

## BOARDS' REPORT

To  
The Members,  
J.P. Morgan Securities India Private Limited

Your Directors have pleasure in presenting the Twenty Third Annual Report and the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021.

### 1. FINANCIAL STATEMENTS & RESULTS:

#### a. Financial Results –

The Company's performance during the year ended 31<sup>st</sup> March, 2021 as compared to the previous financial year, is summarized below:

(Rs. in lakhs)

Particular	For the Financial year ended 2021 (Rs.)	For the Financial year ended 2020 (Rs.)
Total Revenue	27,797	37,687
Profit before Interest, Depreciation & Tax	32,764	36,702
<b>Less: Interest</b>	(4,571)	(8,201)
<b>Less: Depreciation</b>	(4)	(1)
Profit before tax	28,189	28,500
<b>Less: Tax Expenses</b>		
1. Current Tax (including Income Tax of previous year)	(5,850)	(5,708)
2. Deferred Tax	(624)	3,903
<b>Net Profit after tax</b>	<b>21,715</b>	<b>26,695</b>
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	29	(14)
Income tax relating to items that will not be reclassified to profit or loss	(7)	4
<b>Other Comprehensive Income For The Year</b>	<b>22</b>	<b>(10)</b>
<b>Total Comprehensive Income For The Year</b>	<b>21,737</b>	<b>26,685</b>

#### b. BUSINESS OUTLOOK:

The Company would continue its lending activities through loans and advances, corporate debentures, bonds and commercial papers. The Company shall focus on building its loan book by targeting corporates with strong financials and good debt servicing track record.

The endeavor shall be to expand the existing client coverage which would help in building a healthy loan book to meet both long term and short-term financing needs of corporates.

**c. COVID-19 Assessment:**

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Management has made an assessment of the ongoing situation on its business activity, its liquidity position, carrying value of its assets including advances and investments as at March 31, 2021 and believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements as at March 31, 2021. However, with the current “second wave” that has significantly increased the number of cases in India and given the dynamic and evolving nature of COVID-19, the Company will continue to monitor any material changes to future economic conditions.

**d. CHANGE IN NATURE OF BUSINESS:**

There has been no change from asset strategy perspective.

**e. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

During the year under review, the Company did not have any subsidiary, associate and joint venture companies.

**f. DEPOSITS:**

During the period under review, the Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

**g. DIVIDEND:**

The directors are pleased to recommend a dividend of INR 8,000,000 on 5% Cumulative Preference Shares for financial year 2020-21. However, no dividend is recommended on the equity shares for the year ended March 31, 2021.

**h. TRANSFER TO RESERVES:**

During the year under review, the Board has recommended the transfer of an amount of INR 434,315,684 to special reserve under section 45-IC of the Reserve Bank of India Act,

1934.

**i. CHANGES IN SHARE CAPITAL:**

There has been no changes to the Share Capital of the Company during the financial year ended 31<sup>st</sup> March 2021.

**j. REDEMPTION OF NON-CONVERTIBLE DEBENTURES & SUBSEQUENT DE-LISTING OF SECURITIES:**

During the year, the Company decided to exercise the Call Option and redeem NCD Series 2 Rated, Listed, Unsecured Non-Convertible Debentures (“NCDs”) of Face Value of INR 1,00,00,000 (Rupees One Crore Only) Each (The “Debentures”) aggregating up to INR 1000,00,00,000 (Rupees One Thousand Crores Only) issued on a Private Placement basis to J.P. Morgan Securities Asia Private Limited.

The NCDs were fully redeemed on October 3, 2020; as a result of which the Company was required to de-list the securities with ISIN No: INE737F08039 with the National Stock Exchange.

On account of redemption of NCDs and subsequent de-listing, the Company no longer has a status of a “listed entity” as on March 31, 2021.

**k. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:**

No material changes and commitments which could affect the Company’s financial position have occurred between the end of the financial year of the Company and date of this report.

**2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**a. Board Of Directors & Key Managerial Personnel**

In accordance with provisions of Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s), or re-enactment thereof for the time being in force),

Mr. Harsh Bansal (DIN: 08878571) who was appointed by the Board as an Additional Director (designated as a Whole-time Director) at its meeting held on October 16, 2020 and Ms. Naquiyah Aga (DIN: 09243454) who was appointed by the Board as an Additional



Director (designated as a Whole-time Director) at its meeting held on August 18, 2021 shall hold office up to the date of ensuing Annual General Meeting. The Board recommends the appointment of Mr. Harsh Bansal and Ms. Naquiyah Aga as Directors of the Company to the shareholders at the forthcoming Annual General Meeting of the Company.

