

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025

Tel No.: +91 22 6630 3030 • **Fax :** +91 22 6630 3223 • **Website :** www.jmfinancialarc.com • **Email ID :** vineet.singh@jmfl.com
CIN: U67190MH2007PLC174287

NOTICE

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING (“EGM”) OF THE MEMBERS OF JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED (THE “COMPANY”) WILL BE HELD ON FRIDAY, DECEMBER 10, 2021 AT 4.30 P.M. THROUGH VIDEO CONFERENCING (“VC”)/OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING SPECIAL BUSINESS:

1. To approve the appointment of M/s. Sharp & Tannan Associates, Chartered Accountants (Firm registration no. 109983W) as the Statutory Auditors of the Company:

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with the Companies (Audit and Auditors) Rules, 2014 and in accordance with the Guidelines issued by the Reserve Bank of India (the “RBI”) dated April 27, 2021 for appointment of Statutory Auditors including any statutory modifications and/or re-enactments thereof, for the time being in force, the consent of the members of the Company be and is hereby accorded for appointment of M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai (the ‘Sharp & Tannan’), (Firm registration no. 109983W) as the Statutory Auditors of the Company and the Trust managed by the Company to fill in the casual vacancy caused by the resignation of Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration no. 117366W/W-100018), Mumbai.”

“**RESOLVED FURTHER THAT** Sharp & Tannan shall hold office from date of the passing of this resolution till the conclusion of the Fifteenth Annual General Meeting of the Company to be held in the financial year 2022-23 at a remuneration of ₹ 26 Lakh (Rupees Twenty Six Lakh) (inclusive of limited review fees to be paid on pro-rata basis) plus applicable taxes and re-imbursement of out of pocket expenses, if any, that may be incurred by them in connection with their audit for the financial year 2021-22.”

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

By Order of the Board

Sd/-

Vineet Singh

Company Secretary

Place: Mumbai

Date: November 15, 2021

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025

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NOTES:

1. In view of the ongoing COVID-19 pandemic, social distancing norms to be followed and pursuant to Ministry of Corporate Affairs (the “MCA”) circular no. 10/2021 dated June 23, 2021, circular no. 39/2020 dated December 31, 2020, circular no. 33/2020 dated September 28, 2020, circular no. 22/2020 dated June 15, 2020, circular no. 17/2020 dated April 13, 2020 and circular no. 14/2020 dated April 8, 2020, this EGM is being convened to be held through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) facility, without the physical presence of the members at a common venue.
2. The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the special business set out in Item no.1 of this Notice is annexed and forms part of this Notice.
3. Pursuant to the applicable provisions of the Companies Act, 2013 (the “Act”), a member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/ her/its behalf and the proxy need not be a member of the Company. Since this EGM is being held through VC/ OAVM, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the EGM and hence the proxy form and attendance slip are not annexed to this Notice
4. The body corporate/institutional investors, who are members of the Company, are encouraged to attend the meeting through VC/OAVM mode and vote and are also requested to send scanned copy (PDF/JPG format) of its board or governing body resolution/ authorization, authorizing its representative(s) to attend the EGM through VC/OAVM on their behalf and vote. The said resolution/authorization shall be emailed, through its registered email address to the Company Secretary at vineet.singh@jmfl.com.
5. The notice of EGM along with the Explanatory Statement is being sent only through electronic mode to those members whose email IDs are registered with their respective Depository Participants (“DPs”), the Company or its Registrar and Transfer Agents (“RTA”), viz., KFin Technologies Private Limited. Members, who have not registered their email addresses so far, are requested to promptly intimate the same to their respective depository participant or to the Company/its Registrar and Transfer Agents, as the case may be.
6. Any document in connection with any of the items to be transacted in the Notice shall be made available for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary at vineet.singh@jmfl.com
7. Members attending the EGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Since the EGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be able to attend the EGM through VC/OAVM through Microsoft Teams application. Members are requested to install/download the said application on their desktop/laptop/smartphone/tablet through the below link:
<https://www.microsoft.com/en-in/microsoft-365/microsoft-teams/download-app>.
2. The invitation link for joining the meeting will be sent only to the eligible members who have registered their email ID with the Company, the Depositories or with the depository participant.
3. Once the application is installed, members and eligible participants are requested to click on the link **“Join Microsoft Teams Meeting”** sent on their registered email ID.
4. After you click on the link, it will take you to a page where you can choose to either **‘get the Teams application’** or **‘already have the Teams app? Launch it now’**. Click on **‘already have the application’**, the meeting window will then open automatically.
5. Please note that participants connecting from mobile devices or tablets, or through laptops via mobile hotspot may experience audio /video loss due to fluctuation in their respective networks. It is therefore recommended to use a good internet connection to mitigate any of the aforementioned glitches.
6. Facility of joining the EGM through VC / OAVM shall open 15 minutes before the time scheduled for the EGM. Further, an opportunity will be provided by Chairman to the members attending the meeting through VC/OAVM whereby they may ask their questions.
7. Members who need assistance before or during the EGM, can contact Mr. Vineet Singh, Company Secretary at + 91 7770097351 or email him at vineet.singh@jmfl.com.

