

BOARDS' REPORT

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

Your Directors have pleasure in presenting the Twenty Sixth Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2024 ("Year Under Review" or "FY 2023-24").

1. FINANCIAL STATEMENTS & RESULTS:

a. Financial Results –

The Company's performance during the year ended 31st March, 2024 as compared to the previous financial year, is summarized below:

(INR in lakhs)

Particular	For the Financial year ended 2024 (INR)	For the Financial year ended 2023 (INR)
Total Revenue (Includes net loss on fair value changes)	35,709	25,339
Profit before Interest, Depreciation & Tax	32,896	22,144
Less: Interest	(986)	(944)
Less: Depreciation	(1)	(3)
Profit before tax	31,909	21,197
Less: Tax Expenses		
1. Current Tax (including Income Tax of previous year)	(7,899)	(4,674)
2. Deferred Tax	(328)	(801)
Net Profit after tax	23,682	15,722
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	5	(26)
Income tax relating to items that will not be reclassified to profit or loss	(1)	6
Other Comprehensive Income For The Year	4	(20)
Total Comprehensive Income For The Year	23,686	15,702

b. BUSINESS OUTLOOK:

The Company would continue its lending/ investment activities through loans and advances, corporate debentures, bonds, commercial papers & PT. 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.

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:

A dividend of INR 8,000,000 on 5% Cumulative Preference Shares for financial year 2023-24 was paid to the preference shareholders during the Year Under Review.

However, no dividend is recommended on the equity shares for the year ended March 31, 2024.

g. TRANSFER TO RESERVES:

During the year under review, the Board has recommended the transfer of an amount of INR 473,710,861 to special reserve under section 45-IC of the Reserve Bank of India Act, 1934.

h. CHANGES IN SHARE CAPITAL:

During the Year Under Review, there was a change in paid up capital of the Company on account of conversion of preference shares into equity shares.

As a background, the Company had issued 1,60,00,000 (one crore sixty lakh) cumulative convertible redeemable preference shares ("CCRPS") of INR 10/- (Indian rupees ten only) at a premium of INR 90/- (Indian rupees ninety only) each per share to J.P. Morgan International Finance Limited ("JPMIFL") on 23rd March 2004 for a period of twenty years, post which those preference shares could either be redeemed or converted into equity shares, as per the decision made by the Board of Directors of the Company. After evaluation of various options, the Company decided to convert the existing preference shares held by JPMIFL into equity shares.

At its meeting held on February 15, 2024, the Board of Directors of the Company approved the conversion of 16,000,000 5% Cumulative Convertible Redeemable Preference Shares (CCRPS) issued at a price of Rs.100/- per share, (Rs. 10 being the face value per share and Rs. 90 being the premium amount per share) into 17,241,379 equity shares of Rs. 10/- each, at a fair value of Rs. 92.80/- (bifurcated into Rs. 10 being the face value per share and Rs. 82.80 being the premium amount per share), as per the conversion ratio of 1.078 equity share per preference shares held, to J.P. Morgan International Finance Limited.

The conversion was completed / executed with effect from March 21, 2024.

Post-conversion, the paid up capital of the Company is Rs. 4,502,306,660/- (Rupees Four Hundred and Fifty Crore Twenty Three Lakh Six Thousand and Six Hundred and Sixty Only) divided into 450,230,666 Equity Shares of Rs.10/- (Rupees Ten Only) each.

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. Bhavin Shukla (DIN: 10072069) 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) 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). The shareholders of the Company confirmed the appointment of Mr. Bhavin Shukla and Mr. Nikhil Agarwal as Directors of the Company to be effective from June 6, 2023 and June 27, 2023 respectively at the Annual General Meeting held on September 14, 2023.

Mr. Ajay Banavalikar (DIN: 10593189) who was appointed by the Board as an Additional Director at its meeting held on April 26, 2024 shall hold office up to the date of ensuing Annual General Meeting. The Board recommends the appointment of Mr. Ajay Banavalikar as a Director of the Company to the Shareholders at the forthcoming Annual General Meeting of the Company.

During the financial year 2023-24 and as on the date of Board's Report, the following Directors resigned from the Board:-

Mr. Mayank Kabra resigned as a Director of the Company with effect from April 12, 2023.

