

May 30, 2024

BSE Limited

Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001

Dear Sirs,

Sub: Secretarial Compliance Report for the financial year ended March 31, 2024

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of the Secretarial Compliance Report for the financial year ended March 31, 2024, as received from Shroff Negandhi and Associates LLP, Practicing Company Secretaries.

We request you to take the above on your record.

Thank you.

Yours faithfully,
for **JM Financial Asset Reconstruction Company Limited**

Vineet Singh

Company Secretary

Encl: as above

Shroff Negandhi and Associates LLP

Company Secretaries

(A Peer reviewed firm)

Naren Shroff

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Secretarial Compliance Report of JM Financial Asset Reconstruction Company Limited

for the financial year ended March 31, 2024

We, **Shroff Negandhi and Associates LLP**, Practising Company Secretaries, have examined:

- (a) all the documents and records made available to us through electronic platform and explanation provided and representation made by JM Financial Asset Reconstruction Company Limited (the “listed entity” or “Company”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2024 (“Review Period”) in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) rules made thereunder and the Regulations, circulars, guidelines issued thereunder, as amended and to the extent applicable to the listed entity; and
 - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”) as amended and to the extent applicable to the listed entity;

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder as amended and to the extent applicable to the listed entity during the Review Period, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)] subject to the following;

As per the Regulation 15(1A) of SEBI (LODR) inserted with effect from September 7, 2021, the

provisions of regulations 16 to 27 of Chapter IV of SEBI (LODR) have been made applicable to High Value Debt Listed Entity [HVDLE] on “Comply or Explain” basis until March 31, 2024 and on a mandatory basis thereafter;

However, the Board of the SEBI, vide its press release dated March 15, 2024 has extended the timeline of ‘comply or explain’ period for HVDLEs in respect of corporate governance norms till March 31, 2025.

- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the listed entity during the Review Period);
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the listed entity during the Review Period);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the listed entity during the Review Period);
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Other Regulations as applicable

and circulars/ guidelines issued thereunder;

And based on the above examination, we hereby report that, during the Review Period

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount (Rs.)	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
There were no observations required to be reported										

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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/Remarks of the Practicing Company Secretary in the previous reports) (PCS)	Observations made in the secretarial compliance report for the year ended (the years are to be mentioned)	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
Not Applicable as no observations made in the previous reports						

I. We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	None
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI 	Yes	None
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ 	Yes	None

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	<p>information under a separate section on the website</p> <ul style="list-style-type: none"> ● Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 		
4.	<p>Disqualification of Director: None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013.</p>	Yes	None
5.	<p>Details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries</p>	NA	The Listed Entity does not have any subsidiary company
6.	<p>Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	None
7.	<p>Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.</p>	Yes	None
8.	<p>Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; (b) In case no prior approval obtained, the listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee.</p>	<p>Yes</p> <p>N.A.</p>	<p>None</p> <p>The listed entity has obtained prior approval of Audit Committee for all related party transactions.</p>

9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR within the time limits prescribed thereunder.	N.A.	The Provisions of Regulation 30 read with Schedule III of SEBI (LODR) are not applicable to the listed entity being HVDLE.
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder:- The actions taken against the listed entity promoter either by SEBI or by Stock Exchanges are specified in Annexure 1	Yes	Actions taken against the promoter company JM Financial Limited ("JMFL") are as specified in Annexure 1
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities	N.A.	No such event occurred during review period
13.	Additional Non-compliances, observed if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	None

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules & Regulations and happening of events.
4. We have not verified the correctness and appropriateness of financial Records and books of account of the listed entity.
5. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **Shroff Negandhi and Associates LLP**
Company Secretaries

**AMIT JAGDISH
NEGANDHI**

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13f25fe9ff280b7092ed03fc02bfc77,
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Amit Negandhi

Partner

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UDIN: F010729F000505949

Unique Code: L2022MH012100

Peer Review Certificate No.: 2828/2022

Place: Mumbai

Date: May 30, 2024

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'Annexure 1'