During the financial year 2020-21, the following Directors resigned from the Board: -

Mr. Jatin Jain resigned as a Whole-time Director & CFO of the Company with effect from July 24, 2020.

Mr. Vineet Gothi resigned as a Whole-time Director of the Company with effect from October 13, 2020.

Further, Ms. Madhumita Duggirala resigned as a Whole-time Director of the Company with effect from April 27, 2021.

**b. Declaration given by Independent Director:**

The Company is not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:**

**a. BOARD MEETINGS:**

The Board of Directors met seven times during the financial year ended 31<sup>st</sup> March 2021 i.e. on April 30, 2020, May 26, 2020, August 6, 2020, September 18, 2020, October 16, 2020, November 11, 2020 and February 25, 2021.

**b. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013 the Board of Directors hereby confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the profit

of the Company for that year;

- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and commensurate with the size and nature of business of the Company and were operating effectively;
- f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**c. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion & Analysis Report is attached and forms part of this Report in '*Annexure - I*'.

**a. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:**

The Board of Directors of the Company have, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed a policy on 'Vigil Mechanism' for Directors and employees of the Company which encourages its employees and directors to report their concerns about suspected misconduct, unethical behavior, actual or suspected fraud or violation of code of conduct. The Policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The Company is committed to maintain highest standards of ethical, moral and legal conduct of business. The details of establishment of the Vigil mechanism have been disclosed on the website.

**b. RISK MANAGEMENT POLICY:**

JPMorgan Group has a risk management framework to manage overall risks facing the firm including credit risk, market risk, liquidity risk, operational risk, reputation risk and other risks. The framework includes various policies to govern each type of risk at an overall level as well as within each line of business. The Directors Risk Policy Committee approves the global risk framework and various policies governing the same. The Company falls under the framework of the firm wide risk management governance.

**c. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

The Board of Directors of the Company has approved the CSR Policy based on the recommendation of the CSR Committee. The disclosure required to be made in the Board's Report as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as '*Annexure – II*'.

**d. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company, in accordance with the Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015”, which comprises of the following members as on March 31, 2021:

- |                        |        |
|------------------------|--------|
| 1. Ms. Rinku Ahuja     | Member |
| 2. Mr. Prateek Singhal | Member |

The scope and powers of the Committee are as prescribed by the aforementioned RBI regulations. The Nomination and Remuneration Committee met twice during the year under review i.e. May 26, 2020 and October 16, 2020.

**e. AUDIT COMMITTEE:**

The Audit Committee has been constituted by the Board of Directors of the Company, in accordance with the Master Circular – “Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015”, which comprises of the following members as on March 31, 2021:

- |                            |        |
|----------------------------|--------|
| 1. Ms. Rinku Ahuja         | Member |
| 2. Mr. Mayank Kabra        | Member |
| 3. Ms. Madhumita Duggirala | Member |

The Audit Committee met 4 times during the year under review i.e. May 26, 2020, September 18, 2020, November 11, 2020 and February 25, 2021. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

Subsequent to Madhumita's resignation (effective 27<sup>th</sup> April 2021) as a Whole-time



Director of the Company, Mr. Harsh Bansal was appointed as a Member of the Audit Committee to replace Ms. Madhumita Duggirala.

**f. STAKEHOLDER RELATIONSHIP COMMITTEE**

The Company being a Private Limited Company is not required to constitute Stakeholder relationship Committee pursuant to Section 178 of the Companies Act, 2013 read along with the Rule 6 of Meetings of Board and its Power) Rules, 2014.

**g. ANNUAL EVALUATION OF PERFORMANCE OF BOARD:**

During the financial year, the Company was not required to undertake formal annual evaluation by the Board of its own performance and that of its Committees and individual directors pursuant to Section 134(3)(p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014.

**h. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

The disclosure as required under Section 197(12) of the Companies Act, 2013 and other disclosures as per Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 has been attached and form a part of '*Annexure III*'.

