

## BOARDS' REPORT

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

Your Directors have pleasure in presenting the Twenty Fifth Annual Report and the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 ("Year Under Review" or "FY 2022-23").

### 1. FINANCIAL STATEMENTS & RESULTS:

#### a. Financial Results –

The Company's performance during the year ended 31<sup>st</sup> March, 2023 as compared to the previous financial year, is summarized below:

(INR in lakhs)

Particular	For the Financial year ended 2023 (INR)	For the Financial year ended 2022 (INR)
Total Revenue (Includes net loss on fair value changes)	25,339	24,239
Profit before Interest, Depreciation & Tax	22,144	21,213
<b>Less:</b> Interest	(944)	(890)
<b>Less:</b> Depreciation	(3)	(4)
Profit before tax	21,197	20,319
<b>Less:</b> Tax Expenses		
1. Current Tax (including Income Tax of previous year)	(4,674)	(4,094)
2. Deferred Tax	(801)	(1,136)
<b>Net Profit after tax</b>	<b>15,722</b>	<b>15,089</b>
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	(26)	#
Income tax relating to items that will not be reclassified to profit or loss	6	#
<b>Other Comprehensive Income For The Year</b>	<b>(20)</b>	<b>#</b>
<b>Total Comprehensive Income For The Year</b>	<b>15,702</b>	<b>15,089</b>

**b. BUSINESS OUTLOOK:**

The Company would continue its lending / investment 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. CHANGE IN NATURE OF BUSINESS:**

There has been no change from asset strategy perspective during the Year Under Review.

**d. 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.

**e. DEPOSITS:**

During the Year 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.

**f. DIVIDEND:**

The Directors are pleased to recommend a dividend of INR 8,000,000 on 5% Cumulative Preference Shares for financial year 2022-23. However, no dividend is recommended on the equity shares for the year ended March 31, 2023.

**g. TRANSFER TO RESERVES:**

During the Year Under Review, the Board has recommended the transfer of an amount of INR 314,433,762 to special reserve under section 45-IC of the Reserve Bank of India Act, 1934.

**h. 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 2023.

**i. 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 the provisions of Section 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. Vikram Ramani (DIN: 09722062) was appointed by the Board as an Additional Director (designated as a Whole-time Director) at its meeting held on September 19, 2022. The shareholders of the Company confirmed his appointment as a Whole-time Director of the Company to be effective from September 19, 2022 at the Annual General Meeting held on September 28, 2022.

Mr. Siddharth Jhunhunwala (DIN: 01155847) was appointed by the Board as an Additional Director at its meeting held on September 19, 2022. The shareholders of the Company confirmed his appointment as a Director of the Company to be effective from September 19, 2022 at the Annual General Meeting held on September 28, 2022.

Mr. Bhavin Shukla (DIN: 10072069) who was appointed by the Board as an Additional Director at its meeting held on April 13, 2023 (appointment effective from June 6, 2023 which is the date of approval letter from Reserve Bank of India), and Mr. Nikhil Agarwal (DIN: 10153538) who was appointed by the Board as an Additional Director (designated as a Whole-time Director) at its meeting held on June 27, 2023 (appointment effective from June 27, 2023), shall hold office up to the date of ensuing Annual General Meeting. The Board recommends the appointment of Mr. Bhavin Shukla and Mr. Nikhil Agarwal as Directors of the Company to the Shareholders at the forthcoming Annual General Meeting of the Company.

During the financial year 2022-23 and as on the date of Board's Report, the following Directors resigned from the Board: -

Ms. Rinku Ahuja resigned as a CEO & Whole-time Director with effect from June 22,

2022.

Mr. Prateek Singhal resigned as a Non-Executive Director with effect from October 28, 2022.

Mr. Mayank Kabra resigned as a Non-Executive Director with effect from April 12, 2023.

