

**Independent Auditor's Limited Review Report on Standalone Unaudited Financial Results of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED for the quarter and six months period ended September 30, 2022 pursuant to the Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

To,

**The Board of Directors**

**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**

(CIN: U67190MH2007PLC174287)

7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg,

Prabhadevi, Mumbai – 400025 Mumbai - 400025

**Introduction:**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **JM Financial Asset Reconstruction Company Limited** ("the Company") for the quarter and six months period ended September 30, 2022, together with notes thereon ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors on November 2, 2022, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, as amended ("the Act"), read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India and in compliance with Regulation 52 of the Listing Regulations including circulars issued by SEBI from time to time in this regard. Our responsibility is to express a conclusion on the Statement based on our review.

**Scope of Review:**

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries primarily with company personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Conclusion:**

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 as prescribed under section 133 of the Act and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Other matter**

5. The Statement includes the results for the corresponding quarter and six months ended September 30, 2021, which have been reviewed by predecessor auditor who issued their unmodified conclusion vide their reports dated October 23, 2021.

Our conclusion is not modified in respect of this other matter.

---

For Sharp & Tannan Associates  
Chartered Accountants  
Firm's registration no. 109983W  
By the hand of



**Parthiv S. Desai**  
Partner

Membership no.(F) 042624  
UDIN: 22042624BBTZSW4610

Mumbai, November 2, 2022



**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**
**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022**

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2022 Unaudited	30.06.2022 Unaudited	30.09.2021 Unaudited	30.09.2022 Unaudited	30.09.2021 Unaudited	31.03.2022 Audited
(I)	<b>Revenue from operations</b>						
(i)	Interest income	4.49	20.62	35.84	25.11	72.20	124.45
(ii)	Fees and incentives	36.76	37.05	39.48	73.81	77.48	154.95
(iii)	Net gain on fair value changes	49.83	3.50	47.69	53.33	196.50	231.42
		91.08	61.17	123.01	152.25	346.18	510.82
(II)	<b>Other income</b>	0.06	0.04	0.05	0.10	0.09	0.19
(III)	<b>Total Income (I+II)</b>	91.14	61.21	123.06	152.35	346.27	511.01
(IV)	<b>Expenses</b>						
(i)	Finance costs	56.34	53.83	57.60	110.17	120.17	230.71
(ii)	Impairment on financial instruments (net)	3.97	(2.84)	1.18	1.13	2.23	10.73
(iii)	Employee benefits expenses	5.78	4.52	8.11	10.30	23.15	22.40
(iv)	Depreciation and amortisation expense	0.71	0.72	0.75	1.43	1.48	2.88
(v)	Others expenses	3.80	3.07	4.09	6.87	6.38	14.09
	<b>Total expenses</b>	70.60	59.30	71.73	129.90	153.41	280.81
(V)	<b>Profit before tax (III-IV)</b>	20.54	1.91	51.33	22.45	192.86	230.20
(VI)	<b>Tax expense</b>						
(a)	Current tax	-	-	23.28	-	71.97	85.04
(b)	Deferred tax	5.54	0.74	(9.23)	6.28	(23.55)	(26.74)
	<b>Total tax expenses</b>	5.54	0.74	14.05	6.28	48.42	58.30
(VII)	<b>Net Profit after tax for the period/year ended (V-VI)</b>	15.00	1.17	37.28	16.17	144.44	171.90
(VIII)	<b>Other Comprehensive Income</b>						
(i)	Items that will not be reclassified to profit or loss						
-	Actuarial gain/(losses) on post retirement benefit plans	(0.25)	0.01	0.03	(0.24)	0.06	0.05
(ii)	Less: Income tax on above	(0.06)	#	0.01	(0.06)	0.02	0.01
	<b>Other Comprehensive Income</b>	(0.19)	0.01	0.02	(0.18)	0.04	0.04
(IX)	<b>Total Comprehensive Income (VII+VIII)</b>	14.81	1.18	37.30	15.99	144.48	171.94
(X)	<b>Paid up equity share capital (Face value ₹ 10/-per share)</b>	398.33	344.64	344.64	398.33	344.64	344.64
(XI)	<b>Other equity</b>						1,341.40
(XII)	<b>Net Profit Margin (%) (Profit for the period or year/Total income)</b>	16%	2%	30%	11%	42%	34%
(XIII)	<b>Earnings per equity share (EPS)</b>						
	Basic (in ₹) *	* 0.38	* 0.03	* 0.94	0.41	3.63	4.32
	Diluted (in ₹) *	* 0.38	* 0.03	* 0.94	0.41	3.63	4.31

