304,143
	Fair valuation loss on debentures and bonds *	(1,903)	(771)
	Fair valuation loss on government approved securities including treasury bills	(684)	-
		377,236	**303,372**

All the investments are made in India
* Includes non-performing investments of Rs. 8,950 carried at fair value of Rs. 5,602 (including accrued interest of Rs. 418). Further, during the year ended March 31, 2022, the Company has written off overdue interest of Rs. 984 on aforementioned non-performing investments for period October 12, 2018 to March 31, 2021.

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(All amounts are in Rs. Lakhs, unless otherwise stated)

8 OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Margin money with The Clearing Corporation of India Ltd.	1,261	1,161
Interest accrued but not due on margin money	1	1
	1,262	1,162

9 CURRENT TAX ASSETS (Net)

	As at March 31, 2022	As at March 31, 2021
Advance Tax (including fringe benefit tax) (net of provision for taxation Rs. 44,895 as at March 31, 2022; Rs.40,801 as at March 31, 2021)	5,970	6,112
	5,970	6,112

10 DEFERRED TAX ASSETS (Net)

	As at March 31, 2022	As at March 31, 2021
Employee benefits payable	87	92
Unearned loan fee	-	1
Depreciation	(2)	(2)
Provision for compensated absences	3	3
Provision for impairment loan allowance (net)	-	6
Equity component of compound financial instrument	(446)	(649)
Fair value gains on unquoted investments in debentures & bonds (Net)	(476)	(684)
Allowance under section 94B of The Income Tax Act, 1961	2,087	3,622
	1,253	2,389

	As at March 31, 2021	Credit/(charge) in the Statement of Profit and Loss	As at March 31, 2022
Employee benefits payable	92	(5)	87
Unearned loan fee	1	(1)	-
Depreciation	(2)	- #	(2)
Provision for compensated absences	3	- #	3
Provision for impairment loan allowance (net)	6	(6)	-
Equity component of compound financial instrument	(649)	203	(446)
Fair value gains on unquoted investments in debentures & bonds (Net)	(684)	208	(476)
Allowance under section 94B of The Income Tax Act, 1961	3,622	(1,535)	2,087
	2,389	(1,136)	1,253

11 PROPERTY, PLANT AND EQUIPMENT

	Computers	Total
Balance as at March 31, 2020	15	15
Additions	1	1
Disposals	-	-
Balance as at March 31, 2021	16	16
Additions	1	1
Disposals	(11)	(11)
Balance as at March 31, 2022	6	6
Accumulated Depreciation		
Balance as at March 31, 2020	6	6
Additions	4	4
Disposals	-	-
Balance as at March 31, 2021	10	10
Additions	4	4
Disposals	(11)	(11)
Balance as at March 31, 2022	3	3
Net Carrying amount		
Balance as at March 31, 2021	6	6
Balance as at March 31, 2022	3	3

Represents amounts below rounding off norm adopted by the Company

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Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Rs. Lakhs, unless otherwise stated)

12 OTHER NON FINANCIAL ASSETS	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	4	1
Input credit	276	51
Gratuity [Refer note 28 (ii)]	20	21
Other non financial assets	- #	- #
	300	73

13 TRADE PAYABLES	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer Note : 40)	27	- #
Total outstanding dues of creditors other than micro enterprises and small enterprises	66	83
	93	83

Trade Payables as on 31st March, 2022

Particulars	Unbilled	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	27	-	-	-	-	27
(ii)Others	41	13	-	-	12	66
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	68	13	-	-	12	93

Trade Payables as on 31st March, 2021

Particulars	Unbilled	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	-	-	-	-	-	-
(ii)Others	57	14	-	-	12	83
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	57	14	-	-	12	83

14 BORROWINGS (OTHER THAN DEBT SECURITIES)	As at March 31, 2022	As at March 31, 2021
Unsecured (measured at amortised cost)		
Liability component of compound financial instruments		
preference shares of Rs. 10 each	14,310	13,500
	14,310	13,500

5% cumulative convertible redeemable preference shares of Rs 10 each are redeemable at a premium of Rs 90 per share at the end of twenty years (March 23, 2024) from the date of allotment (March 23, 2004) or earlier, at the discretion of the Board of Directors of the Company, or are convertible into equity shares at any time and on such terms, as may be determined by the Board of Directors of the Company.

The contractual dividend rate of 5% is considered to be the debt component of the instrument and accordingly recorded in this note. The determined EIR of the instrument is higher than the contractual dividend rate of the instrument and hence it is considered to be an equity component of the instrument which is recorded as "equity component of compound financial instrument" in Statement of changes in equity. Refer note 20.

All borrowings (other than debt securities) have been issued in India.

Represents amounts below rounding off norm adopted by the Company

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(All amounts are in Rs. Lakhs, unless otherwise stated)

15 OTHER FINANCIAL LIABILITIES	As at March 31, 2022	As at March 31, 2021
Employee benefits payables	74	117
Employee related statutory dues including provident fund	6	5
Unspent CSR for ongoing projects	360	-
Payable to inter company	119	93
	559	**215**

16 CURRENT TAX LIABILITIES (Net)	As at March 31, 2022	As at March 31, 2021
Provision for income tax (including fringe benefit tax)	17	17
(net of advance tax Rs. 11,595 as at March 31, 2022; Rs. 11,595 as at March 31, 2021)		
Interest tax	3	3
(net of taxes paid Rs.86 as at March 31, 2022; Rs.86 as at March 31, 2021)		
	20	**20**

17 PROVISIONS	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Compensated absences	10	10
Provision for refund on interest during moratorium^	-	9
Provision for Merger Costs (including penalty)*	404	404
	414	**423**

^ RBI Circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021 requires NBFCs to refund/ adjust the 'interest on interest' charged to the borrower during the moratorium period, i.e. March 01, 2020 to August 31, 2020 in conformity with the Honorable Supreme Court of India judgment on March 23, 2021. Pursuant to the said order and as per the RBI circular, the methodology for calculation of the amount of such 'interest on interest' was finalized by the Indian Banks Associations (IBA). The Company has implemented this methodology and created a liability towards estimated interest refund of Rs. 9 and has reduced the same from interest income for the year ended March 31, 2021. During the year ended March 31, 2022, 'interest on interest' of Rs. 9 was refunded.

* The adjudication of stamp duty payable on the order of the Honorable Bombay High Court sanctioning the scheme of amalgamation of BSFSIPL with and into the Company is awaited. Accordingly, provision for the likely stamp duty payable has been retained.

18 OTHER NON FINANCIAL LIABILITIES	As at March 31, 2022	As at March 31, 2021
Interest received but not due on investments	1	247
Statutory dues including tax deducted at source	205	44
	206	**291**

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(All amounts are in Rs. Lakhs, unless otherwise stated)

19 EQUITY SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Authorised		
983,500,000 (983,500,000 as at March 31, 2021) equity shares of Rs. 10 each	98,350	98,350
16,500,000 (16,500,000 as at March 31, 2021) 5% cumulative	1,650	1,650
Issued, subscribed and fully paid-up:		
432,989,287 (432,989,287 as at March 31, 2021) equity shares of Rs. 10 each	43,299	43,299
	43,299	**43,299**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning and end of the year	432,989,287	43,299	432,989,287	43,299
Issued during the year	-	-	-	-
As at the end of the year	**432,989,287**	**43,299**	**432,989,287**	**43,299**

(b) Shares held by holding company and subsidiary of holding company

Number of Equity Shares:	As at March 31, 2022	As at March 31, 2021
J.P. Morgan International Finance Limited (Holding Company)	417,613,237	417,613,237
J.P. Morgan Overseas Capital Corporation (Subsidiary of Holding Company)*	15,376,050	15,376,050

* includes 10 equity shares held as the nominee of J.P. Morgan International Finance Limited