## b. ATTENDANCE OF DIRECTORS AND #COMMITTEE MEMBERS

There were ten Board meetings and four Corporate Social Responsibility (“CSR”) Committee meetings held during the Year Under Review. The dates of the meetings and details of the attendance\* of the Directors and Committee Members during the Year Under Review has been detailed below:

Name of the Director	Date of Board Meeting										AGM dated
	26-Apr-22	26-May-22	27-Jun-22	13-Jul-22	16-Sep-22	19-Sep-22	30-Sep-22	12-Dec-22	31-Jan-23	13-Mar-23	
Vikram Ramani	NA	NA	NA	NA	NA	NA	A	A	A	A	A
Siddharth Jhunjunwala	NA	NA	NA	NA	NA	NA	A	A	A	A	A
Naquiyah Abdulla Ghadiyali	A	A	A	A	A	A	A	LOA	LOA	LOA	LOA
Harsh Bansal	A	A	LOA	A	A	A	A	A	A	A	A
Mahesh Aras	LOA	A	A	A	A	A	A	A	A	A	LOA
Mayank Kabra	A	A	A	A	A	A	A	LOA	A	A	LOA

Note:

- Ms. Rinku Ahuja resigned as a CEO& Whole-time Director of the Company w.e.f. June 22, 2022. Therefore, she has not been included in the above list.
- Mr. Prateek Singhal resigned as a Non-Executive Director with effect from October 28, 2022. Therefore, he has not been included in the above list.
- Ms. Naquiyah Abdulla Ghadiyali (Naquiyah Aga) was on maternity leave from December 2022 and therefore has not been able to attend the meetings from December 2022 to March 2023 period.
- Mr. Vikram Ramani and Mr. Siddharth Jhunjunwala were appointed as a Directors of the Company w.e.f. September 19, 2022.

Name of the CSR Committee Member	Date of CSR Committee Meeting			
	26-May-22	30-Sep-22	8-Dec-22	13-Mar-23
Vikram Ramani	NA	A	A	A
Harsh Bansal	A	A	A	A
Mayank Kabra	A	A	A	A

*Note:* Mr. Vikram Ramani as inducted as a Member of the CSR Committee w.e.f. September 19, 2022.

*#For the purpose of this section, only those Committees have been included which are required pursuant to requirement under Companies Act.*

*\*Attendance has been represented as A for attended, LOA for leave of absence granted and NA for not applicable.*

The Company has complied with the applicable Secretarial Standards in respect of all the above meetings.

**c. 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 ten times during the financial year ended 31st March 2023 i.e. on April 26, 2022, May 26, 2022, June 27, 2022, July 13, 2022, September 16, 2022, September 19, 2022, September 30, 2022, December 12, 2022, January 31, 2023 and March 13, 2023.

**a. 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, 2023 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;

**b. 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:**

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, the Company was not required to frame a policy on 'Vigil Mechanism'.

**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*'.

The details of the CSR projects for FY 2022-23 are also available on the website of the Company and the web-link of the same is as mentioned below:

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

**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, 2023:

- |                              |        |
|------------------------------|--------|
| 1. Mr. Vikram Ramani         | Member |
| 2. Ms. Naquiyah Aga          | Member |
| 3. Mr. Siddharth Jhunhunwala | 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. September 19, 2022 and March 27, 2023.

**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, 2023:

- |                      |        |
|----------------------|--------|
| 1. Mr. Vikram Ramani | Member |
| 2. Mr. Mayank Kabra  | Member |
| 3. Ms. Naquiyah Aga  | Member |

The Audit Committee met 4 times during the year under review i.e. May 26, 2022, September 30, 2022, December 8, 2022 and March 13, 2023. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

**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 Year Under Review, 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:**

During the Year Under Review, the Company was not required to provide 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.

**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:**

Basis 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 and basis the approval of the Members of the Company at its Annual General Meeting held on September 17, 2021, M/s KS Aiyar & Co. (Firm Registration Number:100186W) was 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 the AGM held in 2021 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.

**5. CORPORATE GOVERNANCE**

The Corporate Governance report as required pursuant to Scale Based Regulation (SBR): A Revised Regulatory Framework' for NBFCs is attached and forms part of this Report in '*Annexure – III*'.

