

J.P.Morgan

J.P. Morgan Securities India Private Limited

Balance Sheet

(All amounts are in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
ASSETS		
Financial Assets		
Cash and cash equivalents	1,991	4,720
Receivables		
(I) Trade Receivables	2,803	-
(II) Other Receivables	10	11
Loans	105,908	264,147
Investments	336,047	153,214
Other Financial assets	937	1,713
Non-financial Assets		
Current tax assets (Net)	3,448	2,921
Deferred tax Assets (Net)	3,013	-
Property, Plant and Equipment	9	2
Other non-financial assets	220	141
Total Assets	454,386	426,869
LIABILITIES AND EQUITY		
Financial Liabilities		
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	- #	- #
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	96	107
Debt Securities	103,619	103,578
Borrowings (Other than Debt Securities)	12,740	12,026
Other financial liabilities	466	47
Non-Financial Liabilities		
Current tax liabilities (Net)	20	10
Deferred tax liabilities (Net)	-	890
Provisions	431	421
Other non-financial liabilities	662	189
EQUITY		
Equity Share capital	43,299	43,299
Other Equity	293,053	266,302
Total Liabilities and Equity	454,386	426,869

Represents amounts below rounding off norm adopted by the Company.

See accompanying notes to financial results

For and on behalf of the Board of Directors



Rinku Ahuja
CEO & Whole-time Director
DIN 6369232

Place : Mumbai

Date : May 26, 2020

J.P. Morgan Securities India Private Limited

Statement of Profit and Loss

(All amounts are in Rs. lakhs, unless otherwise stated)

	Half year ended March 31,2020 (Unaudited)	Half year ended March 31,2019 (Unaudited)	Year ended March 31,2020 (Audited)	Year ended March 31,2019 (Audited)
Revenue from operations				
Interest Income	15,886	11,317	32,381	27,820
Fees and commission Income	2,515	259	2,624	373
Net Gain on Fair Value Changes	1,020	-	2,682	-
Total Revenue from operations	19,421	11,576	37,687	28,193
Other income	-	(1)	-	-
TOTAL INCOME	19,421	11,575	37,687	28,193
Expenses				
Finance Costs	4,078	6,630	8,201	19,101
Net loss on fair value changes	-	2,352	-	3,880
Impairment on financial instruments	(896)	438	(1,042)	600
Employee Benefits Expenses	531	221	860	803
Depreciation, amortization and impairment	1	1	1	2
Other expenses	654	569	1,167	732
TOTAL EXPENSES	4,368	10,211	9,187	25,118
Profit before tax	15,053	1,364	28,500	3,075
Tax expenses				
Current tax	(2,538)	(2,150)	(5,708)	(5,700)
Deferred tax (charge) / credit	(759)	358	3,903	406
NET PROFIT/(LOSS) FOR THE PERIOD/YEAR	11,756	(428)	26,695	(2,219)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurements of the net defined benefit plans	(14)	(8)	(14)	(8)
Income tax relating to items that will not be reclassified to profit or loss				
Remeasurements of the net defined benefit plans	4	3	4	3
OTHER COMPREHENSIVE (LOSS) FOR THE PERIOD/YEAR	(10)	(5)	(10)	(5)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR	11,746	(433)	26,685	(2,224)
Earnings/(Loss) per equity share (In Rs.)				
Basic (Face value of Rs. 10 each)	6.17 *	(1.32) *	6.17	(1.32)
Diluted (Face value of Rs. 10 each)	5.95 *	(1.32) *	5.95	(1.32)
*Annualised				

See accompanying notes to financial results



For and on behalf of the Board of Directors

Rinku Ahuja
CEO & Whole-time Director
DIN 6369232

Place : Mumbai
Date : May 26,2020

J.P. Morgan Securities India Private Limited

Statement of Profit and Loss

(All amounts are in Rs. lakhs, unless otherwise stated)

Notes:

- The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on May 26, 2020.
- Pursuant to the Taxation Laws (Amendment) Ordinance 2019, promulgated on 20 September 2019, the Company intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax and deferred tax at the revised rate (i.e. 25.17%) from the current financial year.
- The Company has created deferred tax asset of Rs. 4,405 Lakhs as at March 31, 2020 on the carry forward of interest amount disallowed in prior years under section 94B of the Income Tax Act, 1961.
- The Company is engaged primarily in corporate lending in the form of corporate loans and investments which in the context of Ind AS 108 constitutes single reporting business segment.
- The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. 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, 2020 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, 2020. However, given the dynamic and evolving nature of COVID-19, changes in the Company's assumptions and estimates regarding economic conditions could significantly affect some of these estimates made at the end of the reporting period or lead to significant changes in the estimate from one reporting period to the next and the Company will continue to monitor any material changes to future economic conditions.