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of violation	Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
JM Financial Limited ('JMFL' or 'Listed entity')										
1.	The Manager to the offer shall exercise due diligence, care and professional judgment to ensure compliance with the regulations. and Compliance with Code of Conduct	Regulation 29 (4) of SEBI (Delisting of Equity Shares) Regulations, 2021 & Regulation 13 read with Schedule III	Incorrect computation of floor price in delisting offer.	SEBI	Show Cause Notice dated May 25, 2023	Alleged failure of JMFL to exercise due diligence, care and professional judgement to ensure compliance with these regulations, as the manager to the delisting offer by one of its clients.	-	-	JMFL had submitted its response to the Show Cause Notice and had also filed a settlement application with SEBI	

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		of SEBI MB Regulations							in this matter.	
2.	Maintenance of records and documents pertaining to due diligence exercised in pre-issue and post -issue activities of issue management and in case of takeover, buyback and delisting of securities and abide by Code of Conduct of Merchant Banker	Regulation 14(1)(e), Regulation 16 and Regulation 13 read with Clause 4 of Schedule III of SEBI MB Regulations	Non-maintenance of pre and post issue documents in few issues/offers where JMFL was acting as lead manager /manager.	SEBI	Administrative Warning letter dated June 2, 2023	It was observed by SEBI that JMFL did not exercise due skill, care and diligence while submitting certain information to SEBI.	-	-	JMFL, vide its letter dated August 7, 2023, has submitted the details of corrective steps/action taken for the observations made by SEBI in its letter.	-
3.	-	-	-	SEBI	Administrative Warning letter dated August 22, 2023	Non-reporting by JMFL to SEBI about bid upload failure by a Self-Certified Syndicate Bank,	-	-	Necessary corrective steps have been taken by JMFL to	-

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						where JMFL acted as one of the book running lead managers (BRLMs) in IPO of one of the clients.			avoid recurrence of such instance in future.	
4.	Contents of the public announcement of offer as well as the letter of offer are true, fair and adequate and quoting the source wherever necessary and Compliance with Code of Conduct of Merchant Banker	Regulation 25(vii) of SEBI (Buy-Back of Securities) Regulations, 2018 & Regulation 13 read with Clause 3, 4 and 6 of Schedule III of SEBI MB Regulations	-	SEBI	Administrative Warning letter dated November 22, 2023.	It was observed by SEBI that JMFL did not exercise diligence, care and professional judgement in relation to calculation of entitlement ratio for the general category of shareholders in case of a buy-back offer by one of its clients.	-	-	Rectified the deficiencies by filing the corrigendum to the "letter of offer" by revising the entitlement ratio for the general category of shareholders. Necessary corrective	-

									steps have been taken by JMFL to avoid recurrence of such instance in future.	
5.	No person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets & Compliance with Code of Conduct of Merchant Banker	Regulation 4(1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ('SEBI PFUTP Regulations') &	-	SEBI	Interim Ex Parte Order dated March 7, 2024 whereby JMFL is inter-alia, barred from taking any new mandate for acting as a lead manager for any public issue of debt securities and in respect of any existing mandates, JMFL may continue to act as a lead manager for	In the matter of public issue of certain debt securities, SEBI has prima facie observed contravention of certain clauses specified in Schedule III of the SEBI MB Regulations.	-	-	JMFL has filed its response to SEBI in the said matter.	-

		Clauses 2, 3, 9, 19 and 32 of Schedule III of SEBI MB Regulations			public issue of debt securities for a period of 60 days from the date of this Order.					
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For **Shroff Negandhi and Associates LLP**
Company Secretaries

**AMIT
JAGDISH
NEGANDHI**

Digitally signed by AMIT JAGDISH NEGANDHI
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pseudonym=4b7ccfdcc3504099a2b4f1e5fa2a9fa9,
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Amit Negandhi
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Place: Mumbai
Date: May 30, 2024

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