

Independent Auditor's Report on Standalone Financial Results of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter and year ended March 31, 2023

To,

The Board of Directors

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

(CIN: U67190MH2007PLC174287)

7th, Floor, Cnergy, Appasaheb Marathe Marg,

Prabhadevi, Mumbai - 400025

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **JM Financial Asset Reconstruction Company Limited** (the "Company") for the quarter and year ended March 31, 2023 (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").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- A. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- B. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

JM ARCL SFS SEBI AR March 31, 2023

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Statement

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared on the basis of annual standalone financial statements.

The Company's management and the Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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

- A. Identify and assess the risks of material misstatement of the Statement, 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.
- B. 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 through a separate report on the complete set of standalone financial statements on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- D. Conclude on the appropriateness of the Board of Directors' 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our opinion is 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.



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

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement 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 Statement.

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.

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 Matters

The Statement includes the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to nine months ended 31 December 2022 of the current financial year which were subjected to limited review by us.

The Statement also includes the results for the comparative quarter ended March 31, 2022, being the balancing figures between the audited figures in respect of full financial year 2021-22 and unaudited figures up to third quarter ended December 31, 2022.

Our opinion is not modified in respect of these other matters.

Mumbai, April 28, 2023



Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of


Parthiv S. Desai
Partner
Membership no.(F) 042624
UDIN: 23042624BGYOWL7254

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2023 Audited (refer note 4)	31.12.2022 Unaudited	31.03.2022 Audited (refer note 5)	31.03.2023 Audited	31.03.2022 Audited
(I)	Revenue from operations					
(i)	Interest income	33.70	7.19	21.68	66.00	124.45
(ii)	Fees and incentives	58.16	34.73	40.88	166.70	154.95
(iii)	Net gain on fair value changes	-	39.13	19.24	-	231.42
		91.86	81.05	81.80	232.70	510.82
(II)	Other income	1.41	0.49	0.07	2.00	0.19
(III)	Total Income (I+II)	93.27	81.54	81.87	234.70	511.01
(IV)	Expenses					
(i)	Finance costs	69.98	60.14	54.96	240.29	230.71
(ii)	Net loss on fair value changes	242.19	-	-	149.73	-
(iii)	Impairment on financial instruments (net)	9.65	1.73	5.50	12.51	10.73
(iv)	Employee benefits expenses	5.34	4.73	(5.27)	20.37	22.40
(v)	Depreciation and amortisation expense	0.64	0.64	0.67	2.71	2.88
(vi)	Others expenses	3.47	3.42	4.55	13.76	14.09
	Total expenses	331.27	70.66	60.41	439.37	280.81
(V)	Profit/(Loss) before tax (III-IV)	(238.00)	10.88	21.46	(204.67)	230.20
(VI)	Tax expense					
(a)	Current tax	-	-	9.97	-	85.04
(b)	Deferred tax	(58.24)	2.22	(2.89)	(49.74)	(26.74)
	Total tax expenses	(58.24)	2.22	7.08	(49.74)	58.30
(VII)	Net Profit/(Loss) after tax for the period/year ended (V-VI)	(179.76)	8.66	14.38	(154.93)	171.90
(VIII)	Other Comprehensive Income					
(i)	Items that will not be reclassified to profit or loss					
-	Actuarial gain/(losses) on post retirement benefit plans	0.16	(0.12)	(0.04)	(0.20)	0.05
(ii)	Less: Income tax on above	0.04	(0.03)	(0.01)	(0.05)	0.01
	Other Comprehensive Income	0.12	(0.09)	(0.03)	(0.15)	0.04
(IX)	Total Comprehensive Income (VII+VIII)	(179.64)	8.57	14.35	(155.08)	171.94
(X)	Paid up equity share capital (Face value ₹ 10/-per share)	398.33	398.33	344.64	398.33	344.64
(XI)	Other equity				1,134.76	1,341.40
(XII)	Net Profit Margin (%) (Profit/ (Loss) for the period or year/Total income)	(193%)	11%	18%	(66%)	34%
(XIII)	Earnings per equity share (EPS)					
	Basic (in ₹) *	* (4.51)	* 0.22	* 0.36	(3.89)	4.32
	Diluted (in ₹) *	* (4.51)	* 0.22	* 0.36	(3.89)	4.31

* Not annualised

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023****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 April 28, 2023.
- 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/DF1/69/2016 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 The Statement includes the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the current full financial year and the published unaudited year to date figures up to nine months ended 31 December 2022 of the current financial year.
- 5 The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the previous full financial year and the published unaudited year to date figures up to nine months ended 31 December 2021 of the previous financial year.
- 6 Previous period/ year's figures have been regrouped and rearranged wherever necessary to conform to the current period/ year's classification.

