



**JM FINANCIAL ASSET RECONSTRUCTION
COMPANY LIMITED**

**FAMILIARISATION PROGRAMME FOR
INDEPENDENT DIRECTORS**

JANUARY 2023

1. Preamble:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter referred to as “**Listing Regulations**”) requires that:

- a. The Company shall familiarise the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.
- b. The details of such familiarisation programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report.

2. Initial familiarisation programme:

JM Financial Asset Reconstruction Company Limited (hereinafter referred to as the “**Company**”) issues a formal letter of appointment to each Independent Director at the time of his/her appointment. The said letter of appointment outlines the Independent Director's role, function, duties and responsibilities vis-à-vis the Company.

In accordance with the provisions of the Listing regulations, the Company inter-alia briefs and familiarises each of the Independent Directors at the time of their appointment the nature of the industry in which the Company operates, its business model, etc.

It is the practice of the Company to provide to each Independent Director an overview of;

- Criteria of independence applicable to Independent Directors as per Regulations 16(1)(b) of the Listing Regulations and the Companies Act, 2013;
- Roles, functions, duties, responsibilities and liabilities of Independent Directors;
- Directors' Responsibility Statement forming part of Boards' Report; Vigil Mechanism including policy formulation, disclosures etc.;
- Risk Management Systems & framework;
- Board Evaluation Process and Procedures;

Additionally, the Independent Director is made aware of various compliances required under the Companies Act, 2013, Listing Regulations and other applicable Acts, Laws, Rules and Regulations. The Independent Directors are updated about the key changes in the regulatory framework as stipulated by RBI, SEBI, Ministry of Corporate Affairs and other regulatory authorities as well as risk management processes, internal financial controls and other issues.

A detailed presentation is given to the Independent Directors about the Company's overview, key milestones, nature of business activities, depth of management, awards and recognitions received and other relevant information pertaining to the business of the Company. The Chief Executive Officer of the Company and the Key Managerial

Personnel also have discussions with the concerned Independent Director about various matters/scenarios.

The above familiarisation programme helps the Independent Directors to understand the structure of the Company, its business and the regulatory framework in which the Company operates. This would also help the Independent Directors to understand the strategy, business model, operations, service and product offerings, markets, facilities and risk management and such other like areas and thus, to be better equipped to effectively deal with his/her role as an Independent Director of the Company.

3. Continual familiarisation programme:

The Company follows a structured orientation programme for the Independent Directors to make them aware and updated on the business and operations of the Company on a continuous basis. The continual familiarisation program shall be designed by the Company on the following lines:

Functional Area	Responsibility
Overview of strategy and business model of the Company	Chief Executive Officer
Financial Performance, Budgeting and Planning	Chief Financial Officer
Overview of performance of business of the Company	Chief Executive Officer/Chief Financial Officer
Statutory reporting including Internal Audit Reports, RBI Inspection Report and compliance related certifications	Chief Financial Officer/Company Secretary

On an on-going basis, the Company arranges to make business presentations to update the Independent Directors with the strategy, operations and functions of the Company. Such presentations provide an opportunity to the Independent Directors to interact with the management. Presentations are made regularly to the Board of Directors / Audit Committee, where the Independent Directors get an opportunity to interact with the management.

The Independent Directors have complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when the Chief Executive Officer and Chief Financial Officer make presentations about the performance of the Company. Apart from this, Independent Directors also have separate interactions with the Statutory Auditors and the Internal Auditors as and when required. Additionally, the Independent Directors may attend relevant industry seminars/conferences and meet the senior management officials of the company.

4. Disclosure of the Familiarisation Programme:

Familiarisation programs provided / offered to the Independent Directors by the Company during the financial year 2022-23 are mentioned below:

Sr. No.	Particulars	During the year 2022-23	Cumulative from April 1, 2022 to March 31, 2023*
1	Number of familiarisation programs organised by the Company.	Four (4)	Four (4)
2	Time spent by the Independent Directors in such sessions in aggregate (approx.)	Six (6) hours Eight (8) minutes	Six (6) hours Eight (8) minutes

* Applicable with effect from the financial year 2022-23.

The Company's Familiarisation Programme for Independent Directors is hosted on its website at <https://www.jmfinancialarc.com/>.