7 DISCLOSURE ON FUNDS RAISED BY ISSUANCE OF DEBT SECURITIES BY LARGE COMPANIES AS PER SEBI CIRCULAR SEBI/HO/DDHS/CIR/P/2018/144 DATED NOVEMBER 26, 2018


The Company is a large Corporate by the definitions therein and hence is required to disclose the following information on borrowings:

- Company name:** J.P. MORGAN SECURITIES INDIA PRIVATE LIMITED
- CIN:** U65990MH1998FTC115964
- Highest Credit rating:** AAA/Stable (March 31, 2020)
- Credit rating agency:** CRISIL Limited
- Security listed:** Non-Convertible Debentures
- Financial year:** April 01, 2019 - March 31, 2020
- Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework:** National Stock Exchange

Particulars	Year ended March 31, 2020	
(a) Outstanding Borrowing as on March 31, 2019		100,000
(b) Whether framework applicable?		Yes
(c) Incremental Borrowing in year ended March 31, 2020		-
(d) Mandatory borrowing through debt securities in the current FY	(d) = 25% of (c)	-
(e) Actual borrowings done through debt securities in the current FY		-
(f) Shortfall in mandatory borrowing through debt securities, if any	(f) = (d) - (e)	-
(g) Reasons for short fall, if any, in mandatory borrowings through debt securities		NA

- Figures for previous period have been regrouped / reclassified wherever necessary, to make them comparable with current period.

Place : Mumbai
Date : May 26, 2020

For and on behalf of the Board of Directors

Rinku Ahuja
CEO & Whole-time Director
DIN 6369232

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of J.P. Morgan Securities India Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of J.P. Morgan Securities India Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section 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 together with the ethical requirements that are relevant to our audit of the financial statements 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 3 to the financial statements, which explains the uncertainties and the management's assessment of the financial impact, due to the COVID-19 pandemic, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of

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the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of carrying value of Loans (Refer note 7 and 36C of the financial statements)</p> <p>The Company has given loans aggregating to Rs. 105,908 Lakhs as at March 31, 2020 which are carried at amortised cost, and has recognized provision for expected credit losses (ECL) against the same amounting to Rs. 20 Lakhs.</p> <p>ECL provision is determined in accordance with Ind AS 109 – Financial Instruments and involves exercise of judgement by the management in respect of the following key areas:</p> <ul style="list-style-type: none">- assessment of the carrying value and the requirement of a provision, using the ECL model considering factors such as the financial condition of the counterparty, probability of default, loss given default, expected future cash flows and other relevant factors.- identification of exposures with a significant increase in credit risk from initial recognition of loans. <p>We considered the assessment of the carrying value of loans as a key audit matter because of the significance of the balance in the financial statement and involvement of management judgement to assess the amount of any impairment to the carrying values of the loans.</p>	<p>We carried out the following procedures in respect of testing of carrying value of loans:</p> <ul style="list-style-type: none">- Obtained an understanding of the management's process and tested the design and operating effectiveness of the Company's key controls over loans given by the Company and the ECL provision against the same.- Assessed the Company's accounting policy in respect of loans and ECL provisioning against the same.- Discussed with the management their assessment of impairment of the loan balances and requirement of provision for ECL.- Assessed the appropriateness of the assumptions and judgements made by management that were used to calculate ECL provision (such as the management assessment on financial condition of the counterparty, probability of default, loss given default, expected future cash flows and other relevant factors).- Verified the mathematical accuracy of the computation of ECL provision and compliance with the relevant guidelines for determination of carrying value of loans.- We evaluated the adequacy of presentation and disclosures in relation to carrying value of loan in the financial statements. <p>Based on the above audit procedures, we considered that the management's assessment of carrying value of loans to be reasonable.</p>



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Assessment of valuation of investments in debt instruments

(Refer note 8 and 37 of the financial statements)

The Company's investments in debt instruments are measured at fair value through Statement of Profit and Loss. The valuation is performed by the Company using a fair value hierarchy as specified in Ind-AS 113.