**6. 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 92(3) and Section 134(3)(a) of the Act read with the Companies (Management and Administration) Rules, 2014, annual return of the Company is placed on the website of the Company and the web-link of the same is as mentioned below:

[https://www.jpmorgan.com/disclosures/jpmorgan\\_securities\\_india\\_private\\_limited](https://www.jpmorgan.com/disclosures/jpmorgan_securities_india_private_limited)

**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. The total foreign exchange expenditure amounting to INR 57 lakhs (previous year: INR 27 lakhs) was incurred, inter alia, for salaries and incentives, communication, legal and professional services, repairs and maintenance, printing and stationery, travel and conveyance and miscellaneous expenses. In addition, foreign exchange outflow on account of remittance of Dividends in foreign currency amounts to INR 80 lakhs.

**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 2022-23.

**e. 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.

**f. 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.

**7. 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.


## 8. 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**

**Place:** Mumbai  
**Date:** Sep 5, 2023

  
**Vikram Ramani**  
**Whole-time Director & CEO**  
**DIN: 09722062**

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

### 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/disclosures/jpmorgan securities india private limited](https://www.jpmorgan.com/disclosures/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 / investment 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.

**e) OUTLOOK:**

The Company would continue its lending/ investment 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 business principles and 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
- New Joiner Experience
- Talent and Career Development Experience
- Total Rewards, Conduct & Policy
- Employee Digital & Service Experience

As at 31 Mar 2023, the Company employed 23 staff.

**i) CAUTIONARY NOTE:**

# J.P.Morgan

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 for the Financial Year 2022-23

*(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, 2023:

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	*Mr. Vikram Ramani	CEO & Whole-time Director	4	3
2	#Mr. Mayank Kabra	Non-Executive Director	4	4
3	Mr. Harsh Bansal	Whole-time Director	4	4

\*Mr. Vikram Ramani was appointed as a Director and subsequently as a member of CSR Committee w.e.f. September 19, 2023. Hence, was required to attend only 3 meetings.

#Mr. Mayank Kabra resigned as a Director w.e.f. April 12, 2023.

**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 executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable- Not applicable**

5. (a) Average net profit of the company as per section 135(5): INR 2,566,947,110

(b) Two percent of average net profit of the company as per section 135(5): INR 51,338,942

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

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

(e) Total CSR obligation for the financial year (7a+7b-7c): INR 51,338,942

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). INR 51,512,600

(b) Amount spent in Administrative overheads. NIL

(c) Amount spent on Impact Assessment, if applicable. NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. INR 51,512,600

(e) CSR amount spent or unspent for the financial year: INR 51,512,600

Total Amount Spent for the Financial Year. (Rs.)	Amount Unspent (Rs.)		
	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
INR 51,512,600	INR 45,181,659	18 April 2023	Amount.
			Date of transfer.


\*Note: Total amount spent for the FY 2022-23 includes the amount transferred to CSR unspent account.

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	51,338,942
(ii)	Total amount spent for the Financial Year	51,512,600
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	173,658
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	173,658

\*For the excess amount spent, the Company decides not to avail set off during FY 2022-23.

7. 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.	
1	2021-22	36,150,975	36,150,975				NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

9. 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**

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



**Vikram Ramani**  
**Whole-time Director & CEO**  
**DIN: 09722062**



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

**Place: Mumbai**  
**Date: Sep 5, 2023**

## REPORT ON CORPORATE GOVERNANCE (Pursuant to RBI Scale Based Regulation Framework)

### Board of Directors

The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013. The Board of your Company comprised six (6) Directors as on 31st March, 2023. As on the date of the report, the Company has seven (7) directors.