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares of the company

	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% Holding	% change during the year	Number of shares	% Holding	% change during the year
Equity Shares						
J.P. Morgan International Finance Limited	417,613,237	96%	0%	417,613,237	96%	0%
J.P. Morgan Overseas Capital Corporation *	15,376,050	4%	0%	15,376,050	4%	0%

* includes 10 equity shares held as the nominee of J.P. Morgan International Finance Limited

(d) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having nominal value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

20 OTHER EQUITY *

		As at March 31, 2022		As at March 31, 2021
Reserves and surplus				
General Reserve		236		236
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934		26,903		23,885
Impairment Reserve on Expected Credit Loss (ECL)		512		512
Securities Premium Reserve		201,548		201,548
Capital Contribution towards Employee benefits (Refer note 37)		559		534
Other Comprehensive Income		-	#	22
Retained Earnings		89,679		77,586
Total	(A)	319,437		304,323
Equity component of compound financial instruments	(B)	10,702		10,702
Total	(A+B)	**330,139**		**315,025**

* Refer statement of changes in equity
# Represents amounts below rounding off norm adopted by the Company

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Chartered Accountants

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Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Rs. Lakhs, unless otherwise stated)

21 INTEREST INCOME	Year Ended March 31, 2022	Year Ended March 31, 2021
On Financial Assets measured at amortised cost		
Loans	283	2,961
Triparty Repo System (TREPS)	1,257	744
Margin money with The Clearing Corporation of India Ltd.	5	3
On Financial Assets measured at fair value through profit or loss (FVTPL)		
Interest income on investments	23,375	24,089
	24,920	27,797

22 FEES AND COMMISSION INCOME	Year Ended March 31, 2022	Year Ended March 31, 2021
Structuring and upfront fees	757	327
	757	327

23 NET (LOSS) / GAIN ON FAIR VALUE CHANGES	Year Ended March 31, 2022	Year Ended March 31, 2021
Fair value changes on investments measures at FVTPL		
Realised gains	378	6,046
Unrealised (loss)/gains	(1,816)	742
	(1,438)	6,788

24 FINANCE COSTS	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expense on Financial Liabilities measured at amortised cost		
Debentures	-	3,715
Interest on liability component of compound financial instrument	890	840
Other borrowing costs		
Debenture issuance cost	-	16
	890	4,571

25 IMPAIRMENT ON FINANCIAL INSTRUMENTS	Year Ended March 31, 2022	Year Ended March 31, 2021
Loans (measured at amortised cost)	(24)	4
	(24)	4

26 EMPLOYEE BENEFIT EXPENSES	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries and incentives	711	915
Contribution to provident and other funds (Refer note 28 (i))	22	19
Service cost of gratuity benefits (Refer note 28 (ii))	2	8
Share based payments to employees (Refer note 37)	27	235
Staff welfare expenses	24	10
	786	1,187

27 OTHER EXPENSES	Year Ended March 31, 2022	Year Ended March 31, 2021
Brokerage, stamp duty and transaction charges	79	89
Expenditure on corporate social responsibility (Refer Note 33)	400	291
Electricity	6	5
Insurance	- #	- #
Legal and professional services (Refer note 27.1)	465	404
Postage, telephone and communication	42	42
Printing and stationery	3	6
Rates and taxes	196	49
Rent	47	46
Repairs and maintenance	28	22
Travel and conveyance	1	- #
Miscellaneous	13	3
	1,280	957

Represents amounts below rounding off norm adopted by the Company

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Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Rs. Lakhs, unless otherwise stated)

27.1 Payment to Auditors

Legal and professional services includes auditors' remuneration as follows:

- Statutory audit	22	25
- Tax audit	2	2
- Other services	1	1
- Out of pocket expenses	-	- #
	25	**28**

28 EMPLOYEE BENEFIT OBLIGATIONS

i Charge to the Statement of Profit and Loss based on contributions under defined contribution scheme

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Provident fund	22	19

ii Disclosures for funded gratuity based on actuarial report as of March 31, 2022

	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
I	**Change in defined benefit obligations during the year**		
	Opening defined benefit obligation	61	77
	Current service cost	3	6
	Interest cost	4	5
	Actuarial gain	- #	(22)
	Acquisitions credits	(4)	(5)
	Closing defined benefit obligation (DBO)	**64**	**61**
II	**Change in fair value of plan assets**		
	Opening fair value of plan assets	82	56
	Interest income on plan assets	5	4
	Return on plan assets greater than discount rate	1	6
	Contributions by employer	-	21
	Acquisitions adjustment	(4)	(5)
	Closing fair value of plan assets	**84**	**82**
III	**Net asset recognised in the Balance Sheet**		
	Present value of obligation as at the year end	64	61
	Fair value of plan assets as at the year end	(84)	(82)
	Net asset recognised in the Balance Sheet	**(20)**	**(21)**
IV	**Amount recognised in the Statement of Profit and Loss**		
	Current service cost	3	6
	Net interest on net defined benefit (asset)/liability	(1)	2
	Total expense recognised in the Statement of Profit and Loss	**2**	**8**
V	**Amount recognised in the Other Comprehensive Income (OCI)**		
	Actuarial loss/(gain) due to DBO experience	2	(11)
	Actuarial gain due to DBO assumption changes	(1)	(11)
	Actuarial loss/(gain) arising during the year	**1**	**(22)**
	Return on plan assets greater than discount rate	(1)	(7)
	Actuarial gain recognized in OCI	- #	**(29)**
VI	**Asset information**		
	Insurer Managed Funds	100.00%	100.00%
VII	**Principal actuarial assumptions**		
	Discount rate (per annum)	6.70%	6.40%
VIII	**Sensitivity analysis for significant assumptions**		
	A) Discount Rate	6.70%	6.40%
	Effect on DBO due to 0.5% increase in Discount Rate	(2)	(2)
	Effect on DBO due to 0.5% decrease in Discount Rate	2	2
	B) Salary Escalation Rate	7.00%	7.00%
	Effect on DBO due to 0.5% increase in Salary escalation Rate	1	1
	Effect on DBO due to 0.5% decrease in Salary escalation Rate	(1)	(1)
IX	**Expected benefit payments for the year ending**		
	Expected benefits for year 1	9	9
	Expected benefits for year 2	9	8
	Expected benefits for year 3	9	8
	Expected benefits for year 4	8	8
	Expected benefits for year 5	9	7
	Expected benefits for 5 year and above	38	31

The estimates of future salary increases, considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary and relied upon by the auditors.

Represents amounts below rounding off norm adopted by the Company.

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(All amounts are in Rs. Lakhs, unless otherwise stated)

29 RECONCILIATION OF TAX EXPENSE AND ACCOUNTING PROFIT MULTIPLIED BY INDIA'S TAX RATE:

	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit before income tax expense	20,319	28,189
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	5,114	7,095
Tax effect of amounts which are not deductible in calculating taxable income		
Effect of tax on disallowed expenses	122	105
Effect of allowance of expense disallowed in previous years	-	(691)
Effect of expense/(income) provided to tax in prior year	98	(796)
Effect of OCI gains provided to tax	- #	7
Adjustment of tax relating to prior year	(126)	732
Others	22	22
	5,230	**6,474**

30 SEGMENT REPORTING

The Company is engaged primarily in wholesale lending in the form of loans and investments which in the context of Ind AS 108 constitutes single reporting business segment.

