

**Independent Auditor's Limited Review Report on Standalone Unaudited Financial Results of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED for the quarter and nine months period ended December 31, 2021 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 – 400025Mumbai - 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 nine months period ended December 31, 2021, 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 January 20, 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.



**Emphasis of Matter:**

4. We draw attention to Note 4 of the accompanying Statement, which describes that the potential impact of COVID-19 pandemic on the Company's financial results and the fair value of the financial assets and impairment provision on loans carried at amortised cost etc., are dependent on future development, which are highly uncertain.

Our conclusion is not modified in respect of this matter.

**Conclusion:**

5. 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 matters**

6. The Statement includes the results for the previous quarter ended September 30, 2021, corresponding quarter and nine months ended December 31, 2020, which have been reviewed by predecessor auditors who issued their unmodified conclusion vide their reports dated October 23, 2021 and January 19, 2021. The Statement also includes the results for the year ended March 31, 2021, which have been audited by predecessor auditors who issued their unmodified opinion vide their report dated April 28, 2021.

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



Mumbai, January 20, 2022

For **Sharp & Tannan Associates**  
Chartered Accountants  
Firm's registration no. 109983W  
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SURESH  
DESAI**

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**Parthiv S. Desai**  
Partner

Membership no.(F) 042624  
UDIN: **22042624AAAAAA8853**



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED							
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021							
(₹ in Crore)							
Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2021 Unaudited	30.09.2021 Unaudited	31.12.2020 Unaudited	31.12.2021 Unaudited	31.12.2020 Unaudited	31.03.2021 Audited
(I)	<b>Revenue from operations</b>						
(i)	Interest income	30.57	35.84	46.45	102.77	106.44	148.36
(ii)	Fees and incentives	36.59	39.48	54.53	114.07	133.37	189.98
(iii)	Net gain on fair value changes (net)	15.68	47.69	20.13	212.18	60.18	33.43
		82.84	123.01	121.11	429.02	299.99	371.77
(II)	<b>Other income</b>	0.03	0.05	0.04	0.12	1.45	1.48
(III)	<b>Total Income (I+II)</b>	82.87	123.06	121.15	429.14	301.44	373.25
(IV)	<b>Expenses</b>						
(i)	Finance costs	55.58	57.60	69.38	175.75	203.93	265.81
(ii)	Impairment on financial instruments (net)	3.00	1.18	(4.89)	5.23	(4.00)	(9.80)
(iii)	Employee benefits expenses	4.52	8.11	10.94	27.67	23.14	20.52
(iv)	Depreciation and amortization expense	0.73	0.75	0.75	2.21	2.27	3.00
(v)	Others expenses	3.16	4.09	2.33	9.54	7.03	10.69
	<b>Total expenses</b>	66.99	71.73	78.51	220.40	232.37	290.22
(V)	<b>Profit before tax (III-IV)</b>	15.88	51.33	42.64	208.74	69.07	83.03
(VI)	<b>Tax expense</b>						
(a)	Current tax	3.10	23.28	16.11	75.07	18.54	24.63
(b)	Deferred tax	(0.30)	(9.23)	(6.70)	(23.85)	(2.59)	(5.10)
	<b>Total tax expenses</b>	2.80	14.05	9.41	51.22	15.95	19.53
(VII)	<b>Net Profit after tax for the period/year ended (V-VI)</b>	13.08	37.28	33.23	157.52	53.12	63.50
(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	0.03	0.03	#	0.09	#	0.12
(ii)	Less: Income tax on above	#	0.01	#	0.02	#	0.03
	<b>Other Comprehensive Income</b>	0.03	0.02	#	0.07	#	0.09
(IX)	<b>Total Comprehensive Income (VII+VIII)</b>	13.11	37.30	33.23	157.59	53.12	63.59
(X)	<b>Paid up equity share capital (Face value ₹ 10/-per share)</b>	344.64	344.64	344.64	344.64	344.64	344.64
(XI)	<b>Other equity (excluding revaluation reserves)</b>						1,168.15
(XII)	<b>Net Profit Margin (%) (Profit for the period/year / Total income)</b>	16%	30%	27%	37%	18%	17%
(XIII)	<b>Earnings per equity share (EPS)</b>						
	Basic (in ₹) (Not annualised)	0.33	0.94	0.83	3.95	1.33	1.59
	Diluted (in ₹) (Not annualised)	0.33	0.94	0.83	3.95	1.33	1.59

# Denotes amount less than ₹50,000/-



**JM Financial Asset Reconstruction Company Limited**

Corporate Identity Number : U67190MH2007PLC174287

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

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**JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED****STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021****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 January 20, 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 as per format prescribed in Regulation 52 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 amended as per SEBI Circular SEBI/HO/DDHS/CIR/2021/000000637 dated October 5, 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 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 Given the uncertainty due to COVID- 19 pandemic over the potential macro-economic impact and the external regulatory developments, the Company management has considered internal and external information up to the date of approval of these standalone financial results. The Company has based on current available information, estimated impact on the cash flows in respect of the financial assets and also applied management overlays as per the policy approved by the Board of Directors for the purpose of determination of fair value of the financial assets and determination of impairment of loans carried at amortised cost. Accordingly, the fair value of the financial assets and provision for expected credit loss on loans given to entities covered under the resolution plan recognized as at December 31, 2021 is after considering the potential impact on account the pandemic. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these financial assets.  
  
In addition, while assessing the liquidity situation, the Company has taken into consideration certain assumptions with respect to the expected realisation of the financial assets and expected source of funds, based on its past experience which have been adjusted for the current events.  
  
The extent to which the pandemic will continue to impact the Company standalone financial results will depend on future developments, which are highly 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. Given the uncertainty over the potential macro-economic condition, the impact of the COVID- 19 pandemic may be different from that estimated as at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future periods.
- 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

Vishal Nimesh Kampani  
Digitally Signed by Vishal Nimesh Kampani  
Date: 2022.01.20  
165254 10797Vishal Kampani  
Director  
(DIN - 00009079)Place - Mumbai  
Date - January 20, 2022

**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	31.12.2021 Unaudited	30.09.2021 Unaudited	31.12.2020 Unaudited	31.03.2021 Audited
1	Debt Equity Ratio (Nos. of times):	1.43	1.42	1.56	1.70
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 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) :	1,671.55	1,658.11	1,502.01	1,512.79
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	57.70%	57.32%	59.20%	61.33%
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	Asset Cover for NCDs issued by the Company is 1.06 times as on December 31, 2021				
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.				