For JM Financial Asset Reconstruction Company Limited


V. B. Shetty
Director
(DIN - 00021773)Place : Mumbai
Date : April 28, 2023**JM Financial Asset Reconstruction Company Limited**

Corporate Identity Number : U67190MH2007PLC174287

Regd. Office: 7th Floor, Chenergy, 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 STANDALONE ASSETS AND LIABILITIES AS AT MARCH 31, 2023

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
		Audited	Audited
	ASSETS		
(1)	Financial Assets		
(a)	Cash and cash equivalents	39.20	65.10
(b)	Bank balance other than (a) above	2.73	3.46
(c)	Trade Receivables	304.23	221.48
(d)	Loans	543.28	598.20
(e)	Investments	3,622.33	3,068.77
(f)	Other Financial assets	55.49	48.83
		4,567.26	4,005.84
(2)	Non-financial Assets		
(a)	Current tax assets (net)	44.35	40.34
(b)	Deferred tax Assets (net)	83.64	33.86
(c)	Property, Plant and Equipment	13.52	17.45
(d)	Other Intangible assets	0.03	0.05
(e)	Other non-financial assets	2.26	2.62
		143.80	94.32
	TOTAL ASSETS (1+2)	4,711.06	4,100.16
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	Financial Liabilities		
(a)	Trade Payables		
(i)	total outstanding dues of micro and small enterprises	0.23	0.16
(ii)	total outstanding dues of creditors other than micro and small enterprises	2.54	1.11
(b)	Debt Securities	1,709.80	785.91
(c)	Borrowings (Other than Debt Securities)	1,408.13	1,537.40
(d)	Lease liabilities	16.08	19.49
(e)	Other financial liabilities	21.90	46.04
	Total Financial Liabilities	3,158.68	2,390.11
(2)	Non-Financial Liabilities		
(a)	Provisions	2.09	2.01
(b)	Other non-financial liabilities	17.20	22.00
	Total Non-Financial Liabilities	19.29	24.01
(3)	EQUITY		
(a)	Equity Share capital	398.33	344.64
(b)	Other Equity	1,134.76	1,341.40
	Total Equity	1,533.09	1,686.04
	TOTAL LIABILITIES AND EQUITY (1+2+3)	4,711.06	4,100.16



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JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in crore)

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	Cash flow from operating activities		
	Profit/(Loss) before tax	(204.67)	230.20
	Adjustment for:		
	Depreciation and amortisation of expenses	2.71	2.88
	Net (Gain)/Loss on fair value changes	150.84	(231.42)
	Net (Gain)/Loss on mutual fund	(1.11)	-
	Net (Gain)/Loss on lease modification	(0.43)	-
	Impairment of financial instruments (net)	12.51	10.73
	Interest on lease liability	1.66	1.95
	Interest on debt component of compulsory convertible debenture	1.13	3.60
	Interest income on fixed deposits	(1.42)	(0.03)
	Amortisation of deferred employee compensation (ESOP)	2.12	1.31
	Operating profit/(loss) before working capital changes	(36.66)	19.22
	Adjustment for:		
	(Increase)/Decrease in investments in security receipts-others	(691.63)	346.52
	(Increase)/Decrease in trade receivables	(97.70)	(58.72)
	(Increase)/Decrease in loans	55.48	27.59
	(Increase)/Decrease in other financial assets	(4.54)	(6.64)
	(Increase)/Decrease in other non financial assets	0.36	1.75
	(Increase)/Decrease in other bank balances	0.73	(2.55)
	Increase/(Decrease) in trade payable	1.50	(0.84)
	Increase/(Decrease) in provisions	(0.12)	(0.22)
	Increase/(Decrease) in other financial liability	(24.14)	(27.51)
	Increase/(Decrease) in other non financial liabilities	(5.84)	7.36
	Cash generated from/ (used in) operations	(802.56)	305.96
	Income tax paid (net)	(4.01)	(97.04)
	Net cash generated from/ (used in) operating activities	(806.57)	208.92
B	Cash flow from investing activities		
	Purchase of Property, Plant and Equipment	(0.13)	-
	Payments for purchase of investment in equity instruments (right issue)	(13.11)	-
	Proceed from sale of investment in equity instruments	0.34	-
	Payments for purchase of investment in mutual funds	(161.70)	-
	Redemption of mutual funds	162.81	-
	Interest Income	1.42	0.03
	Net cash generated from/(used in) investment activities	(10.37)	0.03
C	Cash flow from financing activities		
	Proceeds from debt securities	1,390.12	531.63
	Repayment of debt securities (including interest)	(444.63)	(922.23)
	Repayment of debt component of Compulsory Convertible Debenture (including interest)	(21.69)	(21.98)
	Repayment of lease liability (including interest)	(3.49)	(3.57)
	Proceeds from borrowing	1,109.40	964.82
	Repayment of borrowing (including interest)	(1,238.67)	(806.38)
	Net cash generated from/(used in) financing activities	791.04	(257.71)
	Net increase/(decrease) in cash and cash equivalents	(25.90)	(48.76)
	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	39.20	65.10