31 RELATED PARTY DISCLOSURES

i Related parties (during the year) as required under Ind AS 24:

Nature of Relationship	Name of Related Party
Ultimate holding company	JPMorgan Chase & Co.
Holding companies	JPMorgan Chase Bank, National Association and its branches J.P. Morgan International Finance Limited J.P Morgan Chase Holdings LLC
Fellow Subsidiaries with whom the Company has had transactions during the year	J.P. Morgan India Private Limited J.P. Morgan Services India Private Limited J.P. Morgan Securities Asia Private Limited
Key management personnel	Ms. Rinku Ahuja (CEO and Whole-time Director) Ms. Madhumita Duggirala (Whole-time Director resigned w.e.f April 27, 2021) Mrs. Naquiyah Aga (Whole-time Director appointed w.e.f August 18, 2021) Mr. Harsh Bansal (Whole-time Director appointed w.e.f October 16, 2020) Mr. Jatin Jain (Whole-time Director resigned w.e.f July 24, 2020) Mr. Vineet Gothi (Whole-time Director resigned w.e.f October 13, 2020)
Post Employment Benefit trust	J.P. Morgan Securities India Private Limited Employees Comprehensive Gratuity Scheme

ii The following transactions were carried out with the related parties in the ordinary course of business:

Year Ended March 31, 2022

Nature of transactions	Post Employment benefit trust	Key Management Personnel	Holding Companies		Fellow Subsidiaries	
Transactions during the year						
Finance Costs			-		-	
Legal and professional services			281	(a)	41	(c)
Redemption of debt securities						
Expense reimbursement			#	(a)	78	(b)
Other receipts			42	(a)	1	(c)
Interest on liability component of compound financial instruments			890	(f)		
Purchase of investments			144,668	(a)	50,061	(e)
Sale of investments			107,703	(a)	52,187	(e)
Short term employee benefits		455				
Post employment benefits		14				
Share based payment to employees		25				
Restricted stock units (issued under group share based payments schemes)			27	(g)		
Restricted stock units settled			12	(g)		
(Adjustment to Gratuity Asset)/ Contribution to Gratuity Trust	(1)					
Balances at the year end						
Trade payables			6	(a)	31	(d)
Inter company cost payable			119	(a)		
Other receivables			1	(a)		
Cash and cash equivalents			1,542	(a)		
Liability component of compound financial instruments			14,310	(f)		
Equity component of compound financial instruments			10,702	(f)		
Capital contribution towards Employee benefits			559	(g)		
Gratuity Trust-Defined benefit - Asset	20					

Represents amounts below rounding off norm adopted by the Company

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Year Ended March 31, 2021

Nature of transactions	Post Employment benefit trust	Key Management	Holding Companies		Fellow Subsidiaries	
Transactions during the year						
Finance Costs			-		3,715	(e)
Legal and professional services			258	(a)	29	(c)
Redemption of debt securities					100,000	(e)
Expense reimbursement					75	(b)
Other Receipts			42	(a)	#	(c)
Interest on liability component of compound financial instruments			840	(f)		
Purchase of Investments			104,301	(a)		
Sale of Investments			22,651	(a)		
Short term employee benefits		699				
Post employment benefits		19				
Share based payment to employees		24				
Restricted stock units (issued under group share based payments schemes)			235	(g)		
Restricted stock units settled						
(Adjustment to Gratuity Asset)/ Contribution to Gratuity Trust	21					
Balances at the year end						
Trade Payables					13	(d)
Inter company cost payable			93	(a)		
Other receivables			1	(a)	-	
Cash and cash equivalents			1,501	(a)	-	
Liability component of compound financial instrument			13,500	(f)		
Equity component of compound financial instruments			10,702	(f)		
Capital Contribution towards Employee benefits			534	(g)		
Gratuity Trust-Defined benefit -Asset	21					

Notes:

a JPMorgan Chase Bank, National Association and its branches
b J.P. Morgan India Private Limited
c J.P. Morgan Services India Private Limited
d Includes Rs. 22 (previous year Rs. 6) payable to J.P. Morgan India Private Limited and Rs.9 (previous year Rs.7) payable to J.P. Morgan Services India Private Limited
e J.P. Morgan Securities Asia Private Limited
f J.P. Morgan International Finance Limited
g J P Morgan Chase Holdings LLC

32 EARNINGS PER SHARE

Earnings	Year ended March 31, 2022	Year ended March 31, 2021
a) Net Profit for the year	15,089	21,715
b) Net Profit attributable to equity shareholders	15,089	21,715
Number of shares (in lakhs)		
c) Weighted average number of equity shares of Rs. 10 each for computation of basic earnings per share	4,330	4,330
d) Diluting effect of compound financial instrument of Rs. 10 each	160	160
e) Weighted average number of shares for computation of diluted earnings per share	**4,490**	**4,490**
Earnings per share (Basic) – In Rupees (b/c)	3.48	5.02
Earnings per share (Diluted) – In Rupees (b/e)	3.36	4.84

As per the terms of compound financial instrument, in the event of conversion, the amount paid up would be notionally redeemed and applied to the equity share capital.

The Board of Directors, in their meeting held on May 26, 2022, have proposed a cumulative dividend of Rs.0.50 per compound financial instrument for financial year ended March 31, 2022. The proposal is subject to the approval of shareholders at the Annual General Meeting.

Represents amounts below rounding off norm adopted by the Company

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Notes to the financial statements for the year ended March 31, 2022
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33 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to Ongoing projects	38	291
Contribution to other than Ongoing Projects	-	-
Accrual towards unspent obligations in relation to:		
Ongoing projects *	362	-
Other than ongoing projects	-	-
Total	**400**	**291**
Amount required to be spent as per Section 135 of the Act	398	265
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	400	291

Details of ongoing CSR projects under Section 135(6) of the Act:

	Balance as at 1 April 2021			Amount spent during the year		Balance as at 31 March 2022	
Project	With the company	In separate CSR unspent account with the company	Amount allocated during the year	From the company's bank account	From separate CSR unspent account with the company	With the company	In separate CSR unspent account with the company *
Improving career satisfaction and overall agency for youth in Haryana	-	-	355	35	-	-	320
Youth Employability Program	-	-	45	3	-	-	42
Total	-	-	400	**38**	-	-	**362**

* Includes amount of Rs. 2 paid by NGOs to CSR unspent account before April 30, 2022.

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects - Not Applicable

Details of excess CSR expenditure under Section 135(5) of the Act:

	Balance excess spent as at April 01, 2021	Amount required to be spent during the year	Amount spent/ transferred to CSR unspent account during the year	Balance excess spent as at March 31, 2022	Excess CSR spent carried forward to next financial year
Details of excess CSR expenditure under Section 135(5) of the Act	-	398	400	2	-

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34. FINANCIAL RISK MANAGEMENT

Risk is an inherent part of Company's business activities. The Company's risk management framework and governance structure are intended to provide comprehensive controls and an ongoing management of major risks inherent in its business activities.

The Board of Directors (BOD) have formed the Risk Management Committee (RMC) and the Asset Liability Committee (ALCO) who together have the overall responsibility for the establishment and oversight of the Company's risk management framework. RMC and ALCO are responsible for developing the Company's risk management policies which are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to those limits. Risk management policies and systems are reviewed periodically to reflect changes in RBI regulations, the Company's activities and the market conditions.

The Company's risk management objectives and policies are consistent with those of the group company. The Company employs a holistic approach to risk management to ensure the broad spectrum of risk types are considered in managing its business activities. It is also intended to create a culture of risk transparency and awareness and personal responsibility throughout the Company where collaboration, discussion, escalation and sharing of information is encouraged. The Company's ability to properly identify, measure, monitor/control and report risk is critical to its soundness and profitability. The Company has a documentation on its risk management policies and procedures, risk measurement and reporting systems.

The Company's business activities expose it to a variety of financial risks, key risks being liquidity risk, market risk and credit risk.

A. MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair shareholder confidence.

ALCO has the overall responsibility for oversight and strategic management of liquidity risks. ALCO recognizes that, being a NBFC, the Company's exposure to liquidity risk must be monitored and controlled and the funding mix on the balance sheet is as stable and diverse as possible. ALCO will rely mainly on the nature and maturity of the assets from time to time to ensure that the funding mix is appropriate and stable as well as the norms laid down by the RBI and Asset Liability Management (ALM) Policy are strictly adhered to.

ALCO ensures that the Company complies with the negative mismatch norms laid down by RBI in the first liquidity bucket (0-7 days) and the cumulative gap up to one year period. Additionally, ALCO has established internal limit to monitor the cumulative negative mismatch across all other time buckets. These limits are monitored on a monthly basis and reviewed periodically by the ALCO from time to time to be in line with the RBI guidelines and the business requirements.