**i. INTERNAL CONTROL SYSTEMS:**

The Company has an Internal Control System with reference to the financial statements which is commensurate with the size and nature of business of the Company.

**4. AUDITORS AND REPORTS:**

The matters related to Auditors and their Reports are as under:

**a. EXPLANATIONS OR COMMENTS ON THE QUALIFICATION, RESERVATION, ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AUDITORS IN THEIR REPORTS:**

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor appointed under section 139 of the Companies Act, 2013. Hence, the

need for explanation or comments by the Board does not arise. The report of the Statutory Auditor forms a part of the financial statements.

**b. APPOINTMENT OF STATUTORY AUDITORS:**

The Members of the Company at the 19th Annual General Meeting (“AGM”) held on August 28, 2017 had approved the appointment of M/s Price Waterhouse Chartered Accountants LLP (Firm Registration Number: 012754N /N500016) as the Statutory Auditors of the Company for a term of five years, till the conclusion of the 24<sup>th</sup> AGM to be held in the year 2022 for the financial year ended March 31, 2022.

Pursuant to the revised Tenure and Rotation norms prescribed by Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by Reserve Bank of India (RBI) wide RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 and the related frequently asked questions issued by RBI dated June 11, 2021 (together referred to as the ‘Guidelines’), the statutory auditors shall be eligible for appointment for a single term of continuous period of three years subject to the satisfaction of eligibility norms each year. Further, such audit firm would not be eligible for re-appointment in the same entity for six years after completion of the single term of three years as mentioned above.

Consequently, M/s Price Waterhouse Chartered Accountants LLP have completed 4 continuous years as the Statutory Auditors of the Company and therefore would no longer be eligible to continue as Statutory Auditors of the Company subsequent to ensuing Annual General Meeting.

In light of the above, in order to comply with the requirements of the aforementioned RBI guidelines, M/s Price Waterhouse Chartered Accountants LLP have tendered their resignation with immediate effect from the conclusion of the ensuing Annual General Meeting.

M/s Price Waterhouse Chartered Accountants LLP have issued the audit report dated June 03, 2021 on the financial statements for the year ended March 31, 2021 prior to their resignation letter.

The resignation of M/s Price Waterhouse Chartered Accountants LLP have resulted in casual vacancy in the office of the Auditors of the Company as per Section 139(8) of the Companies Act (“the Act”).

In accordance with the aforesaid provisions of the Act, the casual vacancy caused by the



resignation of the Auditors is required be filled by the Board within a period of thirty days and such appointment is also required to be approved by the Members of the Company within three months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee and the Board of Directors of the Company and the confirmation received from M/s KS Aiyar & Co. (Firm Registration Number:100186W) on their eligibility, subject to the approval of the Members of the Company, M/s KS Aiyar & Co. (Firm Registration Number:100186W) will be appointed to fill the casual vacancy caused by the resignation of M/s Price Waterhouse Chartered Accountants LLP (Firm Registration Number: 012754N /N500016) for a period of three years from the conclusion of this AGM till the conclusion of AGM to be held in 2024 to conduct the statutory audit from FY 2021-22 till the FY 2023-24 at such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors every year.

**c. COST AUDIT RECORDS:**

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and Rule 3 of the Companies (Cost Records and Audit) Rules, 2014,.

**d. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications thereto or re-enactment thereof, for the time being in force), the Company with the approval of its Board, appointed M/s MMJB & Associates LLP, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2021. The Secretarial Audit Report in Form MR-3 is annexed herewith as '*Annexure – IV*'. There are no material qualifications, reservation or adverse remark made by the auditor in the Secretarial Audit Report.

**5. OTHER DISCLOSURES**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of

the Annual Return for the financial year ended 31<sup>st</sup> March 2021 made under the provisions of Section 92(3) of the Act is placed on the website of the Company and the web link of the same is as mentioned below:

[https://www.jpmorgan.com/country/IN/EN/jpmorgan securities india private limited](https://www.jpmorgan.com/country/IN/EN/jpmorgan%20securities%20india%20private%20limited)

**b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION –**

Since the Company does not own any manufacturing facility, it is not required to furnish information relating to conservation of energy. In view of the nature of the Company's business, there is no information relating to technology absorption to be furnished in this report.

**FOREIGN EXCHANGE EARNINGS AND OUTGO –**

The Company has not earned any foreign exchange during the year. There has, however, been a foreign exchange outgo of INR 20,744,115 (previous year INR 70,63,372) on account of RSU expenses.