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JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

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

Sr. No.	Particulars	Quarter ended		Year ended	
		31.03.2023 Audited	31.12.2022 Unaudited	31.03.2022 Audited	31.03.2022 Audited
1	Debt Equity Ratio (Nos. of times):	2.03	1.54	1.38	2.03
2	Debt service coverage ratio*	NA	NA	NA	NA
3	Interest service coverage ratio*	NA	NA	NA	NA
4	Outstanding redeemable preference shares (quantity and value)	-	-	-	-
5	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.	-	-	-	-
6	Net Worth (₹ in crore) (Total Equity) :	1,533.09	1,712.19	1,686.04	1,533.09
7	Net profit/(loss) after tax (₹ in crore)	(179.76)	8.66	14.38	(154.93)
8	Earnings per share (Not annualised for the Interim periods) Basic (in ₹) Diluted (in ₹)	(4.51) (4.51)	0.22 0.22	0.36 0.36	(3.89) (3.89)
9	Current Ratio (Nos. of times)*	NA	NA	NA	NA
10	Long term debt to working capital*	NA	NA	NA	NA
11	Bad debts to Account receivable ratio*	NA	NA	NA	NA
12	Current liability ratio*	NA	NA	NA	NA
13	Total debts to total assets	66.18%	59.66%	56.66%	66.18%
14	Debtors turnover*	NA	NA	NA	NA
15	Inventory turnover*	NA	NA	NA	NA
16	Operating Margin (%)*	NA	NA	NA	NA
17	Net profit margin (%)	(193%)	11%	18%	(66%)
18	Sector specific equivalent ratio Capital adequacy ratio (%)	24.67%	36.42%	38.56%	24.67%
19	Material deviations, if any, in the use of the proceeds from the issue of Non-Convertible Debt Securities (NCDs)- None				
20	Security Cover for NCDs issued by the Company is 1.26 times as on March 31, 2023.				
21	The Company at all times maintains 100% or such higher security cover as per the terms of respective disclosure documents/debenture trust deed. The NCDs issued by the Company are secured by way of hypothecation and/or pledge of identified security receipts and/or priority loans.				

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



JM Financial Asset Reconstruction Company Limited

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Independent Auditor's Report on Consolidated Financial Results of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2023

To,

The Board of Directors

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

(CIN: U67190MH2007PLC174287)

7th, Floor, Cnergy, Appasaheb Marathe Marg,

Prabhadevi, Mumbai - 400025

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **JM Financial Asset Reconstruction Company Limited** (hereinafter referred to as "the Parent Company") and its subsidiaries constituted as Trusts (the Parent Company and its subsidiaries constituted as trusts together referred to as the "Group"), ("the Statement"), being submitted by the Parent Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- A. Includes the results of the Trusts formed for distressed credit business as listed in **Annexure A** to this report;
- B. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations; and
- C. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Statement' section of our report.



We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Statement

This Statement, which is the responsibility of the Parent Company's management and approved by the Board of Directors of Parent Company, has been prepared on the basis of annual consolidated financial statements.

The Parent Company's management and the Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the Consolidated Total Comprehensive Income (comprising of net loss and other comprehensive income) and Other Financial Information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the subsidiaries included in the group, or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Group.



Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 this Statement.

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

- A. Identify and assess the risks of material misstatement of the Statement, 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.
- B. 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 through a separate report on the complete set of consolidated financial statements on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- D. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.



F. Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Statement.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement 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 Statement.

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

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.