Any breaches or exceptions to the norms and guidelines laid down by the ALM policy or RBI from time to time, along with their explanations are noted/approved by the ALCO and placed before the BOD of the Company.

B. MANAGEMENT OF MARKET RISK

Market risk is the exposure to an adverse change in the market value of financial instruments caused by a change in market parameters. The Board of Directors (BoD) of the company has delegated the responsibility of governing the market risk management structure to the Risk Management Committee ("RMC"). The RMC delegates responsibility to Market Risk (MR), who are responsible for establishing an appropriate market risk management framework to measure, monitor and control market risk. The RMC is responsible for application of these processes to the company. The company utilizes measures, which include but are not limited to, Value at Risk (VaR) and Non-statistical measures. As the appropriate set of risk measures utilized for a given business activity depends on business mandate, risk horizon, materiality, market volatility and other factors, not all measures are used in all cases. The company has also employed market risk limits as the primary control to align its market risk with certain quantitative parameters within the firm's Risk Appetite framework. The company's Line of Business (LOBs) should not exceed their limits unless authorized by a Temporary Limit Approval (TLA) or a limit change. Notifications of valid limit breaches are sent to signatories to limits and the RMC. Aged or significant valid / under investigation (UI) limit breaches are escalated to the Global legal entity (LE) Market Risk Head, APAC Risk Committee (APRC), Company's Chief Executive Officer (CEO) and Country Chief Risk Officer (CRO).

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C. MANAGEMENT OF CREDIT RISK

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Company with Credit risk management policy. It is their responsibility to review and manage credit risk for all types of counterparties.

Expected credit loss measurement

Approach to measuring expected credit losses

The Company estimates credit impairment through an allowance for expected credit losses ("ECLs"). ECLs are recognised for financial assets that are measured at amortised cost or fair value option through other comprehensive income (FVOCI) and for specified lending-related commitments such as loan commitments. The measurement of ECLs reflects:

(a) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes
(b) The time value of money; and
(c) Reasonable and supportable information about past events, current economic conditions, and forecasts of future economic conditions.

The measurement of ECL also reflects how the Company manages the financial instruments it uses for credit risk purposes such as Traditional Credit Products ("TCP") and non-traditional credit products ("Non-TCP"). TCP are wholesale loans and lending-related commitments from extensions of credit to borrowers; whereas Non-TCP are all other debt financial assets measured at amortised cost which include but are not limited to Triparty Repo System(TREPS), fee receivables and inter-company receivables.

The following table sets out the balances of the Company's financial assets that are measured at amortised cost by the respective TCP and Non-TCP categories.

Balance sheet categories	As at March 31, 2022		As at March 31, 2021	
	TCP	Non-TCP	TCP	Non-TCP
Cash and Cash Equivalents	-	3,015	-	1,672
Loans	-	-	28,960	29,109
Other Receivable	-	1	-	1
Other financial assets	-	1,262	-	1,162

The Company uses statistical models to estimate ECLs for TCP on a collective basis; however ECL for credit-impaired instruments is estimated on an individual borrower basis. When determining how exposures should be grouped for collective assessment, the Company considers many factors including, but not limited to, internal credit risk ratings, tenor, borrower geography and industry.

Impact of staging on measuring expected credit losses

ECLs are measured using a three stage model based on changes in credit quality of the financial instrument since it was initially recognised ("initial recognition"):

- Stage 1 - performing financial assets that have not had a significant increase in credit risk since initial recognition;
- Stage 2 - performing financial assets that have experienced a significant increase in credit risk; and
- Stage 3 - non-performing financial assets that have been determined to be credit-impaired.

Default and credit-impairment (Stage 3)

Financial assets are included in Stage 3 when there is objective evidence of impairment at the reporting date. For Stage 3 instruments, ECL is calculated considering the probability of default over the remaining life of each instrument ("Lifetime ECL") on an individual asset basis and interest revenue is calculated on the net carrying amount (that is, net of the allowance for credit losses). All financial assets, regardless of their category as TCP, Non-TCP or debt security, are considered to be credit-impaired and included in Stage 3 when events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred:

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A financial asset is considered to no longer be in default (i.e., the default has been cured) when the borrower has made payments for a minimum of twelve months and there is other objective evidence of credit improvement.

Significant increase in credit risk (Stage 2)

Financial assets that have experienced a SICR since initial recognition, for which there is no objective evidence of impairment, are included in Stage 2. For Stage 2 instruments, ECL is calculated considering the probability of default over the remaining life of the instrument on a collective basis and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the credit loss allowance).
The Company assesses for evidence of a SICR by considering whether there has been a change in the risk of a default occurring since the financial instrument was initially recognised.
For TCP, the Company considers a financial asset to have experienced a SICR when any of the following quantitative or qualitative criteria have been met.

Quantitative criteria

The Company determines whether the probability of a default ("PD") occurring has changed between a financial asset initial recognition and the reporting date. If the change in PD exceeds certain relative and absolute thresholds, the instrument has experienced a SICR. The assessment of the PD takes into account reasonable and supportable information, including information about past events, current and future economic conditions.

Qualitative criteria

The Company monitors borrowers that may have become impaired and are considered to have experienced a SICR. The Company also monitors changes in internal credit risk ratings and delinquency triggers to determine if a borrower has experienced a SICR.

The Company's TCP portfolio is mostly comprised of large corporate borrowers. For these borrowers, short-term delinquencies alone are not considered to be a meaningful credit quality indicator as the Company's experience has shown that other internal credit quality indicators generally identifies increases in credit risk well before delinquency. As such, the Company has determined that using the quantitative and qualitative criteria described above are most appropriate for capturing SICR for TCP.

Financial instruments that are in Stage 2 are moved to Stage 1 as described below in the period that the quantitative and qualitative criteria for a SICR no longer exist.

The approach for determining whether there has been a SICR for Non-TCP portfolios depends on the type of instrument which is explained in detail in "ECL measurement for Non-TCP Portfolios".

Unimpaired and without significant increase in credit risk (Stage 1)

Financial instruments that have not had a SICR since initial recognition are included in Stage 1 unless they are purchased or originated credit impaired ("POCI"). For Stage 1 instruments, ECL is calculated by considering the probability of default within 12 months after the reporting date on a collective basis and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the credit loss allowance).

ECL measurement for TCP Portfolios

Key Inputs

In broad terms, ECLs for the Company's TCP portfolios are generally calculated based on the following key inputs:
• Probability of Default ("PD"): The PD model estimates the probability of downgrade and default each quarter. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively. The model considers input variables that are region, industry and borrower segment-specific and considers scenario and borrower-specific information. PDs are determined at a facility-level based on risk ratings and other characteristics.
• Exposure at Default ("EAD"): The EAD model predicts gross exposure upon a borrower's default as a percentage of the total commitment at the reporting date under a given macroeconomic environment. The model estimates the probability of a change in the utilisation, and direction and magnitude of the change. Input variables include exposure and utilization at the reporting date, facility purpose, industry and macro-economic variables ("MEVs").
• Loss Given Default ("LGD"): The LGD model estimates expected losses under given macroeconomic environments on the EAD given the event of default and, taking into account, among other attributes, the mitigating effect of collateral and the time value of money.

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The 12-month ECL is calculated by multiplying the 12-month PD, EAD and LGD. Lifetime ECL is calculated using the lifetime PD instead.

Forward-looking information

ECL estimates are derived from the Company's historical experience and future forecasted economic conditions. To incorporate forward-looking information into the ECL calculation, the Company develops forecasted economic scenarios. Each of these scenarios contains a set of MEVs that reflect forward-looking economic and financial conditions. MEVs include, but are not limited to FX rates, inflation and GDP per country or country block. MEVs for each scenario are projected over a reasonable and supportable forecast period of two years. After the forecast period, the losses revert to historical averages over a one-year transition period.

