

May 6, 2020

BSE Limited
Department of Corporate Services
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort,
Mumbai 400001

National Stock Exchange of India Limited
Exchange Plaza
Plot No.C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

Security Code: **523405**

Symbol: **JMFINANCIL**

Dear Sirs,

Sub: Corporate Presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Para A of Part A of Schedule III thereto, we wish to inform you that a corporate presentation by JM Financial Asset Reconstruction Company Limited (a material subsidiary) is being uploaded on the website of the Company viz., www.jmfl.com for information of the investors. A copy of the said presentation is attached.

We request you to disseminate the above presentation on your website.

Thank You.

Yours faithfully,
for JM Financial Limited

A handwritten signature in blue ink, appearing to read "Prashant Choksi".

Prashant Choksi
Group Head – Compliance, Legal
& Company Secretary



**JM Financial
Asset Reconstruction Company
Limited (JMFARC)**

Corporate Presentation

May 2020

Safe Harbour

This presentation and the following discussion may contain “forward looking statements” by JM Financial Asset Reconstruction Company Limited (“JMFARC”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current beliefs, assumptions, expectations, estimates and projections of the management of JMFARC about the business, industry and markets in which JMFARC operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond JMFARC’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not and should not be construed as a representation of future performance or achievements of JMFARC. In particular, such statements should not be regarded as a projection of future performance of JMFARC. It should be noted that the actual performance or achievements of JMFARC may vary significantly from such statements.

The Financial Results of JMFARC commencing from April 1, 2018 are being prepared in accordance with the applicable Indian Accounting Standards, whereas the Financial Results till March 31, 2018 were being prepared as per the applicable Indian GAAP. Due to the above change, figures for the period prior to March 31, 2018 are not comparable with the figures post April 1, 2018. Similarly, the figures wherever appearing in the presentation for the period prior due to implementation of the Ind As are not comparable with the figures post April 2018

Business Highlights

Strong Balance Sheet

- JMFARC is the 3rd largest capitalised ARC with net worth of Rs. 1,450 Crore (as on March 31, 2020)
- JM Financial Ltd (JMFL) is the holding company with 59.25% holding, balance equity held by Banks, HNIs & FII
- JMFARC concluded issuance of CCDs (convertible in 3 years) of Rs 200 crore during FY 2019-20

Acquisitions & Resolutions

- Aggregate dues of Rs. 60,363 Crore acquired till March 31, 2020 at a price of Rs. 17,069 Crore
- JMFARC's cash investment of Rs. 4,727 Crore and Loan disbursed Rs. 773 Crore till March 31, 2020
- Total recovery from acquired assets Rs. 8,547 Crore till March 31, 2020 with focus on turnaround of underlying companies
- All Acquisition/ Pre-Acquisition Due Diligence (both Legal & Financial) & Resolution/Recovery activities are conducted in-house with the specialised support from outside agencies.
- For revival & restructured assets we closely work with diverse sector specific professionals and sector specialised firms for revival of the acquired units.

Team Strengths

- Management team is guided by Board with huge domain experience
- Highly professional team of 55 personnel comprising of CAs, CFAs, Engineers, Management & Law Graduates having a wide and varied experience from the banking, asset reconstruction, consultancy and legal background.
- Of the total number of employees, ~1/4th of the total number have been with the company for more than 5 years.
- The team is fairly balanced across various functions i.e. Acquisition, Resolution, Legal and Corporate Functions
- Corporate office in Mumbai. Branches in Bangalore, Kolkata and Borivali (Mumbai)

JMFARC Overview

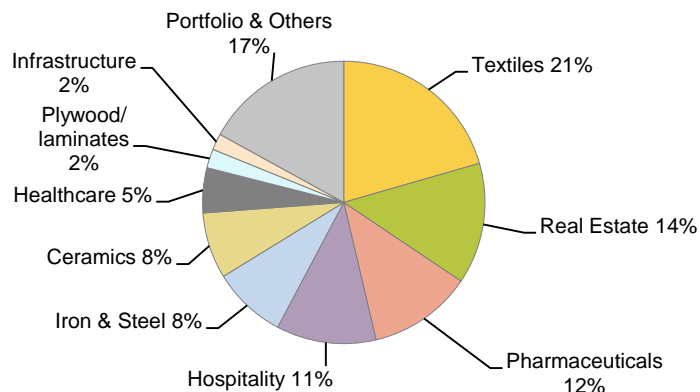
Summary of Assets Acquired & Outstanding