As at March 31, 2020, the Company holds investments aggregating Rs. 336,047 lakhs in bonds and debentures of non-group companies.

Key inputs used in the valuation of individual investments are credit ratings, residual maturity, broker quotes and the credit spreads by benchmarking them with external data. In addition, the Company assesses whether any indication of impairment exists in respect of each investment.

Given the inherent subjectivity in the assumptions and the nature and extent of audit procedures involved in the testing of valuation of investments, and considering the balances being significant to the financial statements, we determined this to be a key audit matter.

We carried out following procedures in respect testing of impairment of investments:

- Understood and tested the design and operating effectiveness of the Company's key controls over the process for valuation of investments in debt instruments.
- Assessed the Company's accounting policy in respect of investments and their valuation.
- Obtained an understanding of and assessed the appropriateness of the valuation methodology adopted by the management.
- Assessed the accuracy of key inputs used in the valuation, such as the credit ratings, residual maturity, broker quotes and credit spreads, by benchmarking them with external data and substantiating them with underlying contract data.
- Verified the mathematical accuracy of the computation of fair values and compliance with the relevant guidelines for determination of fair values.
- We evaluated the adequacy of presentation and disclosures in relation to valuation of investments in debt instruments in the financial statements.

Based on the above audit procedures performed, we considered the management's assessment of the valuation of the investments in debt instruments to be reasonable.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the "Director's report", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, 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.
 - 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



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our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's 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 financial statements 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 Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.
 12. 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.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



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- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 43 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2020 – Refer Note 7,8, 36C, 40 (vii) and 40 (xiii) to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
16. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Vivek Prasad
Partner
Membership Number: 104941
UDIN: 20104941AAAADH4993

Place: Mumbai

Date: May 26, 2020

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of J.P. Morgan Securities India Private Limited on the financial statements for the year ended March 31, 2020

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Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of J.P. Morgan Securities India Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of J.P. Morgan Securities India Private Limited on the financial statements for the year ended March 31, 2020

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5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of J.P. Morgan Securities India Private Limited on the financial statements for the year ended March 31, 2020

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Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. (Also refer paragraph 4 of our main audit report)

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Vivek Prasad
Partner
Membership Number: 104941

UDIN: 20104941AAAADH4993

Place: Mumbai

Date: May 26, 2020

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of J.P. Morgan Securities India Private Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 12 on Property, Plant and Equipment to the financial statements. Therefore, the provisions of Clause 3(i) (c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. The Company is a Non-Banking Finance Company registered with the Reserve Bank of India and engaged in the business of financing. Accordingly, the provisions of Section 185 is not applicable to the Company.

In our opinion and according to information and explanations given to us, the Company has complied with the provisions of Section 186(1) of the Companies Act, 2013 in respect of the investments made. The other provisions of Section 186 are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, or goods and service tax which have not been deposited on account of any disputes.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of borrowings dues to debenture holders as at the balance sheet date.
The Company does not have any loans or borrowings from any financial institution or bank or Government as at the balance sheet date and accordingly, to this extent, the provisions of Clause 3(viii) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of J.P. Morgan Securities India Private Limited on the financial statements for the year ended March 31, 2020

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- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

[Also refer paragraph 16 of our main audit report]
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him/her. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Institution.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Vivek Prasad
Partner
Membership Number: 104941

UDIN: 20104941AAAADH4993
Place: Mumbai
Date: May 26, 2020

Date: May 26, 2020

The Manager
Listing Department
Whole-sale Debt Market Segment
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Listing Department
Bandra Kurla Complex
Bandra (E), Mumbai 400 051

Dear Sir/Madam,

Sub: DECLARATION

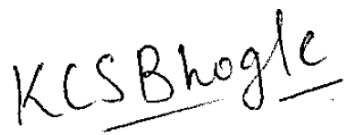
I, the undersigned, hereby declare that there were no adverse remarks or qualification by the Statutory Auditors in the Auditor's Report for J. P. Morgan Securities India Private Limited for the year ended March 31, 2020.

We request you to take note of the above.

Thanking you

Yours faithfully

For J.P. Morgan Securities India Private Limited



Ketki Bhogle
Company Secretary
ACS 35033