On a quarterly basis, the economic scenarios are updated and probability weighted. The Company uses judgement to develop the scenarios and assign probability weightings. The most likely economic scenario in management's view is the base case which would generally be expected to be weighted more heavily than the other scenarios.

The PD, LGD and EAD models are designed to forecast the credit quality and performance of a TCP portfolio based on industry, geography, rating and size of obligors, among other attributes of the portfolio. PD, LGD and EAD models are calibrated based on historical MEVs and use forecasted macroeconomic scenarios for projecting PD, LGD and EAD values.

ECL calculation

The Company uses the forward looking PD, LGD, and EAD values for each of the scenarios to produce the scenario credit. The modelled ECL estimate is a probability-weighted calculation of the scenario SCLs discounted using the original effective interest rate or an approximation thereof.
The modelled ECL results are reviewed by management and adjustments ('management overlays') are considered to ensure final results reflect the Company's best estimate of ECLs on its exposures. Management overlays are only applied if necessary to account for significant idiosyncratic risks which are not yet reflected in underlying risk ratings, LGD, exposure profile or scenario weights used and which are expected to have a high probability of occurrence.
The final ECL estimate and assumptions require significant management judgement and certain assumptions are highly subjective.

Measurement of ECLs in the Company's Non-TCP Portfolios

The Company's approach to measuring ECLs for Non-TCP portfolios depends on the type of asset. The Company has determined that ECLs on all Non-TCP portfolios are without SICR (i.e. Stage 1) and immaterial due to: the credit quality of the borrower, short-term nature of the instrument and the existence of collateral.

TREPS:
TREPS refer to Repo with Government securities with Clearing Corporation of India Limited acting as Tri-party repo agent. The TREPS engaged into by the Company are fully collateralized by basket of government securities. However, as guided by RBI, the company disclosed under ""Loans"" in the Balance Sheet and computes ECL on the same.

Receivables:
The Company's receivables mainly consists of intercompany receivables. The Company will write-off an intercompany receivable when it is (i) deemed to be uncollectible or (ii) past due for more than 90 days, whichever occurs first. The Company believes that the 90 day write-off policy materially limits the intercompany exposure recorded on the balance sheet that may have collectability concerns and no additional impairment charges are required in this category. The Company has not experienced any losses on inter-company receivables in the past.

The Company continues to monitor its Non-TCP portfolios to ensure the described framework is appropriate and its exposure to credit risk and ECLs on these portfolios are adequately reflected in the allowance for credit losses.

ECL and gross carrying amount reconciliation

The following tables provide an explanation of the change in the loss allowance during the year ended 31st March, 2021 by respective product classes. The tables also set out how significant changes in the gross carrying amount of financial instruments contributed to the changes in the loss allowance:

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Traditional credit products

Loans and advances to corporates at amortised cost

Particulars	ECL				Gross carrying amount			
	stage 1 12-Month ECL	stage 2 Lifetime ECL	stage 3 Lifetime ECL	Total	stage 1	stage 2	stage 3	Total
New loans originated or purchased	-	-	-	-	-	-	-	-
Loans derecognised or repaid	(14)	-	-	(14)	(28,973)	-	-	(28,973)
Loan balance at the beginning of the year	14	-	-	14	28,973	-	-	28,973
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
At 31 March 2022^*	-	-	-		-	-	-	-

Particulars	ECL				Gross carrying amount			
	stage 1 12-Month ECL	stage 2 Lifetime ECL	stage 3 Lifetime ECL	Total	stage 1	stage 2	stage 3	Total
New loans originated or purchased	-	-	-	-	-		-	-
Loans derecognised or repaid	-	(3)	-	(3)	-	(49,332)	-	(49,332)
Loan balance at the beginning of the year	-	10	-	10	-	78,305	-	78,305
Transfer to Stage 1	14	(7)	-	7	28,973	(28,973)	-	-
Transfer to Stage 2			-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
At 31 March 2021^*	**14**	-	-	**14**	**28,973**	-	-	**28,973**

^doesn't include TREPS as it is a Non-TCP as explained above.

*Represents principal amount of Term loans excluding accrued interest thereon

Non-traditional credit products

Non-Traditional Credit Products ("non-TCPs") include all other instruments measured at amortised cost and subject to the impairment provisions under IND AS. No ECL has been recognised on non-TCPs as explained in "Measurement of ECLs in the Company's Non-TCP Portfolios".

Credit risk exposures

The following table provides an analysis of the credit risk exposure for TCP and Non TCP financial instruments for which an ECL allowance is recognised or not. The gross balance sheet exposure of financial assets below also represents the Company's maximum exposure to credit risk on these assets.

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Particulars	Gross balance sheet exposure	Exposures captured by market risk	Risk Mitigants	Net credit exposure	Net balance sheet exposure held with	
			Cash & security collateral		JPMorgan Chase undertakings	External counter parties
At 31 March 2022						
Cash and Cash Equivalents	3,015	-	-	3,015	1,542	1,473
Loans	-	-	-	-	-	-
Investments	3,77,236	3,77,236	-	-	-	-
Receivables	1	-	-	1	1	-
Other Financial assets	1,262	-	-	1,262	-	1,262
At 31 March 2021						
Cash and Cash Equivalents	1,672	-	-	1,672	1,501	171
Loans	58,069	-	29,109	28,960	-	28,960
Investments	303,372	303,372	-	-	-	-
Receivables	1	-	-	1	1	-
Other Financial assets	1,162	-	-	1,162	-	1,162

Maturity profile

Maturity ^	As at March 31, 2022	As at March 31, 2021
5 years or more	-	-
5 years or less but over 1 year	-	-
1 year or less but over 3 months	-	-
3 months or less	-	58,098
Total	-	**58,098**

^ Represents principal amount of Term Loans and TREPS including accrued interest thereon

Ratings profile as at March 31, 2022

Particulars	Stages			Purchased credit-impaired	As at March 31, 2022
	Stage 1	Stage 2	Stage 3		
Held at amortised cost (Rating grades - AAA/Aaa to BBB-Baa3)	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**		**Total**
Gross carrying amount	-	-	-	-	-
Impairment Loss allowance	-	-	-	-	-
Net carrying amount	-	-	-	-	-

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Ratings profile as at March 31, 2021

Particulars	Stages			Purchased credit-impaired	As at March 31, 2021
	Stage 1	Stage 2	Stage 3		
Held at amortised cost (Rating grades - AAA/Aaa to BBB-Baa3)	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**		**Total**
Gross carrying amount	58,093	-	-	-	58,093
Impairment Loss allowance	(24)	-	-	-	(24)
Net carrying amount	58,069	-	-	-	58,069

Analysis of concentration credit risk

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions.

Industry concentration ^	As at March 31, 2022	As at March 31, 2021
Tourism, Hotel and Restaurants	-	13,976
Commercial Real Estate	-	-
Non-Banking Financial institutions	-	15,003
Infrastructure finance	-	-
Other	-	29,119
Total	-	**58,098**

^ Represents principal amount of Term Loans and TREPS including accrued interest thereon

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Mumbai-11.
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35 FINANCIAL INSTRUMENTS

A Financial instruments by category

	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
FINANCIAL ASSETS				
Cash and cash equivalents	-	3,015	-	1,672
Receivables - Other receivables	-	1	-	1
Loans	-	-	-	58,069
Investments	377,236	-	303,372	-
Other financial assets	-	1,262	-	1,162
Total financial assets	377,236	4,278	303,372	60,904
FINANCIAL LIABILITIES				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	27	-	- #
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	66	-	83
Borrowings (Other than debt securities)	-	14,310	-	13,500
Other financial liabilities	-	559	-	215
Total financial liabilities	-	14,962	-	13,798

B Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:
- Level 1: quoted prices for identical instruments in an active market;
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial assets measured at FVTPL				
Investments	221,697	155,539	-	377,236
Total financial assets	221,697	155,539	-	377,236
As at March 31, 2021				
Financial assets measured at FVTPL				
Investments	199,872	103,500	-	303,372
Total financial assets	199,872	103,500	-	303,372

C Valuation techniques

Investments in corporate bonds and government securities

Whilst most of these instruments are standard fixed rate securities, some may have embedded derivative characteristics. The company is valuing these instruments based on quotes available in the active market, FIMMDA guidelines and quotes available from the third party intermediaries (broker). Bonds issued by Government or Financial Institutions are generally Level 1 while bonds issued by Corporates are generally Level 2 unless there is sufficient third party trading data to justify level 1 classification. Level 3 instruments are those where significant inputs cannot be referenced to observable data.