# Denotes amount less than ₹50,000/-

\* Not annualised


**JM Financial Asset Reconstruction Company Limited**

Corporate Identity Number : U67190MH2007PLC174287

**Regd. Office:** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.


T: +91 22 6630 3030 F: +91 22 6630 3335 www.jmfinancialarc.com

**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED****STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022****Notes:**

- 1 The above results have been reviewed by the Audit Committee and on its recommendation have been approved by the Board of Directors at its meeting held on November 2, 2022. These results have been subjected to a "Limited Review" by the statutory auditors of the Company.
- 2 The above financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 (as amended) read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended) read with the SEBI Circular No.CIR/IMD/DFI/69/2016 dated 10th August, 2016. Information as required by Regulation 52 and Regulation 54 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is as per Annexure "I" attached.
- 3 The Company operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of Indian Accounting Standard 108 (Ind AS 108) on Operating Segment. The reportable business segment is in line with the segment wise information which is being presented to the Chief Operating Decision Maker. All activities are carried out within India. As such there are no separate reportable segments as per Ind AS 108 on "Operating Segments".
- 4 India is emerging from the Covid-19 virus, a global pandemic that resulted in significant volatility in the global and Indian financial markets and corresponding slowdown in the economic activities. The extent to which the pandemic will continue to impact the future results of the Company will depend on future developments, which are uncertain including, among other things, any new information concerning the severity of the Covid-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The Company will continue to closely monitor any material changes to future economic conditions.
- 5 Previous period/ year's figures have been regrouped and rearranged wherever necessary to conform to the current period's classification.

For JM Financial Asset Reconstruction Company Limited

Place : Mumbai  
Date : November 2, 2022

  
V P Shetty  
Chairman  
(DIN - 00021773)





**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**  
**STATEMENT OF UNAUDITED STANDALONE ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022**

(₹ in crore)

Sr. No.	Particulars	As at September 30, 2022	As at March 31, 2022
		Unaudited	Audited
	<b>ASSETS</b>		
(1)	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	29.48	65.10
(b)	Bank balance other than (a) above	6.28	3.46
(c)	Trade Receivables	270.39	221.48
(d)	Loans	562.63	598.20
(e)	Investments	3,300.17	3,068.77
(f)	Other Financial assets	58.32	48.83
		<b>4,227.27</b>	<b>4,005.84</b>
(2)	<b>Non-financial Assets</b>		
(a)	Current tax assets (net)	53.04	40.34
(b)	Deferred tax Assets (net)	27.64	33.86
(c)	Property, Plant and Equipment	16.16	17.45
(d)	Other Intangible assets	0.04	0.05
(e)	Other non-financial assets	2.89	2.62
		<b>99.77</b>	<b>94.32</b>
	<b>TOTAL ASSETS (1+2)</b>	<b>4,327.04</b>	<b>4,100.16</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
(1)	<b>Financial Liabilities</b>		
(a)	Trade Payables		
(i)	total outstanding dues of micro enterprises and small enterprises	-	0.16
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	1.88	1.11
(b)	Debt Securities	847.41	785.91
(c)	Borrowings (Other than Debt Securities)	1,713.25	1,537.40
(d)	Lease liabilities	18.56	19.49
(e)	Other financial liabilities	21.23	46.04
	<b>Total Financial Liabilities</b>	<b>2,602.33</b>	<b>2,390.11</b>
(2)	<b>Non-Financial Liabilities</b>		
(a)	Provisions	2.14	2.01
(b)	Other non-financial liabilities	19.58	22.00
	<b>Total Non-Financial Liabilities</b>	<b>21.72</b>	<b>24.01</b>
(3)	<b>EQUITY</b>		
(a)	Equity Share capital	398.33	344.64
(b)	Other Equity	1,304.66	1,341.40
	<b>Total Equity</b>	<b>1,702.99</b>	<b>1,686.04</b>
	<b>TOTAL LIABILITIES AND EQUITY (1+2+3)</b>	<b>4,327.04</b>	<b>4,100.16</b>



**JM Financial Asset Reconstruction Company Limited**

Corporate Identity Number : U67190MH2007PLC174287

**Regd. Office:** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.  
T: +91 22 6630 3030 F: +91 22 6630 3335 www.jmfinancialarc.com

**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**  
**STANDALONE UNAUDITED CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