### Composition of the Board

Below is the composition of Board of Directors as on the date of the report:

Sr. No.	Name of the Director	Director since	Category of Directorship	DIN	Other Directorship(s), if any
1.	Vikram Ramani	19/09/2022	CEO & Whole-time Director	09722062	None
2.	Harsh Bansal	16/10/2020	Whole-time Director	08878571	None
3.	Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	18/08/2021	Whole-time Director	09243454	Director with Playverse Ventures Private Limited since 16/07/2021
4.	Nikhil Agarwal	27/06/2023	Whole-time Director	10153538	None
5.	Siddharth Jhunjunwala	19/09/2022	Non-Executive Director	01155847	None
6.	Mahesh Ramdas Aras	26/02/2020	Non-Executive Director	08698808	None
7.	Bhavin Vipin Shukla	06/06/2023	Non-Executive Director	10072069	None

**Changes in Board Members during FY 2023 and as on the date of the report:**

Sr. No.	Name of the Director	Capacity	Nature of Change (Resignation / Appointment)	Effective date and period
1.	Rinku Ahuja	CEO & Whole-time Director	Resignation	22/06/2022
2.	Vikram Ramani	CEO & Whole-time Director	Appointment	19/09/2022
3.	Siddharth Jhunjhunwala	Non-Executive Director	Appointment	19/09/2022
4.	Prateek Singhal	Non-Executive Director	Resignation	28/10/2022
5.	Mayank Kabra	Non-Executive Director	Resignation	12/04/2023
6.	Bhavin Vipin Shukla	Non-Executive Director	Appointment	06/06/2023
7.	Nikhil Agarwal	Whole-time Director	Appointment	27/06/2023

**Number of Board Meetings**

The Board of Directors met ten times during the year under review i.e. on April 26, 2022, May 26, 2022, June 27, 2022, July 13, 2022, September 16, 2022, September 19, 2022, September 30, 2022, December 12, 2022, January 31, 2023 and March 13, 2023. The requisite quorum was present for all the Meetings. The maximum time gap between any two Board Meetings was not more than one hundred and twenty days. The details of attendance of Directors at the Board Meetings held during the financial year under review.

Sr. No.	Name of Director	Attendance at Board meetings for meetings required to be attended out of Board meetings held during the financial year 2022-23	% Attendance
1.	Vikram Ramani	4/4	100%
2.	Siddharth Jhunjhunwala	4/4	100%

## Annexure- III

3.	Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	7/7	100%
4.	Harsh Bansal	9/10	90%
5.	Mahesh Aras	9/10	90%
6.	Mayank Kabra	9/10	90%

### Note:

1. Ms. Rinku Ahuja resigned as a CEO& Whole-time Director of the Company w.e.f. June 22, 2022. Therefore, she has not been included in the above list.
2. Mr. Prateek Singhal resigned as a Non-Executive Director with effect from October 28, 2022. Therefore, he has not been included in the above list.
3. Ms. Naquiyah Abdulla Ghadiyali (Naquiyah Aga) was on maternity leave from December 2022 and therefore has not been able to attend the meetings from December 2022 to March 2023 period.
4. Mr. Vikram Ramani and Mr. Siddharth Jhunhunwala were appointed as a Directors of the Company w.e.f. September 19, 2022.

## Remuneration to Directors

### Whole-time Directors:

The remuneration and terms and conditions of appointment of Whole-time Directors ("WTDs") are the same as those which form part of their employment with the Company and as modified from time to time. Apart from this, there is no separate remuneration paid to WTDs in their capacity as Directors of the Company.

### Non-Executive Directors:

There is no remuneration paid to Non-Executive Directors for serving on the Board of Directors of the Company.

## Shareholding of Directors

## **Annexure- III**

As on 31<sup>st</sup> March 2023, none of the Directors of the Company hold any shares or convertible instruments in the Company.

### **Independent Directors:**

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.

### **Relationship amongst the directors:**

As on 31st March 2023, there was no relationship amongst the Directors of the Company inter-se.

### **Committees constituted by the Board**

The Committees are constituted by the Board, focus on specific areas and take informed decisions within the framework of delegated authority, and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required. All Committees operate as per its Terms of Reference or Charter approved by the Board.