Calculation of fair values

The fair values of the financial assets and liabilities are defined as 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.

Financial assets and liabilities measured at fair value as at balance sheet date:

Investments are measured at fair value as at the balance sheet date.

All the other financial assets & liabilities are measured at amortised cost and fair value given in Note 35 Part D are for disclosure purpose only.

Represents amounts below rounding off norm adopted by the Company.

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(All amounts are in Rs. Lakhs, unless otherwise stated)

D Accounting classifications and fair values

The carrying amounts and fair value of financial assets and liabilities, measured at amortised cost are as follows:

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
As at March 31, 2022					
Financial assets measured at amortised cost					
Cash and cash equivalents	3,015	3,015	-	-	3,015
Receivables - Other receivables	1	1	-	-	1
Loans	-	-	-	-	-
Other financial assets	1,262	1,262	-	-	1,262
Total financial assets	**4,278**	**4,278**	**-**	**-**	**4,278**
Financial liabilities measured at amortised cost					
Trade payables	93	93	-	-	93
Borrowings (Other than debt securities)	14,310	-	14,310	-	14,310
Other financial liabilities	559	559	-	-	559
Total financial liabilities	**14,962**	**652**	**14,310**	**-**	**14,962**
As at March 31, 2021					
Financial assets measured at amortised cost					
Cash and cash equivalents	1,672	1,672	-	-	1,672
Receivables - Other receivables	1	1	-	-	1
Loans	58,069	29,119	28,716	-	57,835
Other financial assets	1,162	1,162	-	-	1,162
Total financial assets	**60,904**	**31,954**	**28,716**	**-**	**60,670**
Financial liabilities measured at amortised cost					
Trade payables	83	83	-	-	83
Borrowings (Other than debt securities)	13,500	-	13,500	-	13,500
Other financial liabilities	215	215	-	-	215
Total financial liabilities	**13,798**	**298**	**13,500**	**-**	**13,798**

Valuation methodologies of financial instruments not measured at fair value:

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the entity's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in Notes 35 Part C

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: Trade and other receivables, TREPS, cash and cash equivalents, margin money with CCIL and trade payables. Such amounts have been classified as Level 1 on the basis that no adjustments have been made to the balances in the balance sheet.

The Fair value of loan are estimated using discounted cashflow model. Under this model, the incremental impact on the discounted cashflows of loans held at amortized cost is estimated based on changes in interest rate on Government securities from the inception of the loan till interest reset date based on the tenors. The difference in the government yield and interest rate charged to the borrower is considered as the spread for each of loan. The cumulative sum of government yield and spread is the interest rate used for discounting cashflow. They are classified as Level 2 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

E INCOME & EXPENSES ON FINANCIAL INSTRUMENTS

Income and expenses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Financial assets measured at amortised cost		
Interest income	1,545	3,708
Fee and commission income	5	138
Finance cost	890	4,571
(Reversal of impairment) / impairment on financial assets	(24)	4
Financial assets measured at FVTPL		
Interest income	23,375	24,089
Fee and commission income	752	189
Net (loss)/gain on fair value changes on investments	(1,438)	6,788

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36 CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in its business and is meeting the capital adequacy requirements of Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using the regulations issued by the RBI and has complied in full with the same.

CAPITAL MANAGEMENT

The Board of Directors (BOD) of the Company have assigned the responsibility for oversight and comprehensive management of capital requirements on the Assets Liability Committee (ALCO). BOD ensures that the Company complies with local regulatory capital requirements and healthy capital ratios in order to support its business and to maximise revenue with optimal capital mix.

The Company manages its capital structure and the risk characteristics of its activities. ALCO periodically reviews the capital requirements as per the business needs in conjunction with RBI regulations from time to time.

Regulatory capital

Particulars	As at March 31, 2022	As at March 31, 2021
Tier 1 Capital	360,412	344,165
Tier 2 Capital	16,000	16,024
Total Capital	**376,412**	**360,189**

Risk weighted assets	232,145	333,072
Tier 1 Capital ratio %	155.25	103.33
Total Capital Ratio %	162.15	108.14

Tier 1 capital mainly consists of equity share capital including share premium thereof, free reserves less deferred tax assets (net). Further the Company has considered preference share under Tier II capital, as communicated by the RBI to the Company.

37 SHARE BASED PAYMENTS

(a) Restricted Stock Units (RSUs):

J.P. Morgan Chase & Co. grants the company's employees restricted stock units (RSUs) out of J.P. Morgan Chase & Co. shares, from time to time, on a discretionary basis. These RSUs are awarded at no cost to the recipient upon their grant. Generally, RSUs are granted annually and vest at a rate of 50% after two years and 50% after three years and are converted into shares of common stock of J.P. Morgan Chase & Co. as on the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, subject to post-employment and other restrictions based on age or service-related requirements. All RSU awards are subject to forfeiture until vested and contain claw back provisions that may result in cancellation under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding.

The company separately recognizes compensation expense for each tranche of each award, net of estimated forfeitures, as if it were a separate award with its own vesting date. Generally, for each tranche granted, compensation expense is recognized on a straight-line basis from the grant date until the vesting date of the respective tranche, provided that the employees will not become full-career eligible during the vesting period. For awards with full-career eligibility provisions and awards granted with no future substantive service requirement, the Company accrues the estimated value of awards expected to be awarded to employees as on the grant date without giving consideration to the impact of post-employment restrictions. For each tranche granted to employees who will become full-career eligible during the vesting period, compensation expense is recognized on a straight-line basis from the grant date until the earlier of the employee's full-career eligibility date or the vesting date of the respective tranche.

RSUs Activity

Compensation expense for RSUs is measured based on the number of units granted multiplied by the stock price at the

Particulars	RSUs			
	Year ended March 31, 2022		Year ended March 31, 2021	
	Weighted Average Grant Date Fair Value per share (Rs.)	Number of Shares	Weighted Average Grant Date Fair Value per share (Rs.)	Number of Shares
Outstanding at the beginning of the year	9,966	2,382	8,628	1,605
Granted during the year	11,403	487	10,323	1,514
Exercised during the year*	9,381	(473)	10,337	(737)
Transferred during the year	10,570	(133)	-	-
Outstanding at the end of the year	**10,761**	**2,263**	**9,966**	**2,382**

*The weighted average share price of RSUs exercised during the year ended March 31, 2022 was Rs. 10,280 per share (March 31, 2021 was Rs. 8,293 per share)

The total fair value of RSUs that vested during the year ended March 31, 2022 was Rs. 44 (March 31, 2021 Rs. 76)

The maximum term of RSUs existed at any time during the year ended March 31, 2022 was 4 years (March 31, 2021 4 years). Fair value of RSUs was determined basis the market value of J.P. Morgan Chase's common stock on the grant date.