Mumbai, April 28, 2023



Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

Parthiv S Desai
Partner
Membership no.(F) 042624
UDIN: 23042624BGYOWM2562

Annexure A to the Independent Auditor's Report on Consolidated Financial Results of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED for the year ended March 31, 2023

Trust Name	
JMFARC -Pasupati- SASF- Trust	JMFARC - Fabrics November 2020 - Trust
JMFARC-UCO Bank March 2011-Trust	JMFARC – BOB 2008 – Trust
JMFARC-Corp Apparel 2013-Trust	JMFARC-SME Retail 2011-Trust
JMFARC-Central India 2013-Trust	JMFARC-Federal Bank March 2013-Trust
JMFARC- Dena Bank March 2014 Trust	JMFARC-Corp I 2013-Trust
JMFARC- Gelatine March 2014 Trust	JMFARC-Corp II 2013-Trust
JMFARC- ICICI Bank July 2014 Trust	JMFARC - Allahabad Bank June 2017 Trust
JMFARC- Axis Bank Cement March 2015-Trust	JMFARC - Allahabad Bank Textile June 2017 Trust
JMFARC-ICICI Bank Cement June 2015-Trust	JMFARC - Federal Bank June 2017 – Trust
JMFARC-United Bank Cement September 2015-Trust	JMFARC-Retail June 2011-Trust
JMFARC -Axis Bank February 2016-Trust	JMFARC- Retail Aug 2011 Trust
JMFARC -OBC Cement March 2016-Trust	Deccan 2021 Trust
JMFARC – Axis Iris II March 2016 Trust	Deccan June 2022 Trust*
JMFARC SBI Geometric October 2016 Trust	Textile 2022 – Trust*
JMFARC - IRIS Cash 2016 – Trust	Deccan January 2023 Trust*
JMFARC - Tata Capital December 2016 - Trust	JMFARC- Metallica November 2018- Trust
JMFARC - IDBI March 2017 - Trust	JMFARC – KTK Metallica December 2018 – Trust
JMFARC - IRIS IIFL May 2017 - Trust	JMFARC – Metallica December 2018 – Trust
JMFARC - IRIS Cash July 2017 - Trust	JMFARC- Metallica February 2018- Trust
JMFARC - Woods October 2017 Trust	JMFARC - Coated February 2021 – Trust
JMFARC IRIS Cash March 2018 Trust	JMFARC - March 2018 – Trust
JMFARC - Fabrics June 2018 - Trust	Retail June 2022 – Trust*
JMFARC- Metallica July 2018- Trust	JMFARC-IOB II March 2011-Trust
JMFARC – Fabrics August 2018 I – Trust	JMFARC -ICICI Geometric-Trust
JMFARC - Fabrics September 2018 I - Trust	JMFARC -DB-ICICI- Trust #
JMFARC - Fabrics September 2018 II - Trust	JMFARC -DB-SBI- Trust #
JMFARC - PNB IRIS II September 2018 – Trust	JMFARC -DB-DCB- Trust #
JMFARC - Fabrics March 2019 I - Trust	JMFARC -JORD-SUUTI Trust #
JMFARC - Fabrics June 2019 II - Trust	JMFARC -Central bank - Tube – Trust #
JMFARC - Fabrics June 2019 III - Trust	JMFARC -UTI - Tube – Trust #
JMFARC - Fabrics December 2019 I - Trust	JMFARC-SASF-Tube-Trust #
JMFARC - Fabrics September 2020 - Trust	

* Trust added during the year

Trust closed during the year



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in crore)