Mr. Nikhil Agarwal resigned as a Whole-time Director of the Company with effect from November 3, 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
	13-Apr-23	6-Jun-23	27-Jun-23	28-Jul-23	11-Aug-23	14-Sep-23	27-Sep-23	8-Dec-23	9-Feb-24	14-Mar-24	
Vikram Ramani	A	A	A	A	A	A	A	A	A	A	A
Siddharth Jhunjhunwala	A	LOA	A	A	A	A	LOA	A	A	A	A
Naquiyah Abdulla	LOA		A	A	A	A	LOA	A	A	A	A

Ghadiyali (Naquiyah Aga)		LO A					A				
Harsh Bansal	LOA	A	A	A	A	A	A	LOA	A	A	A
Mahesh Aras	A	A	A	A	A	A	A	A	A	A	LOA
Bhavin Shukla	NA	NA	A	LOA	A	LOA	A	A	A	A	A

Note:

1. Mr. Nikhil Agarwal was appointed as a Whole-time Director of the Company effective June 27, 2023. Subsequently, he resigned as a Whole-time Director with effect from November 3, 2023. Therefore, he has not been included in the above list.
2. Mr. Bhavin Shukla was appointed as a Non-Executive Director of the Company w.e.f. June 6, 2023.
3. Ms. Naquiyah Aga resumed from her maternity leave from June 2023.

Name of the CSR Committee Member	Date of CSR Committee Meeting			
	6-Jun-23	27-Jun-23	7-Dec-23	14-Mar-24
Vikram Ramani	A	A	A	A
Harsh Bansal	A	A	A	A
Bhavin Shukla	NA	A	LOA	A

Note: Mr. Bhavin Shukla was inducted as a Member of the CSR Committee w.e.f. June 6, 2023.

#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 2024 i.e. on April 13, 2023, June 6, 2023, June 27, 2023, July 28, 2023, August 11, 2023, September 14, 2023, September 27, 2023, December 8, 2023, February 9, 2024 and March 14, 2024.

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 31st 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;

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:

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 2023-24 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

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, 2024:

- | | |
|------------------------------|--------|
| 1. Mr. Vikram Ramani | Member |
| 2. Mr. Siddharth Jhunhunwala | Member |
| 3. Ms. Naquiyah Aga | Member |

The scope and powers of the Committee are as prescribed by the aforementioned RBI

regulations. The Nomination and Remuneration Committee met 4 times during the year under review i.e. April 13, 2023, June 27, 2023, September 14, 2023 and January 11, 2024.

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, 2024:

1. Mr. Vikram Ramani	Member
2. Mr. Mahesh Aras	Member
3. Mr. Bhavin Shukla	Member
4. Ms. Naquiyah Aga	Member

The Audit Committee met 4 times during the year under review i.e. June 6, 2023, September 14, 2023, December 8, 2023 and March 14, 2024. 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 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:

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:**

Pursuant to the 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) vide 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') and based on the recommendation of the Audit Committee and the Board of Directors of the Company and the confirmation received from M/s CNK & Associates LLP (Firm Registration Number: 101961 W/W-100036) on their eligibility, subject to the approval of the Members of the Company, M/s CNK & Associates LLP (Firm Registration Number: 101961 W/W-100036) will be appointed for a period of three years from the conclusion of this AGM till the conclusion of AGM to be held in 2027 to conduct the statutory audit from FY 2024-25 till the FY 2026-27 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

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 95 lakhs (previous year: INR 57 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 160 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 2023-24.

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: 9th Sep'24


Vikram Ramani

Whole-time Director & CEO

DIN: 09722062


Harsh Bansal

Whole-time Director

DIN: 08878571

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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 7th 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:

Over the past year, the excess liquidity in the banking system has slowly been withdrawn as we come out of the exceptional measures deployed during covid. As a results banks are not

chasing assets with the same gusto and there are more opportunities to lend at attractive spreads. Also the regulator has added risk weights for NBFCs which in turn does also constrain them in some way. Again this helps in providing attractive lending opportunities in the market.

e) OUTLOOK:

The Company would continue its lending/ investment activities through loans and advances, corporate debentures, bonds, commercial papers & PT. 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 Advisory Group
- New Joiner Experience
- Talent and Career Development Experience
- Rewards, Regulatory & Policy
- Employee Digital & Service Experience

As at 31 Mar 2024, the Company employed 21 staff.