(b) Expenses Arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in statement of profit or loss as part of employee benefit expenses were as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Restricted Stock Units	27	235
Total employee share based payment expense	**27**	**235**

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38 MINIMUM AND ADDITIONAL DISCLOSURES IN TERMS OF THE RBI CIRCULAR RBI/DNBR/2016-17/45 (Master Direction DNBR.PD.008/03.10.119/2016-17) DATED SEPTEMBER 1, 2016 (Updated as on March 03, 2022) in accordance with IND AS

i Capital to Risk Assets Ratio (CRAR)

Items	As at March 31, 2022	As at March 31, 2021
CRAR (%)	162.15	108.14
CRAR – Tier I capital (%)	155.25	103.33
CRAR – Tier II capital (%)	6.90	4.81
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

Note: The Company has also considered reference to circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 for the purpose of calculation of CRAR. Further, the Company has considered preference share under Tier II capital as advised by the RBI to the Company.

ii There were no securitisation, reconstruction, derivative and assignment transactions undertaken by the company during the current year as well as the previous year.

iii Exposure to Real Estate Sector

Category	As at March 31, 2022	As at March 31, 2021
A) DIRECT EXPOSURE		
(i) Residential mortgages: Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial real estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures a) Residential b) Commercial Real Estate	-	-
	-	-
B) INDIRECT EXPOSURE		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	65,274	70,468

iv Investments

Category	As at March 31, 2022	As at March 31, 2021
1) Value of investments		
(i) Gross value of investments *		
(a) In India	379,823	304,143
(b) Outside India	-	-
(ii) Provisions for depreciation (net of appreciation)		
(a) In India	(2,587)	(771)
(b) Outside India	-	-
(iii) Net value of investments *		
(a) In India	377,236	303,372
(b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments (net of appreciation)		
(i) Opening balance	771	1,513
(ii) Add : Provisions made during the year	2,587	771
(iii) Less : Write-off / write-back of excess provisions during the year	(771)	(1,513)
(iv) Closing balance	2,587	771

* Represents principal amount of Investments including accrued interest thereon

* Includes non-performing investments of Rs. 8,950 carried at fair value of Rs. 5,602 (including accrued interest of Rs. 418). Further, during the year ended March 31, 2022, the Company has written off overdue interest of Rs. 984 on aforementioned non-performing investments for period October 12, 2018 to March 31, 2021.

v The Company did not have any exposure to Capital Market as at March 31, 2022 (as at March 31, 2021 - Nil)

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vi Maturity pattern of certain items of assets and liabilities

Year ended March 31, 2022

	One Month										
	1 day to 7 days	8 days to 14 days	15 days to 30 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Advances*	-	-	-	-	-	-	-	-	-	-	-
Investments*	35,000	35,000	142,474	70,021	-	4,181	-	-	-	90,560	377,236

Year ended March 31, 2021

	One month										
	1 day to 7 days	8 days to 14 days	15 days to 30 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Advances*	29,119	-	-	28,979	-	-	-	-	-	-	58,098
Investments*	42,500	35,000	80,000	45,016	-	2,821	-	-	-	98,035	303,372

* Advances represent principal amount of Term loans and TREPS including accrued interest thereon; Investments includes fair value gain/(loss) and accrued interest thereon.

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the Asset Liability management return submitted to the Reserve Bank of India.

vii Provisions and Contingencies in statement of profit and loss

Provisions	Year ended March 31, 2022	Year ended March 31, 2021
Fair value loss/(gain) on Investments (Refer Note 23)	1,816	(742)
Provision for tax expenses (Refer Note 29)	5,230	6,474
Provision for compensated absences (Refer Note 17)	-	4
Provision for refund on interest during moratorium (Refer Note 17)	(9)	9
Impairment/ (Reversal of impairment) on loan loss allowance (Refer Note 25)	(24)	4

viii Concentration of Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Total Advances to twenty largest borrowers*	-	58,098
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	NA	100%

* Advances represent principal amount of Term loans and TREPS including accrued interest thereon

ix There were non-performing investments of Rs. 5,602 (PY: Rs. 5,608) (including interest on investment recognised for Rs. 418 (PY: Rs 984) reported during the current year. There were no non-performing advances during the the current year and previous year.

x Concentration of non-performing assets (NPAs) (non-performing investments)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure of top four NPA accounts	5,602	5,608

xi There were no non-performing financial assets purchased/sold during the current year as well as the previous year.

xii Sector-wise NPAs (non-performing investments)

Particulars	Percentage of NPAs to Total Net Investments in that sector	
	As at March 31, 2022	As at March 31, 2021
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	1.49%	1.85%
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

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xiii Movement of NPAs (non-performing investments)

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Net NPAs to Net Investments (%)	1.49%	1.85%
(ii)	Movement of NPAs (Gross) *		
	(a) Opening balance	5,608	6,318
	(b) Additions during the year	-	-
	(c) Reductions during the year	(6)	(710)
	(d) Closing balance	5,602	5,608
(iii)	Movement of Net NPAs *		
	(a) Opening balance	5,608	6,318
	(b) Additions during the year	-	-
	(c) Reductions during the year	(6)	(710)
	(d) Closing balance	5,602	5,608
(iv)	Movement of provisions for NPAs *		
	(a) Opening balance	-	-
	(b) Provisions made during the year	-	-
	(C) Write-off / write-back of excess provisions	-	-
	(d) Closing balance	-	-

*As the Company measures the investments at fair value through profit and loss, no additional provision is required to be made on the non-performing investments and hence, GNPA and NNPA are same.

The Company has written off overdue interest of Rs. 984 on aforementioned non-performing investments for period October 12, 2018 to March 31, 2021.

xiv Concentration of Exposures

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers/ customers*	377,236	361,470
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposures of the NBFC on borrowers/ customers	100%	100%

*Exposures represent principal amount of Term loans, TREPS and Investments including accrued interest thereon

xv The Company is not registered with any other regulator other than the Reserve Bank of India.

xvi No penalties were imposed by the regulator during the current year as well as previous year.

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xvii A comparison between provisions required under NBFC IRAC provision and impairment allowances made under Ind AS 109 as on March 31, 2022 in accordance with "Implementation of Indian Accounting Standards" RBI/2019-20/170,DOR (NBFC).CC.PD.No.10 9/22.10.106/2019-20 dated March 13, 2020.

As at March 31, 2022

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	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
Performing Assets						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Subtotal		-	-	-	-	-
Non Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Sub-total for Doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning IRACP norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	-	-	-	-	-

As at March 31, 2021

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	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
Performing Assets						
Standard	Stage 1	58,092	(24)	58,068	(232)	208
	Stage 2	-	-	-	-	-
Subtotal		58,092	(24)	58,068	(232)	208
Non Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Sub-total for Doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning IRACP norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
Total	Stage 1	58,092	(24)	58,068	(232)	208
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	58,092	(24)	58,068	(232)	208

During the year ended March 31, 2022, the Company has also created provision of 0.40% amounting to Rs.582 (March 31, 2021 - Rs 359) on cost of unquoted bonds & debentures outstanding as on the reporting date which is adjusted under Investment in Balance Sheet and presented under "Net Gain on Fair Value Changes" in the Statement of Profit and Loss.

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xviii Reserve Bank of India (RBI) issued guidelines relating to 'COVID-19 Regulatory Package' dated 27 March 2020, 17 April 2020 and 23 May 2020. Disclosures as required by RBI circular dated 17 April 2020 'COVID-19 Regulalory Package- Asset Classification and Provisioning' are given below:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of RBI circular	NIL	NIL
(ii) Respective amount where asset classification benefits is extended	NIL	NIL
(iii) Provisions made during the FY2020 and H1FY2021 in terms of paragraph 5 of RBI Circular	NIL	NIL
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of RBI circular	NIL	NIL

xix Disclosure on liquidity risk in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019

(i) Funding Concentration based on significant counterparty (both deposits and borrowings) - **Not Applicable** (As at March 31, 2021 - Not Applicable)

(ii) Top 20 large deposits - **Not Applicable** (As at March 31, 2021 - Not Applicable)

(iii) Top 10 borrowings - **Not Applicable** (As at March 31, 2021 - Not Applicable)

(iv) Funding Concentration based on significant instrument/product - **Not Applicable** (As at March 31, 2021 - Not Applicable)

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets - **Not Applicable** (As at March 31, 2021 - Not Applicable)

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets - **Not Applicable** (As at March 31, 2021 - Not Applicable)

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

	As at March 31, 2022	**As at March 31, 2021**
1) Other short-term liabilities as % total public Funds	**Not Applicable**	**Not Applicable**
2) Other short-term liabilities as % total liabilities *	6%	5%
3) Other short-term liabilities as % total Assets	0%	0%

Other short term liabilities includes interest accrued but not due.