Sr. No.	Particulars	Year Ended	
		31.03.2023 Audited	31.03.2022 Audited
(I)	Revenue from operations		
(i)	Interest Income	66.04	124.58
(ii)	Fees and Incentives	150.51	139.24
(iii)	Net gain on fair value changes	-	255.36
		216.55	519.18
(II)	Other Income	2.34	0.25
(III)	Total Income (I+II)	218.89	519.43
(IV)	Expenses		
(i)	Finance Costs	247.84	232.51
(ii)	Net loss on fair value changes	103.70	-
(iii)	Impairment on financial instruments (net)	12.43	10.72
(iv)	Employee benefits expense	20.37	22.40
(v)	Depreciation and amortisation expense	2.71	2.88
(vi)	Others expenses	25.46	20.61
	Total Expenses	412.51	289.12
(V)	Profit/(Loss) before tax (III-IV)	(193.62)	230.31
(VI)	Tax Expense:		
	Current tax	-	85.04
	Deferred tax	(46.96)	(26.72)
	Total tax expenses	(46.96)	58.32
(VII)	Profit/(Loss) after tax (V-VI)	(146.66)	171.99
(VIII)	Other Comprehensive Income		
	Items that will not be reclassified to profit or loss		
	- Actuarial gain/(losses) on post retirement benefit plans	(0.20)	0.05
	- Less : Income tax on the above	(0.05)	0.01
	Other Comprehensive Income	(0.15)	0.04
(IX)	Total Comprehensive Income (VII+VIII)	(146.81)	172.03
(X)	Net Profit/(Loss) attributed to:		
	Owners of the Parent Company	(154.47)	171.99
	Non - Controlling Interests	7.81	-
(XI)	Other Comprehensive Income attributed to:		
	Owners of the Parent Company	(0.15)	0.04
	Non - Controlling Interests	-	-
(XII)	Total Comprehensive Income attributed to:		
	Owners of the Parent Company	(154.62)	172.03
	Non - Controlling Interests	7.81	-
(XIII)	Paid up equity share capital (Face value Rs.10/-per share)	398.33	344.64
(XIV)	Other Equity	1,137.44	1,343.62
(XV)	Net Profit Margin (%) (Profit/(Loss) for the year / Total income)	(67%)	33%
(XVI)	Earnings per equity share		
	Basic EPS (in ₹)	(3.88)	4.32
	Diluted EPS (in ₹)	(3.88)	4.32

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

Notes:

- 1 The above results have been reviewed and recommended for Board approval by the Audit Committee and approved by the Board of Directors at the meeting held on April 28, 2023.
- 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 and Circular No.SEBI/LAD-NRO/GN/2021/47 dated 7th September, 2021. 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 group operates in a segment of distressed credit business and all other activities are incidental to its main business activities as per requirement of 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 Indian Accounting Standard 108 (Ind AS) on "Operating Segments.
- 4 Previous period/year's figures have been regrouped and rearranged wherever necessary to conform to the current period/year's classification.



For JM Financial Asset Reconstruction Company Limited

Place : Mumbai
Date : April 28, 2023


V P Shetty
Director
(DIN - 00021773)



JM Financial Asset Reconstruction Company Limited

Corporate Identity Number : U67190MH2007PLC174287

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JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS AT MARCH 31, 2023

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
		Audited	Audited
	ASSETS		
(1)	Financial Assets		
(a)	Cash and cash equivalents	70.95	69.56
(b)	Bank Balance other than (a) above	2.73	3.46
(c)	Trade Receivables	272.39	206.83
(d)	Loans	543.28	598.20
(e)	Investments	1,263.37	972.29
(f)	Other Financial assets	2,756.28	2,330.74
		4,909.00	4,181.08
(2)	Non-financial Assets		
(a)	Current tax assets (net)	44.35	40.34
(b)	Deferred tax assets (net)	88.91	41.90
(c)	Property, Plant and Equipment	13.52	17.45
(d)	Other Intangible assets	0.03	0.05
(e)	Other non-financial assets	2.26	2.62
		149.07	102.36
	TOTAL ASSETS	5,058.07	4,283.44
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	Financial Liabilities		
(a)	Trade Payables		
	(i) total outstanding dues of micro and small enterprises	0.23	0.16
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.55	1.12
(b)	Debt Securities	1,709.80	785.91
(c)	Borrowings (Other than Debt Securities)	1,493.55	1,599.03
(d)	Lease liabilities	16.08	19.49
(e)	Other financial liabilities	28.01	39.11
	Total Financial Liabilities	3,250.22	2,444.82
(2)	Non-Financial Liabilities		
(a)	Provisions	2.09	2.01
(b)	Other non-financial liabilities	24.81	28.49
	Total Non-Financial Liabilities	26.90	30.50
(3)	EQUITY		
(a)	Equity Share capital	398.33	344.64
(b)	Other Equity	1,137.44	1,343.62
	Equity attributable to owners of the Holding Company	1,535.77	1,688.26
(c)	Non Controlling Interests	245.18	119.86
	Total Equity	1,780.95	1,808.12
	TOTAL LIABILITIES AND EQUITY	5,058.07	4,283.44