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 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, 2024:

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	Vikram Ramani	Whole-time Director & CEO	4	4
2	Harsh Bansal	Whole-time Director	4	4
3	*Bhavini Shukla	Non-Executive Director	4	2

*Mr. Bhavini Shukla was appointed as a Director and subsequently as a member of CSR Committee w.e.f. June 6, 2023. Hence, was required to attend only 3 meetings.

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/disclosures/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-

5. (a) Average net profit of the company as per section 135(5): INR 2,323,486,190
- (b) Two percent of average net profit of the company as per section 135(5): INR 46,469,972
- (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 46,469,972
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). INR 47,118,000
- (b) Amount spent in Administrative overheads.
- (c) Amount spent on Impact Assessment, if applicable.
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. INR 47,118,000
- (e) CSR amount spent or unspent for the financial year: INR 47,118,000

	Amount Unspent (Rs.)
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Total Amount Spent for the Financial Year. (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	Amount.	Date of transfer.
INR 47,118,000	INR 44,800,000	23rd April 2024			

*Note: Total amount spent for the FY 2023-24 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	INR 46,469,972
(ii)	Total amount spent for the Financial Year	INR 47,118,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	INR 648,028
(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)]	INR 648,028

*For the excess amount spent, the Company decides to avail set off.

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	Date of transfer.	
1	2022-23	INR 40,057,600	INR 27,314,508			17,867,151

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

No.

9. (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.	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 as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1	Enabling growth of women microbusinesses	Small Business	Yes	Maharashtra	Pune, Mumbai	24	29,000,000	2000,000	27,000,000	No	Seva Sahayog Foundation	CSR00000756

[illegible]

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

[illegible]

(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 Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year (in Rs.).	Status of the project - Completed /Ongoing.
1		Youth Employability	2022-23	12	9,500,000	8,907,000	9,500,000	Completed
2		Entrepreneurial skills training for young women in Mumbai and Bengaluru	2022-23	18	30,180,000	1,11,07,508	16,245,449	Ongoing
3		Bulandi Livelihood Programme.	2022-23	18	11,832,600	7,300,000	7,900,000	Ongoing

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).

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

Place: Mumbai

Date: 9th Sep '24

Vikram Ramani

Whole-time Director & CEO

DIN: 09722062

Harsh Bansal

Whole-time Director

DIN: 08878571

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, 2024. 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.	Siddharth Jhunhunwala	19/09/2022	Non-Executive Director	01155847	None
5.	Mahesh Ramdas Aras	26/02/2020	Non-Executive Director	08698808	None
6.	Bhavin Vipin Shukla	06/06/2023	Non-Executive Director	10072069	None
7.	Ajay Jagannath Banavalikar	26/04/2024	Non-Executive Director	10593189	None

Annexure- III

Changes in Board Members during FY 2024 i.e. 1st April 2023 to 31st March 2024 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.	Mayank Kabra	Non-Executive Director	Resignation	12/04/2023
2.	Bhavin Vipin Shukla	Non-Executive Director	Appointment	06/06/2023
3.	Nikhil Agarwal	Whole-time Director	Appointment	27/06/2023
4.	Nikhil Agarwal	Whole-time Director	Resignation	03/11/2023
5.	Ajay Jagannath Banavalikar	Non-Executive Director	Appointment	26/04/2024

Number of Board Meetings

The Board of Directors met ten times during the financial year ended 31st March 2024 i.e. on April 13, 2023, June 6, 2023, June 27, 2023, July 28, 2023, August 11, 2023, September 14, 2023, September 27, 2023, December 8, 2023, February 9, 2024 and March 14, 2024. 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 2023-24	% Attendance
1.	Vikram Ramani	10/10	100%
2.	Siddharth Jhunjunwala	8/10	80%
3.	Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	7/10	70%
4.	Harsh Bansal	8/10	80%
5.	Mahesh Aras	10/10	100%

Annexure- III

6.	Bhavin Shukla	6/8	75%
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Note:

1. Mr. Nikhil Agarwal was appointed as a Whole-time Director of the Company effective June 27, 2023. Subsequently, he resigned as a Whole-time Director with effect from November 3, 2023. Therefore, he has not been included in the above list.
2. Mr. Bhavin Shukla was appointed as a Non-Executive Director of the Company w.e.f. June 6, 2023.
3. Ms. Naquiyah Aga resumed from her maternity leave from June 2023.