**c. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, no funds were required to be transferred to Investor Education and Protection Fund (IEPF).

**d. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and complied with provisions relating to the constitution of Internal Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules thereunder for the prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the Financial Year 2020-21.

**a. FRAUD REPORTING:**

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made there under, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

**b. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013 during the year under review.

**c. CREDIT RATING:**

The credit rating enjoyed by the Company, during the tenure it held NCDs, is as follows:

Credit Rating Agency	Instrument	Rating
CRISIL	NCDs	CRISIL AAA/Stable

**1. GENERAL:**

Your Directors state that no disclosures or reporting is required in respect of the following items as there were no transactions on these items during the year under the review:

- a) Deposits covered under Chapter V of the Act have not been accepted by the Company.
- b) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- c) No agreement was entered with related parties by the Company during the year under review. Since, there were no related party transactions falling under Section 188 of the Companies Act, 2013; Form AOC-2 is not applicable to the Company.
- d) Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 have not been granted or made by the Company during the year under review.
- e) Issue of Equity Shares with differential voting rights, dividend or otherwise as per Section 43(a)(ii) of the Companies Act, 2013;
- f) Issue of Shares including Sweat Equity Shares to the employees of the Company under any



- scheme as per provisions of Section 54(1)(d) of the Companies Act, 2013;
- g) Issue of Equity Shares under Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Companies Act, 2013;
  - h) No instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013
  - i) None of the managerial personnel of the Company receives any remuneration or commission from any of its subsidiaries
  - j) There was no revision to the financial statements for the year under review.

## 7. ACKNOWLEDGEMENTS AND APPRECIATION:

The Directors place on record their appreciation of the support extended to the Company by the Reserve Bank of India, the Securities and Exchange Board of India, the counterparties and employees of the Company.

**For and on behalf of the Board of Directors of  
J.P. Morgan Securities India Private Limited**

**Rinku Ahuja**  
**Whole-time Director & CEO**  
**DIN: 06369232**

**Harsh Bansal**  
**Whole-time Director**  
**DIN: 08878571**

**Place:** Mumbai  
**Date:** 25 August 2021

### **Registered Office**

J.P. Morgan Tower,  
Off. C.S.T. Road,  
Kalina, Santacruz (East),  
Mumbai – 400 098

Tel No. 91-22-61573000 Fax No. 91-22-61573990

Website: [https://www.jpmorgan.com/country/IN/EN/jpmorgan securities india private limited](https://www.jpmorgan.com/country/IN/EN/jpmorgan%20securities%20india%20private%20limited)

Email Id: [india\\_cs@jpmorgan.com](mailto:india_cs@jpmorgan.com)

CIN: **U65990MH1998FTC115964**

## J. P. MORGAN SECURITIES INDIA PRIVATE LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto. The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. The Company's management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year. Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties.

#### a) **COMPANY OVERVIEW:**

The Company is registered as a Non-Banking finance Company vide registration number 13.01149 under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 since 7<sup>th</sup> January, 1999. The Company is engaged in the investment, corporate lending, advisory services.

#### b) **FINANCIAL PERFORMANCE:**

The Company would continue its lending activities through loans and advances, corporate debentures, bonds and commercial papers. The Company shall focus on building its loan book by targeting corporates with strong financials and good debt servicing track record. The endeavor shall be to expand our existing client coverage which would help us build a healthy loan book to meet both long term and short term financing needs of corporates.

#### c) **SEGMENT OR PRODUCT WISE PERFORMANCE:**

The Company is engaged primarily in investment, corporate lending and advisory services which in the context of IND AS 108 constitutes a single reporting business segment.

#### d) **OPPORTUNITIES & THREATS:**

In the current environment banks have turned cautious on lending activity on account of rise in the stressed assets in their balance sheets. This has opened up a window of opportunity for NBFCs to selectively build their loans and advances. This however needs to be balanced with proactive risk management and adherence to prudential lending norms to continue building a healthy balance sheet.

# J.P.Morgan

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Management has made an assessment of the ongoing situation on its business activity, its liquidity position, carrying value of its assets including advances and investments as at March 31, 2021 and believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements as at March 31, 2021. However, with the current “second wave” that has significantly increased the number of cases in India and given the dynamic and evolving nature of COVID-19, the Company will continue to monitor any material changes to future economic conditions.