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JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Audited	Audited
A Cash flow from operating activities		
Profit/(Loss) before income tax	(193.62)	230.31
Adjustment for		
Depreciation and amortisation of expenses	2.71	2.88
Interest income on fixed deposits	(1.76)	(0.09)
Interest on debt component of compulsory convertible debenture	1.13	3.60
Net (Gain)/Loss on fair value changes	104.81	(255.36)
Net (Gain)/Loss on mutual fund	(1.11)	-
Net (Gain)/Loss on lease modification	(0.43)	-
Interest on lease liability	1.66	1.95
Amortisation of deferred employee compensation (ESOP)	2.12	1.31
Impairment of financial instruments (net)	12.43	10.72
Operating (loss)/profit before working capital changes	(72.06)	(4.68)
Change in operating assets and liabilities		
(Increase)/Decrease in security receipts and financial assets of trusts	(693.98)	300.54
(Increase)/Decrease in trade receivables	(80.51)	(45.69)
(Increase)/Decrease in long term loans and advances	55.48	27.59
(Increase)/Decrease in other financial assets	(1.71)	(7.12)
(Increase)/Decrease in non financial assets	0.36	1.75
(Increase)/Decrease in other bank balances	0.73	(2.55)
Increase/(Decrease) in trade payables	1.50	(0.87)
Increase/(Decrease) in financial liabilities	(11.10)	(49.12)
Increase/(Decrease) in non financial liabilities	(5.38)	10.47
Increase/(Decrease) in provisions	(0.12)	(0.22)
Cash generated from/ (used in) operations	(806.79)	230.10
Income tax paid (net)	(4.01)	(97.04)
Net cash generated from/ (used in) operating activities	(810.80)	133.06
B Cash flow from investing activities		
Payments for purchase of investment in equity instruments (Right Issue)	(13.11)	-
Proceed from sale of investment in equity instruments	0.34	-
Payments for purchase of investment in mutual funds	(161.70)	-
Redemption of mutual funds	162.81	-
Payments for purchase of Property, Plant and Equipment and Intangibles	(0.13)	-
Interest Income	1.76	0.09
Net cash generated from/(used in) investment activities	(10.03)	0.09
C Cash flow from financing activities		
Repayment of debt component of Compulsory Convertible Debenture (including interest)	(21.69)	(21.98)
Proceeds from debt securities	1,390.12	531.63
Repayment of debt securities (including interest)	(444.63)	(922.23)
Repayment of lease liabilities (including interest)	(3.49)	(3.57)
Proceeds from borrowing	1,126.40	1,024.82
Repayment of borrowing (including interest)	(1,231.88)	(804.75)
Net cash generated from/(used in) financing activities	814.83	(196.08)
Net (decrease) in cash and cash equivalents	(6.00)	(62.93)
Cash and cash equivalents at the beginning of the financial year/period	69.56	132.49
Effect of change in controlling interest	7.39	-
Cash and cash equivalents at the end of the financial year/period	70.95	69.56



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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	31.03.2023	31.03.2022
		Audited	Audited
1	Debt Equity Ratio (Nos. of times):	2.09	1.41
2	Debt service coverage ratio*	NA	NA
3	Interest service coverage ratio*	NA	NA
4	Outstanding redeemable preference shares (quantity and value)	-	-
5	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.	-	-
6	Net Worth (₹ in crore) (Total Equity) :	1,535.77	1,688.26
7	Net profit/(loss) after tax (₹ in crore)	(146.66)	171.99
8	Earnings per share Basic (in ₹)	(3.88)	4.32
	Diluted (in ₹)	(3.88)	4.32
9	Current Ratio (Nos. of times)*	NA	NA
10	* Long term debt to working capital*	NA	NA
11	Bad debts to Account receivable ratio*	NA	NA
12	Current liability ratio*	NA	NA
13	Total debts to total assets	63.33%	55.68%
14	Debtors turnover*	NA	NA
15	Inventory turnover*	NA	NA
16	Operating Margin (%)*	NA	NA
17	Net profit margin (%)	(67%)	33%
18	Sector specific equivalent ratio Capital adequacy ratio (%)	24.67%	38.56%
19	Material deviations, if any, in the use of the proceeds from the issue of Non-Convertible Debt Securities (NCDs)- None		
20	* Security Cover for NCDs issued by the Company is 1.26 times as on March 31, 2023.		
21	The Company at all times maintains 100% or such higher security cover as per the terms of respective disclosure document/debenture trust deed. The NCDs issued by the Company are secured by way of hypothecation and/or pledge of identified security receipts and/or priority loans.		

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


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