

Independent Auditor's Limited Review Report on Standalone Unaudited Financial Results of JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED for the quarter & six months ended September 30, 2023 pursuant to Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

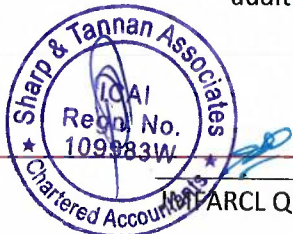
To,
The Board of Directors
JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
(CIN: U67190MH2007PLC174287)
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400025

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 & six months ended September 30, 2023, 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 October 26, 2023, 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.

Mumbai, October 26, 2023



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

Parthiv S. Desai
Partner

Membership no.(F) 042624
UDIN: 23042624BGYOXY6086

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

₹ in crore)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2023 Unaudited	30.06.2023 Unaudited	30.09.2022 Unaudited	30.09.2023 Unaudited	30.09.2022 Unaudited	31.03.2023 Audited
(I) Revenue from operations							
(i) Interest income		10.16	8.12	4.49	18.28	25.11	66.00
(ii) Fees and incentives		64.16	68.45	36.76	132.61	73.81	166.70
(iii) Net gain on fair value changes		23.63	46.49	49.83	70.12	53.33	-
		97.95	123.06	91.08	221.01	152.25	232.70
(II) Other income		0.04	0.49	0.06	0.53	0.10	2.00
(III) Total Income (I+II)		97.99	123.55	91.14	221.54	152.35	234.70
(IV) Expenses							
(i) Finance costs		74.71	72.74	56.34	147.45	110.17	240.29
(ii) Net loss on fair value changes		-	-	-	-	-	149.73
(iii) Impairment on financial instruments (net)		2.00	7.85	3.97	9.85	1.13	12.51
(iv) Employee benefits expenses		5.26	6.16	5.78	11.42	10.30	20.37
(v) Depreciation and amortisation expense		0.64	0.63	0.71	1.27	1.43	2.71
(vi) Others expenses		2.94	3.30	3.80	6.24	6.87	13.76
Total expenses		85.55	90.68	70.60	176.23	129.90	439.37
(V) Profit/(Loss) before tax (III-IV)		12.44	32.87	20.54	45.31	22.45	(204.67)
(VI) Tax expense							
(a) Current tax		3.83	31.59	-	35.42	-	-
(b) Deferred tax		(0.76)	(22.94)	5.54	(23.70)	6.28	(49.74)
Total tax expenses		3.07	8.65	5.54	11.72	6.28	(49.74)
(VII) Net Profit/(Loss) after tax for the period/year ended (V-VI)		9.37	24.22	15.00	33.59	16.17	(154.93)
(VIII) Other Comprehensive Income							
(i) Items that will not be reclassified to profit or loss							
- Actuarial gain/(losses) on post retirement benefit plans		(0.14)	(0.05)	(0.25)	(0.19)	(0.24)	(0.20)
(ii) Less: Income tax on above		(0.04)	(0.01)	(0.06)	(0.05)	(0.06)	(0.05)
Other Comprehensive Income		(0.10)	(0.04)	(0.19)	(0.14)	(0.18)	(0.15)
(IX) Total Comprehensive Income (VII+VIII)		9.27	24.18	14.81	33.45	15.99	(155.08)
(X) Paid up equity share capital (Face value ₹ 10/-per share)		398.33	398.33	398.33	398.33	398.33	398.33
(XI) Other equity							1,134.76
(XII) Net Profit Margin (%) (Profit/ (Loss) for the period or year/Total income)		10%	20%	16%	15%	11%	(66%)
(XIII) Earnings per equity share (EPS)							
Basic (in ₹) *		* 0.24	* 0.61	* 0.38	0.84	0.41	(3.89)
Diluted (in ₹) *		* 0.24	* 0.61	* 0.38	0.84	0.41	(3.89)

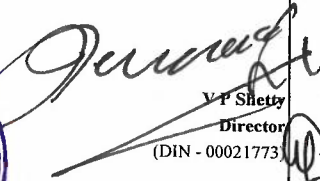
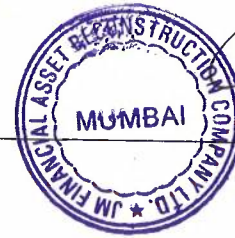
* Not annualised



JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 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 October 26, 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 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 : October 26, 2023
V P Shetty
Director
(DIN - 00021773)

JM FINANCIAL ASSET RECONSTRUCTION COMPANY LIMITED
STATEMENT OF UNAUDITED STANDALONE ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2023

(₹ in crore)