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

As on 31st March 2024, 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 2024, 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, 2024:

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, 2024 and attendance at the meetings held during FY 2024:

Audit Members	Committee	Category	Member of the Committee since	Attendance at AC meetings for meetings required to be attended out of AC meetings held	% Attendance

Annexure- III

			during the financial year 2023-24	
Vikram Ramani	Committee Member	September 2022	4/4	100%
Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	Committee Member	August 2021	3/4	75%
Mahesh Aras	Committee Member	May 2023	4/4	100%
Bhavin Shula	Committee Member	June 6, 2023	2/3	66.67%

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, 2024 and attendance at the meetings held during FY 2024.

Nomination Remuneration Committee Members	&	Category	Member of the Committee since	Attendance at NRC meetings for meetings required to be attended out of NRC meetings held during the financial year 2023-24	% Attendance
Vikram Ramani		Committee Member	September 2022	4/4	100%
Naquiyah Abdulla Ghadiyali (Naquiyah Aga)		Committee Member	September 2022	2/4	50%
Siddharth Jhunjunwala		Committee Member	March 2023	4/4	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, 2024 and attendance at the meetings held during FY 2024:

Corporate Social Responsibility Committee Members	Category	Member of the Committee since	Attendance at CSR meetings for meetings required to be attended out of CSR meetings held during the financial year 2023-24	% Attendance
Vikram Ramani	Committee Member	September 2022	4/4	100%
Bhavin Shukla	Committee Member	June 2023	2/4	50%
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, 2024 and attendance at the meetings held during FY 2024:

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 2023-24	% Attendance
Vikram Ramani	Committee Member	September 2022	4/4	100%
Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	Committee Member	August 2021	2/4	50%
Harsh Bansal	Committee Member	October 2020	4/4	100%
Mr. Bhavin Shukla	Committee Member	June 2023	3/3	100%
Akhil Choudhary	Committee Member	March 2021	3/4	75%

5. Risk Management Committee (“RMC”)

The Risk Management Committee of the Board is constituted in compliance with the RBI requirements. The JPMSI RMC provides oversight of the risks inherent in the JPMSI’s business in India at the legal entity level, including market risk, credit risk, liquidity risk and structural interest rate risk. It also provides oversight of the governance frameworks for operational risk, reputational risk and compliance risk as appropriate at JPMSI level, complemented by regional risk committees that provide regional oversight over all such risks.

RMC Constitution:

Below is the RMC composition as at 31st March, 2024 and attendance at the meetings held during FY 2023-2024:

RMC Members	Category	Member of the Committee since	Attendance at RMC meetings for meetings required to be attended out of RMC meetings held	% Attendance
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Annexure- III

			during the financial year 2023-24	
Harsh Bansal	Committee Member	October 2020	5/5	100%
Naquiyah Aga	Committee Member	September 2021	2/3	67%
Mahesh Aras	Committee Member	May 2023	3/5	60%
Bhavin Shukla	Committee Member	June 2023	3/ 4	75%

Note: Member who could not attend the meeting due to reasons outside the control of member e.g., mandatory leave, in such cases the missing attendance is not counted.

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, 2024 and attendance at the meetings held during FY 2024:

CIC Members	Category	Member of the Committee since	Attendance at CIC meetings for meetings required to be attended out of CIC meetings held during the financial year 2023-24	% Attendance
Harsh Bansal	Committee Member	October 2020	9/9	100%
Naquiyah Abdulla Ghadiyali (Naquiyah Aga)	Committee Member	August 2021	9/9	100%
Bhavin Shukla	Committee Member	October 2019	7/8	87.5%

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 2023-24.

General Body Meetings:

Sr. No.	Type of Meeting (Annual / Extraordinary)	Date and Place	Special Resolutions passed
1.	Annual General Meeting	Date: 14/09/2023 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.