ANNEXURE TO NOTICE

STATEMENT TO BE ANNEXED TO NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 1

As the members are aware, the Reserve Bank of India (the “RBI”) vide its Circular no. RBI/2021-22/25 Reference No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 has issued the guidelines (the “RBI Guidelines”) followed by frequently asked questions (“FAQs”), stating that the Statutory Auditors of any Commercial Banks, Urban Co-operative Banks and Non-Banking Financial Companies including Housing Finance Companies, having an asset size of ` 1000 crore or more, cannot continue to hold office as such if they have completed three (3) years’ tenure as the Statutory Auditors. The RBI has however given flexibility to appoint the new auditors in the second half of the financial year ending March 31, 2022. Basis clarification received from the RBI, the aforesaid Guidelines is applicable to Asset Reconstruction Companies also.

In view of this, Deloitte Haskins & Sells LLP, Chartered Accountants, (the “Deloitte”) has tendered their resignation as the Statutory Auditors of the Company effective from October 23, 2021, post completion of the limited review of unaudited financial results of the Company for the second quarter and half year ended September 30, 2021. Deloitte have been the Statutory Auditors of the Company since the year 2017 and have completed four (4) years out of their existing five (5) years term.

The tendering of resignation by Deloitte as the Statutory Auditors of the Company as above has resulted in a casual vacancy in the office of the Statutory Auditors of the Company. The said resignation has been on account of the regulatory change made by the RBI and Deloitte has not raised any concern or issue or any reason other than the above, for their resignation. This fact has been duly noted by the Audit Committee and the Board of Directors (the “Board”) of the Company.

Considering the above and based on the recommendation of the Audit Committee, the Board, at its meeting held on October 23, 2021, has approved the appointment of M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai (the ‘**Sharp & Tannan**’), (Firm registration no. 109983W) as the Statutory Auditors of the Company and the Trust managed by the Company to fill in the casual vacancy caused by the resignation of Deloitte as the Statutory Auditors of the Company. Sharp & Tannan, if appointed by the members shall hold the office till the conclusion of Fifteenth AGM of the Company to be held in the financial year 2022-23. The remuneration proposed to be paid to them as the audit fees and limited review fees is ₹ 26 Lakh (Rupees Twenty Six Lakh) (inclusive of limited review fees to be paid on pro-rata basis) plus applicable taxes and re-imbursement of out of pocket expenses subject to the approval of the members of the Company.

Brief Profile of Sharp & Tannan

M/s Sharp & Tannan Associates (ICAI Registration No. 109983W), is headquartered at Mumbai and has a pan India presence through the offices of its ICAI registered network "Sharp and Tannan and Affiliates" with offices at Ahmedabad, Bengaluru, Chennai, Goa, New Delhi, Pune and Vadodara and in an approved transnational audit firm of its independent International Network 'Russell Bedford International' headquartered in London with representative members across 100 countries with 350 offices worldwide. The Affiliate is serving the nation over 85 years and has extensive experience in audit, assurance, tax, governance and risk advisory services serving a varied clients from various sectors like, infrastructure, industrials, capital goods, chemical, pharma, power, technology, banking and finance,

real estate, media, entertainment, and hospitality. The Firm currently enjoys relationships with more than 25 listed entities within its clientele. The Firm has 9 partners and more than 160 professionals.

Sharp & Tannan has provided their consent to be appointed as the Statutory Auditors along with a confirmation that their appointment, if approved by the members, would be within the limits prescribed under the Act and the RBI Guidelines. They have also confirmed that they meet the criteria for independence, eligibility and qualification and they do not have any financial interest in or association with the Company which may lead to conflict of interest situations.

Accordingly, the approval of the members is sought for appointment of Sharp & Tannan as the Statutory Auditors of the Company and the Trusts set up by the Company for the financial year 2021-22. The Board commends passing of the ordinary resolution set out at item no. 1 of the Notice

None of the directors/key managerial personnel of the Company, or their relatives is, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out in the Notice

By Order of the Board

Sd/-
Vineet Singh
Company Secretary

Place: Mumbai

Date: November 15, 2021

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025

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