Your Company has the below Committees as on 31st March, 2023:

1. Audit Committee ("AC")
2. Nomination and Remuneration Committee ("NRC")
3. Corporate Social Responsibility Committee ("CSR")
4. Asset Liability Committee ("ALCO")
5. Risk Management Committee ("RMC")
6. Credit & Investment Committee ("CIC")
7. IT Strategy Committee ("ITSC")
8. Anti-sexual Harassment Complaints Committee ("Internal Committee")

#### **1. Audit Committee ("AC")**

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. The scope of the AC is governed by Companies Act, to the extent applicable to the NBFC.

## **AC Constitution:**

Below is the Audit Committee composition as at 31st March, 2023 and attendance at the meetings held during FY 2023:

<b>Audit Members</b>	<b>Committee</b>	<b>Category</b>	<b>Member of the Committee since</b>	<b>Attendance at AC meetings for meetings required to be attended out of AC meetings held during the financial year 2022-23</b>	<b>% Attendance</b>
Vikram Ramani		Committee Member	September 2022	3/3	100%
Naquiyah Abdulla Ghadiyali (Naquiyah Aga)		Committee Member	August 2021	3/3	100%
Mayank Kabra		Committee Member	October 2019	4/4	100%

## **2. Nomination and Remuneration Committee (“NRC”)**

In order to ensure ‘fit and proper’ status /credentials of the proposed/existing Directors of the Company, RBI had advised NBFCs to constitute a NC. Accordingly, the NC was constituted on October 6, 2010. With the issue of non-convertible debentures in November 2015, the Company was regarded as a listed entity under the Companies Act and therefore the nomenclature of the Committee was changed from ‘Nomination Committee’ to ‘Nomination & Remuneration Committee’ to comply with the provisions of Companies Act, 2013. The scope of the NRC is governed by Companies Act to the extent applicable for the private company. Further, pursuant to the RBI Scale Based Framework, scope of NRC has been enhanced to comply with the provisions under the aforementioned RBI Framework.

## **NRC Constitution:**

Below is the NRC composition as at 31st March, 2023 and attendance at the meetings held during FY 2023

<b>Nomination &amp; Remuneration Committee Members</b>	<b>Category</b>	<b>Member of the Committee since</b>	<b>Attendance at NRC meetings for meetings required to be attended out of NRC meetings held during the financial year 2022-23</b>	<b>% Attendance</b>
Vikram Ramani	Committee Member	September 2022	1/1	100%
Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	Committee Member	September 2022	1/1	100%
Siddharth Jhunjunwala	Committee Member	March 2023	1/1	100%

### 3. Corporate Social Responsibility Committee (“CSR”)

The CSR Committee is a statutory committee formed pursuant to Section 135 of the Companies Act, 2013. The Committee is responsible for the Company’s CSR and Philanthropic strategy, administering CSR activities and ensuring compliance with the Companies Act 2013 and Rules, J.P. Morgan’s global philanthropic priorities and programs and J.P. Morgan India’s business priorities.

#### CSR Constitution:

Below is the CSR composition as at 31st March, 2023 and attendance at the meetings held during FY 2023:

<b>Corporate Social Responsibility Committee Members</b>	<b>Category</b>	<b>Member of the Committee since</b>	<b>Attendance at CSR meetings for meetings required to be attended out of CSR meetings held during the financial year 2022-23</b>	<b>% Attendance</b>
Vikram Ramani	Committee Member	September 2022	3/3	100%
Mayank Kabra	Committee Member	October 2019	4/4	100%
Harsh Bansal	Committee Member	October 2020	4/4	100%

## 4. Asset Liability Committee (“ALCO”)

The Asset Liability Committee of the Board is constituted in compliance with the RBI requirements. ALCO is required to be constituted to discharge the function of monitoring the asset liability gap and strategize action to mitigate the risk associated. The ALCO provides oversight of risk management, comprehensive management of Asset – Liability, strategic management of interest rate, guidelines and policies that govern the process by which risk assessment and management is undertaken.