Sr. No.	Particulars	As at September 30, 2023	As at March 31, 2023
		Unaudited	Audited
ASSETS			
(1)	Financial Assets		
(a)	Cash and cash equivalents	75.45	39.20
(b)	Bank balance other than (a) above	3.19	2.73
(c)	Trade Receivables	235.87	304.23
(d)	Loans	567.11	543.28
(e)	Investments	3,560.76	3,622.33
(f)	Other Financial assets	56.30	55.49
		4,498.68	4,567.26
(2)	Non-financial Assets		
(a)	Current tax assets (net)	69.54	44.35
(b)	Deferred tax Assets (net)	107.39	83.64
(c)	Property, Plant and Equipment	12.22	13.52
(d)	Other Intangible assets	0.17	0.03
(e)	Other non-financial assets	2.11	2.26
		191.43	143.80
	TOTAL ASSETS (1+2)	4,690.11	4,711.06
LIABILITIES AND EQUITY			
LIABILITIES			
(1)	Financial Liabilities		
(a)	Trade Payables		
	(i) total outstanding dues of micro and small enterprises	-	0.23
	(ii) total outstanding dues of creditors other than micro and small enterprises	2.55	2.54
(b)	Debt Securities	1,826.13	1,709.80
(c)	Borrowings (Other than Debt Securities)	1,224.84	1,408.13
(d)	Lease liabilities	15.03	16.08
(e)	Other financial liabilities	35.91	21.90
	Total Financial Liabilities	3,104.46	3,158.68
(2)	Non-Financial Liabilities		
(a)	Provisions	2.35	2.09
(b)	Other non-financial liabilities	15.82	17.20
	Total Non-Financial Liabilities	18.17	19.29
(3)	EQUITY		
(a)	Equity Share capital	398.33	398.33
(b)	Other Equity	1,169.15	1,134.76
	Total Equity	1,567.48	1,533.09
	TOTAL LIABILITIES AND EQUITY (1+2+3)	4,690.11	4,711.06



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	
		30.09.2023 Unaudited	30.06.2023 Unaudited	30.09.2022 Unaudited	31.03.2023 Audited
1	Debt Equity Ratio (Nos. of times):	1.95	1.89	1.50	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) :	1,567.48	1,557.72	1,702.99	1,533.09
7	Net profit/(loss) after tax (₹ in crore)	9.37	24.22	15.00	(154.93)
8	Earnings per share (Not annualised for the Interim periods) Basic (in ₹) Diluted (in ₹)	0.24 0.24	0.61 0.61	0.38 0.38	(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	65.05%	63.95%	59.18%	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 (%)	10%	20%	16%	(66%)
18	Sector specific equivalent ratio Capital adequacy ratio (%)	25.91%	25.91%	36.67%	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 1.17 times as on September 30, 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.



JM Financial Asset Reconstruction Company Limited

Corporate Identity Number : U67190MH2007PLC174287

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

+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, 2023

(₹ in crore)

Sr. No.	Particulars	For the period ended September 30, 2023	For the period ended September 30, 2022
A	Cash flow from operating activities		
	Profit/(Loss) before tax	45.31	22.45
	Adjustment for:		
	Depreciation and amortisation of expenses	1.27	1.43
	Net (Gain)/Loss on fair value changes	(70.12)	(53.33)
	Net (Gain)/Loss on mutual fund	#	-
	Net (Gain)/Loss on lease modification	(0.03)	-
	Impairment of financial instruments (net)	9.85	1.13
	Interest on lease liability	0.67	0.92
	Interest on debt component of compulsory convertible debenture	-	1.13
	Interest income on fixed deposits	(0.44)	(0.01)
	Amortisation of deferred employee compensation (ESOP)	0.94	0.95
	Operating profit/(loss) before working capital changes	(12.55)	(25.33)
	Adjustment for:		
	(Increase)/Decrease in investments in security receipts-others	120.80	(178.08)
	(Increase)/Decrease in trade receivables	61.04	(52.34)
	(Increase)/Decrease in loans	(24.22)	35.81
	(Increase)/Decrease in other financial assets	(2.95)	(7.40)
	(Increase)/Decrease in other non financial assets	0.15	(0.27)
	(Increase)/Decrease in other bank balances	(0.46)	(2.82)
	Increase/(Decrease) in trade payable	(0.22)	0.61
	Increase/(Decrease) in provisions	0.07	(0.11)
	Increase/(Decrease) in other financial liability	14.01	(24.82)
	Increase/(Decrease) in other non financial liabilities	(1.38)	(3.46)
	Cash generated from/ (used in) operations	154.29	(258.21)
	Income tax paid (net)	(60.61)	(12.70)
	Net cash generated from/ (used in) operating activities	93.68	(270.91)
B	Cash flow from investing activities		
	Purchase of Property, Plant and Equipment and Intangibles	(0.16)	(0.13)
	Payments for purchase of investment in equity instruments (right issue)	-	-
	Proceed from sale of investment in equity instruments	10.89	-
	Payments for purchase of investment in mutual funds	(4.00)	-
	Redemption of mutual funds	4.00	-
	Interest Income	0.44	0.01
	Net cash generated from/(used in) investment activities	11.17	(0.12)
C	Cash flow from financing activities		
	Proceeds from debt securities	165.39	275.57
	Repayment of debt securities (including interest)	(49.06)	(192.47)
	Repayment of debt component of Compulsory Convertible Debenture (including interest)	-	(21.69)
	Repayment of lease liability (including interest)	(1.64)	(1.85)
	Proceeds from borrowing	724.04	557.00
	Repayment of borrowing (including interest)	(907.33)	(381.15)
	Net cash generated from/(used in) financing activities	(68.60)	235.41
	Net increase/(decrease) in cash and cash equivalents	36.25	(35.62)
	Cash and cash equivalents at the beginning of the financial year/period	39.20	65.10
	Cash and cash equivalents at the end of the financial year/period	75.45	29.48

Denotes amount less than ₹50,000/-



JM Financial Asset Reconstruction Company Limited

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