## e) **OUTLOOK:**

The Company would continue its lending activities through loans and advances, corporate debentures, bonds and commercial papers. The Company shall focus on building its loans book by targeting corporates with strong financials and good debt servicing track record. The endeavor shall be to expand our existing client coverage which would help us build a healthy loan book to meet both long term and short term financing needs of corporates.

## f) **RISKS AND CONCERNS:**

JP Morgan Group has a risk management framework to manage overall risks facing the firm including credit risk, market risk, liquidity risk, operational risk, reputation risk and other risks. The framework includes various policies to govern each type of risk at an overall level as well as within each line of business. The Directors Risk Policy Committee approves the global risk framework and various policies governing the same. The Company falls under the framework of the firm wide risk management governance.

## g) **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System with reference to the financial statements which is commensurate with the size and nature of business of the Company.

## h) **HUMAN RESOURCES & INDUSTRIAL RELATIONS:**

Human Resources (HR) focuses on helping our employees develop throughout their careers. HR partners with the Company’s business leaders to execute on human capital strategies that are consistent with our ’s principles and business strategy. HR is structured to address the various needs of our businesses and functions. Our HR teams include (but are not limited to) the following:

- HR Business Advisory Group
- Recruitment & Talent Development
- Employee Engagement, Culture & Conduct
- Performance Development & Compensation
- Benefits & Wellness
- Global Employee Support
- Global Mobility



- Data & Analytics

**i) CAUTIONARY NOTE:**

Certain statements in the “Management Discussion and Analysis” section may be ‘forward-looking’. Such ‘forward-looking’ statements are subject to risks and uncertainties and therefore actual results could be different from what the Directors envisage in terms of the future performance and outlook.

**Annual Report on Corporate Social Responsibility (CSR) Activities**  
*(Pursuant to the Companies (Corporate Social Responsibility) Rules, 2014)*

**1. Brief outline on CSR Policy of the Company:**

The Corporate Social Responsibility Policy ("CSR Policy") of J.P. Morgan Securities India Private Limited ("JPMSI") sets out the framework guiding JPMSI's CSR activities. The CSR Policy is consistent with J.P. Morgan's global CSR strategy, administered by the global JPMorgan Chase Foundation and J.P. Morgan Global Philanthropy's dedicated country lead for India, and sets out the rules that need to be adhered to while taking up and implementing CSR activities.

The policy pertains to all activities undertaken by JPMSI towards fulfilling its CSR objectives undertaken pursuant to Section 135 of the Companies Act, 2013 ("Act") and would include the activities covered under Schedule VII to the Act and the Companies (the Corporate Social Responsibility Policy) Rules, 2014 (the "Rules"), each as amended from time to time. The Corporate Social Responsibility Committee of JPMSI ("CSR Committee") shall monitor the CSR Policy from time to time.

**2. Composition of CSR Committee as on March 31, 2021:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Rinku Ahuja	Whole-time Director	4	4
2	Mr. Mayank Kabra	Non-Executive Director	4	4
3	Mr. Harsh Bansal	Whole-time Director	4	*2

\*Mr. Harsh Bansal was appointed as a Whole-time Director of the Company with effect from 16<sup>th</sup> October 2020 and was subsequently added to the CSR Committee. During this tenure, he was required to attend only 2 meetings of CSR Committee.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The web-link is as follows:  
[https://www.jpmorgan.com/country/IN/EN/jpmorgan\\_securities\\_india\\_private\\_limited](https://www.jpmorgan.com/country/IN/EN/jpmorgan_securities_india_private_limited)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
		Not Applicable	

6. Average net profit of the company as per section 135(5): INR 1,325,806,795

7. (a) Two percent of average net profit of the company as per section 135(5): INR 26,516,136

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: N/A

(c) Amount required to be set off for the financial year, if any: N/A

(d) Total CSR obligation for the financial year (7a+7b-7c): INR 26,516,136

8. (a) CSR amount spent or unspent for the financial year:

	Amount Unspent (Rs. In Crores)
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Total Amount Spent for the Financial Year. (Rs. in Cores)		Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	
Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.	
2.91	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No. of the Project.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
			State. District.	State. District.						Name of Agency CSR Registration number.
Not applicable										

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (Rs. In Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.
			State. District.	State. District.			Name. CSR registration number.