### ALCO Constitution:

Below is the ALCO composition as at 31st March, 2023 and attendance at the meetings held during FY 2023:

ALCO Members	Category	Member of the Committee since	Attendance at ALCO meetings for meetings required to be attended out of ALCO meetings held during the financial year 2022-23	% Attendance
Vikram Ramani	Committee Member	September 2022	1/2	50%
Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	Committee Member	August 2021	1/4	25%
Harsh Bansal	Committee Member	October 2020	4/4	100%
Mayank Kabra	Committee Member	October 2019	4/4	100%
Akhil Choudhary	Committee Member	March 2021	4/4	100%

## 5. Risk Management Committee (“RMC”)

As per the RBI regulations, the RMC is required to be constituted in addition to ALCO to manage the integrated risk in this category of NBFCs. The RMC provides oversight of the risks inherent in the Company’s business in India, including but not limited to market risk, credit risk, structural interest rate risk and liquidity risk. It also provides oversight of the governance framework for operational risk.

## **RMC Constitution:**

Below is the RMC composition as at 31st March, 2023 and attendance at the meetings held during FY 2023:

<b>RMC Members</b>	<b>Category</b>	<b>Member of the Committee since</b>	<b>Attendance at RMC meetings for meetings required to be attended out of RMC meetings held during the financial year 2022-23</b>	<b>% Attendance</b>
Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	Committee Member	August 2021	1/3	33%
Harsh Bansal	Committee Member	October 2020	4/4	100%
Mayank Kabra	Committee Member	October 2019	4/4	100%

## **6. Credit & Investment Committee ("CIC")**

The Board of Directors ("BoD") of the Company at its meeting held on November 11, 2016 approved the proposal to constitute CIC which will be a sub-committee of BoD pursuant to Sec 179 of Companies Act, 2013. Section 179 of Companies Act 2013 authorizes the BoD to delegate its power to grant loans or give guarantee or provide security in respect of loans/ to any other committee of the Board. The mandate of the Committee is to consider loan and investment proposals which entail booking of credit and investment exposure to Company.

## **CIC Constitution:**

Below is the CIC composition as at 31st March, 2023 and attendance at the meetings held during FY 2023:

<b>CIC Members</b>	<b>Category</b>	<b>Member of the Committee since</b>	<b>Attendance at CIC meetings for meetings required to be attended out of CIC meetings held during the financial year 2022-23</b>	<b>% Attendance</b>
Harsh Bansal	Committee Member	October 2020	9/9	100%

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Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	Committee Member	August 2021	7/7	100%
Mayank Kabra	Committee Member	October 2019	7/9	77.78%

In addition to the above Committees, the Company has the below Committees:

### 7. IT Strategy Committee (“ITSC”)

ITSC is formed as per RBI Master Direction (“MD”) on IT Framework for NBFC Sector. The ITSC carries out review of the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

### 8. Anti-Sexual Harassments Complaints Committee (“Internal Committee”)

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (‘the Act’), the Board of Directors has approved the constitution of Internal Committee in order to comply with the provisions of the Act. The mandate of the Committee is to investigate any allegation /complaint from a women at the Company’s workplace in terms of the provisions of the Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Act”) and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 (“Rules”).

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 2022-23.

**General Body Meetings:**

<b>Sr. No.</b>	<b>Type of Meeting (Annual / Extraordinary)</b>	<b>Date and Place</b>	<b>Special Resolutions passed</b>
1.	Annual General Meeting	Date: 22/09/2022 Place: J.P. Morgan Tower, Off CST Road, Kalina, Santacruz (E), Mumbai - 400098, India (through video conferencing)	None. All resolutions passed were Ordinary Resolutions

**Internal Guidelines on Corporate Governance**

In accordance with the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, the Company has in place the Internal Guidelines on Corporate Governance and the same is also published on the website of the Company, for the information of the stakeholders.

**Details of non-compliance with requirements of Companies Act, 2013**

During the year under review, the Company has generally complied with the applicable provisions of Companies Act 2013.

**Details of penalties and strictures**

During the year under review, there have been no penalties or strictures imposed on the Company by the Reserve Bank or any other statutory authority.