*Total liabilities excludes Networth

(vi) Institutional set-up for liquidity risk management

The Board of Directors of JPMorgan Securities India Private Limited (the "JPMSI") has delegated oversight of liquidity risk to JPMorgan Securities India Private Limited Risk Management Committee ("RMC"). As governed by the JPMSI RMC Terms of Reference, where required, matters will be escalated from the JPMSI RMC to JPMSI Board of Directors.

The Liquidity Risk Oversight (LRO) group is part of the Independent Risk Management function who also serves as the Firmwide Risk Executive Liquidity Risk. LRO is responsible for the independent assessment, measuring, monitoring, and control of liquidity risk across the firm. Their responsibilities include, but are not limited to:

1) Defining, monitoring, and reporting liquidity risk metrics
2) Independently establishing and monitoring limits and indicators, including liquidity Risk Appetite
3) Developing a process to classify, monitor and report limit breaches
4) Performing independent review of liquidity risk management processes
5) Monitoring and reporting internal firmwide and LE stress tests, and regulatory defined stress testing
6) Approving or escalating for review new or updated liquidity stress assumptions
7) Monitoring and reporting liquidity positions, balance sheet variances, and funding activities

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xx Concentration of credit/ investment norms does not apply to the company vide the Master Direction DNBR.PD.008/03.10.119/16-17 dated 1st September 2016 (Updated as on March 03, 2022) in accordance with IND AS

xxi There were no customer complaints received during the current year as well as previous year.

xxii There were no Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction during the current year as well as during the previous year.

xxiii Since the Company does not have any subsidiary, Ind AS 110 - Consolidated Financial Statements (CFS) is not applicable.

xxiv The disclosure pertaining to financing of parent company products is not applicable as the Company does not finance any parent company products.

xxv During the current as well as previous year, the Company has not postponed revenue recognition on account of pending uncertainties.

xxvi During the year, the Company has not made any drawdown of reserves.

xxvii The Company does not have any overseas joint venture / subsidiary.

39 Disclosure of ratios as per amendments made in schedule III of companies Act, 2013 dated March 24, 2021:

Particulars	Reference
(a) Capital to risk-weighted assets ratio (CRAR) %	Refer note 36 (i) of financial statement
(b) Tier 1 CRAR	Refer note 36 (i) of financial statement
(c) Tier 2 CRAR	Refer note 36 (i) of financial statement
(d) Liquidty Coverage Ratio (LCR)	As per RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.01/2019-20, the entity is not require to maintain LCR

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Notes to the financial statements for the year ended March 31, 2022
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40 DUES TO MICRO AND SMALL ENTERPRISES

		Year ended March 31, 2022		Year ended March 31, 2021	
I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-		-	#
II	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	#	-	#
III	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-		-	
IV	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-		-	#
V	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Act, 2006.	-		-	

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

41 CONTINGENT LIABILITY

Income tax demands disputed by the Company as at March 31, 2022 Rs.818 (March 31, 2021 Rs. 818)

42 EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to March 31, 2022 and up until the adoption of the financial statements by the Board of Directors, unless otherwise disclosed in these financial statements.

43 RELATIONSHIP WITH STRUCK OFF COMPANIES

The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

44 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Information in accordance with the requirements of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 is given in Annexure I.

45 Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period for the company.

46 PREVIOUS YEAR COMPARATIVES

Previous year amounts have been reclassified, wherever necessary, to conform to current year's classification.

Represents amounts below rounding off norm adopted by the Company.

For K.S. Aiyar & Co.
Firm Registration Number : 100186W

Rajesh Joshi
Partner
Membership No. 38526

Place: Mumbai

Date : May 26, 2022

K.S. AIYAR & CO.
Mumbai-11.
Chartered Accountants

For and on behalf of the Board of Directors

H. Bansal

Rinku Ahuja
CEO and Whole-time Director
DIN: 6369232
Place: Mumbai

Harsh Bansal
Whole-time Director
DIN: 8878571
Place: Mumbai

KCS Bhogle

Ketki Bhogle
Company Secretary
ACS35033
Place: Mumbai

Date : May 26, 2022

J.P. Morgan Securities India Private Limited

ANNEXURE I FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Schedule to the Balance Sheet of a Non-Banking Financial Company

(as required in terms of Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) in accordance with IND AS

(All amounts are in Rs. Lakhs, unless otherwise stated)

Liabilities Side					
	Particulars	As at March 31, 2022		As at March 31, 2021	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	Loans and advances availed by the NBFCs				
	(a) Debentures : Secured	-	-	-	-
	: Unsecured #	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Intercorporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits	-	-	-	-
	(g) Other Loans - Liability component of compound financial instruments	14,310	-	13,500	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	-	-	-	-

Asset Side			
	Particulars	As at March 31, 2022 Amount Outstanding	As at March 31, 2021 Amount Outstanding
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured *	-	43,092
	(b) Unsecured *	-	15,000
(4)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(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	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
(5)	Break-up of Investments :		
	Current investments:		
	1. Quoted		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds *	85,880	210,628
	(iii) Units of Mutual funds	-	-
	(iv) Government Securities *	143,804	-
	(v) Others (please specify)	-	-
	2. Unquoted		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	145,540	89,710
	(iii) Units of Mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Commercial Papers)	-	-
	Long Term investments		
	1. Quoted		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

* Represents principal value of loan (secured by SBLC), TREPS & investments

K. S. AIYAR & CO. Mumbai-11 Chartered Accountants

J.P. MORGAN SECURITIES INDIA PRIVATE LIMITED MUMBAI

J.P. Morgan Securities India Private Limited

ANNEXURE I FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Schedule to the Balance Sheet of a Non-Banking Financial Company

(as required in terms of Paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) in accordance with IND AS

(All amounts are in Rs. Lakhs, unless otherwise stated)

(6)	Borrower group-wise classification of assets financed as in (3) and (4) above: (Refer note 1 below)						
	Category	As at March 31, 2022			As at March 31, 2021		
		Amount net of provisions			Amount net of provisions		
		Secured	Unsecured	Total	Secured	Unsecured	Total
	1. Related Parties**						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	('c) Other related parties	-	-	-	-	-	-
	2. Other than related parties *	-	-	-	43,092	15,000	58,092
	Total	-	-	-	43,092	15,000	58,092

* Represents principal value of loan (secured by SBLC) & TREPS

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
	Category	As at March 31, 2022		As at March 31, 2021	
		Market Value	Book Value (Net of Provisions)	Market Value	Book Value (Net of Provisions)
	1. Related Parties**				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
	2. Other than related parties ^	372,637	375,224	299,567	300,338
	Total	372,637	375,224	299,567	300,338

** As per Accounting Standard of ICAI

^ Excludes interest on Investments

(8)	Other Information		
	Particulars	As at March 31, 2022 Amount	As at March 31, 2021 Amount
(i)	Gross Non Performing Assets*		
	(a) Related Parties	-	-
	(b) Other than related parties	5,602	5,608
(ii)	Net Non-Performing Assets*		
	(a) Related Parties	-	-
	(b) Other than related parties	5,602	5,608
(iii)	Assets acquired in satisfaction of debt	-	-

*As the Company measures the investments at fair value through profit and loss, no additional provision is required to be made on the non-performing investments and hence, GNPA and NNPA are same.

Notes:

1. As defined in point xix of paragraph 3 of Chapter -2 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

K. S. AIYAR & CO.
Mumbai-11.
Chartered Accountants

J.P. MORGAN SECURITIES INDIA PRIVATE LIMITED
MUMBAI