1	Improving career satisfaction and overall agency for youth in Haryana	Promoting employment enhancing vocational skills	No	Haryana   Ambala Bhiwani Faridabad Fatehabad Gurugram Hisar Jhajjar Jind Kaithal Karnal Kurukshetra Nuh Palwal Panchkula Panipat Rewari Rohtak Sirsa Sonapat Yamuna Nagar	20,600,000	No	Medha Learning Foundation	00004590
2	ROI Benchmarking of CSR Skilling Models	Promoting employment enhancing vocational skills	No	National	8,500,000	No	NASSCOM Foundation	00000689

(d) Amount spent in Administrative Overheads: N/A

(e) Amount spent on Impact Assessment, if applicable: N/A

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 29,100,000**

(g) Excess amount for set off, if any: **Rs. 2,583,864**

Sl. No.	Particular	Amount (Rs. In Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	2.65
(ii)	Total amount spent for the Financial Year	2.91
(iii)	*Excess amount spent for the financial year [(ii)-(i)]	0.26
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	*Amount available for set off in succeeding financial years [(iii)-(iv)]	0.26

\*For the excess amount spent, the Company decides not to avail set off during FY 2021-22.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs). Date of transfer.	
Not Applicable						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):


(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting	Cumulative amount spent at the end of reporting	Status of the project - Completed /Ongoing.




Financial Year (in Rs.)	Financial Year (in Rs.)	Financial Year (in Rs.)	Financial Year (in Rs.)	Financial Year (in Rs.)
Not Applicable				

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details) - Not applicable**
- (a) Date of creation or acquisition of the capital asset(s).
  - (b) Amount of CSR spent for creation or acquisition of capital asset.
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
  - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not applicable**



**Rinku Ahuja**  
Whole-time Director & CEO  
DIN: 06369232



**Harsh Bansal**  
Whole-time Director  
DIN: 08878571

Place: Mumbai  
Date: 25 August 2021

# *MMJB & Associates LLP.*

## Company Secretaries

803-804, 8<sup>th</sup> Floor, Ecstasy, City of Joy, JSD Road, Mulund West, Mumbai 400080 (T) 022-21678100

FORM NO. MR.3

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31<sup>st</sup> March, 2021

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members,

**J.P. Morgan Securities India Private Limited**

J. P. Morgan Tower, Off. C.S.T. Road,

Kalina, Santacruz- East,

Mumbai - 400 098

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **J.P. Morgan Securities India Private Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 (hereinafter called the '**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Audit Period)**
- (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period)**
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)** and
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period).**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable. ("**Listing Regulations**");

\*Note that Company has fully redeemed Non- Convertible debenture on October 3, 2020 and as a result of which the Company were required to de-list.

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, following law is specifically applicable to the Company:



1. The rules, regulations, guidelines and Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issued by the Reserve Bank of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The composition of the Board of Directors during the period under review was in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period we haven't received signed minutes & attendance Registers due to unavoidable Global Pandemic of Covid-19 situations.

**We further report that** during the audit period the Company has decided to exercise the Call Option and redeem NCD Series 2 Rated, Listed, Unsecured Non-Convertible Debentures ("NCDs") of Face Value of INR 1,00,00,000 (Rupees One Crore Only) Each (The "Debentures") aggregating up to INR 1000,00,00,000 (Rupees One Thousand Crores Only) issued on a Private Placement basis to J.P. Morgan Securities Asia Private Limited.

**For MMJB & Associates LLP  
Company Secretaries**

**Saurabh Agarwal**  
**Designated Partner**  
FCS No: 9290  
CP No. 20907  
PR No: 904/2020  
UDIN: F009290C000779279  
Place: Mumbai  
Date: 13/08/2021

*\*This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.*

To  
The Members,  
**J.P. Morgan Securities India Private Limited**  
J. P. Morgan Tower, Off. C.S.T. Road,  
Kalina, Santacruz- East,  
Mumbai - 400 098

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For MMJB & Associates LLP**  
**Company Secretaries**

**Saurabh Agarwal**  
**Designated Partner**  
FCS No: 9290  
CP No. 20907  
PR No: L2020MH006700  
UDIN: F009290C000779279  
Place: Mumbai  
Date:13/08/2021