Sr. No.	Particulars	(₹ in crore)	
		For the period ended September 30, 2022	For the period ended September 30, 2021
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	22.45	192.86
	<b>Adjustment for:</b>		
	Depreciation and amortisation of expenses	1.43	1.48
	Net (Gain)/Loss on fair value changes	(53.33)	(196.50)
	Impairment of financial instruments (net)	1.13	2.23
	Interest on lease liability	0.92	0.99
	Interest on debt component of compulsory convertible debenture	1.13	2.32
	Interest income on fixed deposits	(0.01)	-
	Amortisation of deferred employee compensation (ESOP)	0.95	0.84
	<b>Operating profit before working capital changes</b>	<b>(25.33)</b>	<b>4.22</b>
	<b>Adjustment for:</b>		
	(Increase)/Decrease in investments in security receipts-others	(178.08)	326.54
	(Increase)/Decrease in trade receivables	(52.34)	(35.83)
	(Increase)/Decrease in loans	35.81	(18.37)
	(Increase)/Decrease in other financial assets	(7.40)	(4.08)
	(Increase)/Decrease in other non financial assets	(0.27)	0.36
	(Increase)/Decrease in other bank balances	(2.82)	(3.95)
	Increase/(Decrease) in trade payable	0.61	0.25
	Increase/(Decrease) in provisions	(0.11)	0.56
	Increase/(Decrease) in other financial liability	(24.82)	(34.15)
	Increase/(Decrease) in other non financial liabilities	(3.46)	15.50
	<b>Cash generated from/ (used in) operations</b>	<b>(258.21)</b>	<b>251.05</b>
	Income tax paid (net)	(12.70)	(76.54)
	<b>Net cash generated from/ (used in) operating activities</b>	<b>(270.91)</b>	<b>174.51</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of Property, Plant and Equipment	(0.13)	-
	Interest Income	0.01	-
	<b>Net cash generated from/(used in) investment activities</b>	<b>(0.12)</b>	<b>-</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from debt securities	275.57	202.14
	Repayment of debt securities (including interest)	(192.47)	(589.32)
	Repayment of debt component of Compulsory Convertible Debenture (including interest)	(21.69)	(21.98)
	Repayment of lease liability (including interest)	(1.85)	(1.77)
	Proceeds from borrowing	557.00	485.50
	Repayment of borrowing (including interest)	(381.15)	(301.00)
	<b>Net cash generated from/(used in) financing activities</b>	<b>235.41</b>	<b>(226.43)</b>
	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(35.62)</b>	<b>(51.92)</b>
	Cash and cash equivalents at the beginning of the financial year/period	65.10	113.86
	Cash and cash equivalents at the end of the financial year/period	<b>29.48</b>	<b>61.94</b>



**JM Financial Asset Reconstruction Company Limited**

Corporate Identity Number : U67190MH2007PLC174287

**Regd. Office:** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.  
T: +91 22 6630 3030 F: +91 22 6630 3335 [www.jmfinancialarc.com](http://www.jmfinancialarc.com)



**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**

**Annexure I - Additional Information as required under Regulation 52 and Regulation 54 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended**

Sr. No.	Particulars	Quarter ended		Year ended	
		30.09.2022 Unaudited	30.06.2022 Unaudited	30.09.2021 Unaudited	31.03.2022 Audited
1	Debt Equity Ratio (Nos. of times):	1.50	1.41	1.42	1.38
2	Debt Redemption Reserve (₹ in crore) : Pursuant to the Companies (Share Capital and Debentures) Amendment Rules, 2019 dated August 16, 2019, the Company being a Non-Banking Financial Company registered as an Asset Reconstruction Company is exempted from the requirement of creating Debt Redemption Reserve in respect of Secured Redeemable Non-Convertible Debentures issued under private placement.	-	-	-	-
3	Net Worth (₹ in crore) (Total Equity) :	1,702.99	1,687.67	1,658.11	1,686.04
4	Current Ratio (Nos. of times)*	NA	NA	NA	NA
5	Long term debt to working capital*	NA	NA	NA	NA
6	Bad debts to Account receivable ratio*	NA	NA	NA	NA
7	Current liability ratio*	NA	NA	NA	NA
8	Total debts to total assets	59.18%	57.51%	57.32%	56.66%
9	Debtors turnover*	NA	NA	NA	NA
10	Inventory turnover*	NA	NA	NA	NA
11	Operating Margin (%)*	NA	NA	NA	NA
12	Sector specific equivalent ratio*	NA	NA	NA	NA
13	Material deviations. if any, in the use of the proceeds from the issue of Non-Convertible Debt Securities (NCDs)- None				
14	Security Cover for NCDs issued by the Company is 1.27 times as on September 30, 2022.				
15	NCDs issued by the Company are secured by way of mortgage of freehold land and/or hypothecation and/or pledge of certain identified Security Receipts and/or priority loans. Further, the requisite security cover as per the respective disclosure document/debenture trust deed is maintained by the Company.				

\* not applicable considering the nature of Company's business.