as on **March 31 2020**

Assets Acquired (Gross) & Security Receipts Outstanding

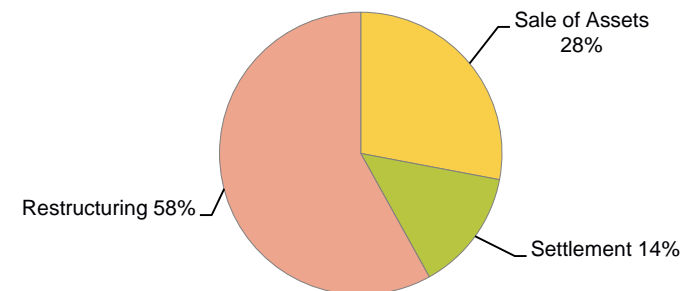
- Acquired financial assets of Rs. 60,363 Crore (Total dues)
- Total Acquisition Cost Rs. 17,069 Crore, acquired in 180 trusts from 78 Banks/FIs/NBFCs
- Contribution by JMFARC in acquisitions Rs. 4,727 Crore
- 34% acquired at 100% dues and balance 66% acquired at 21%. Average acquisition cost of 28%
- Total Security Receipts Outstanding - Rs.11,489 Crore
- Total Security Receipts outstanding JMFARC - Rs.3,012 Crore. Additional Loan outstanding – Rs. 505 Crore

Industry - wise Exposure



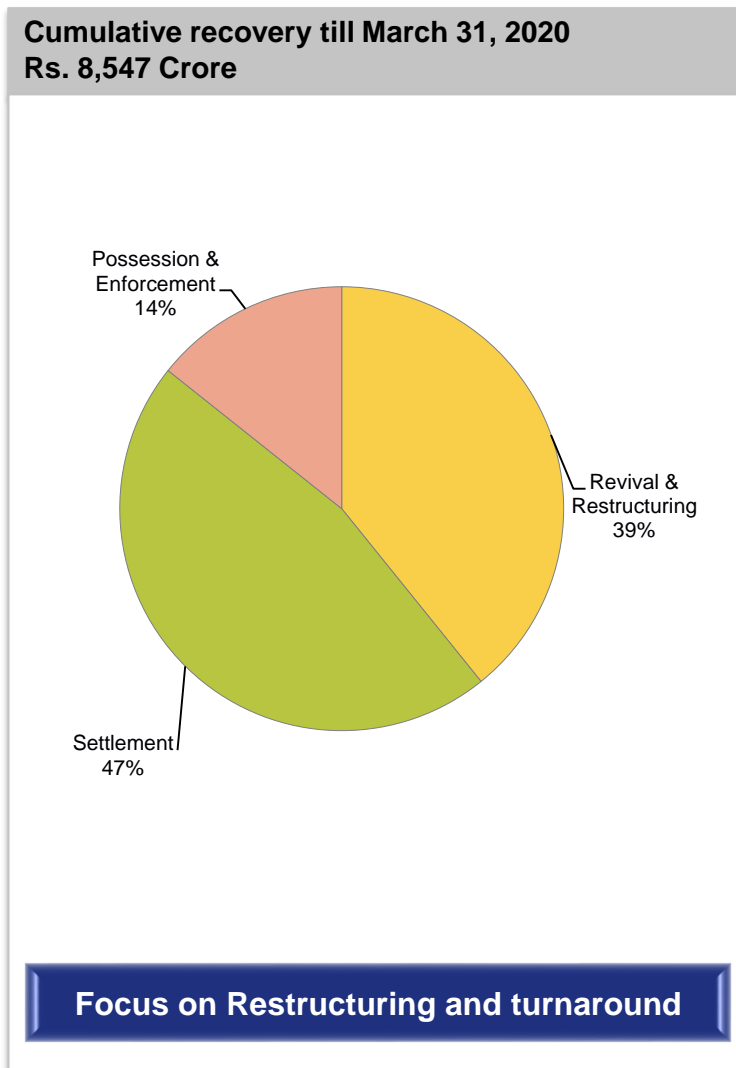
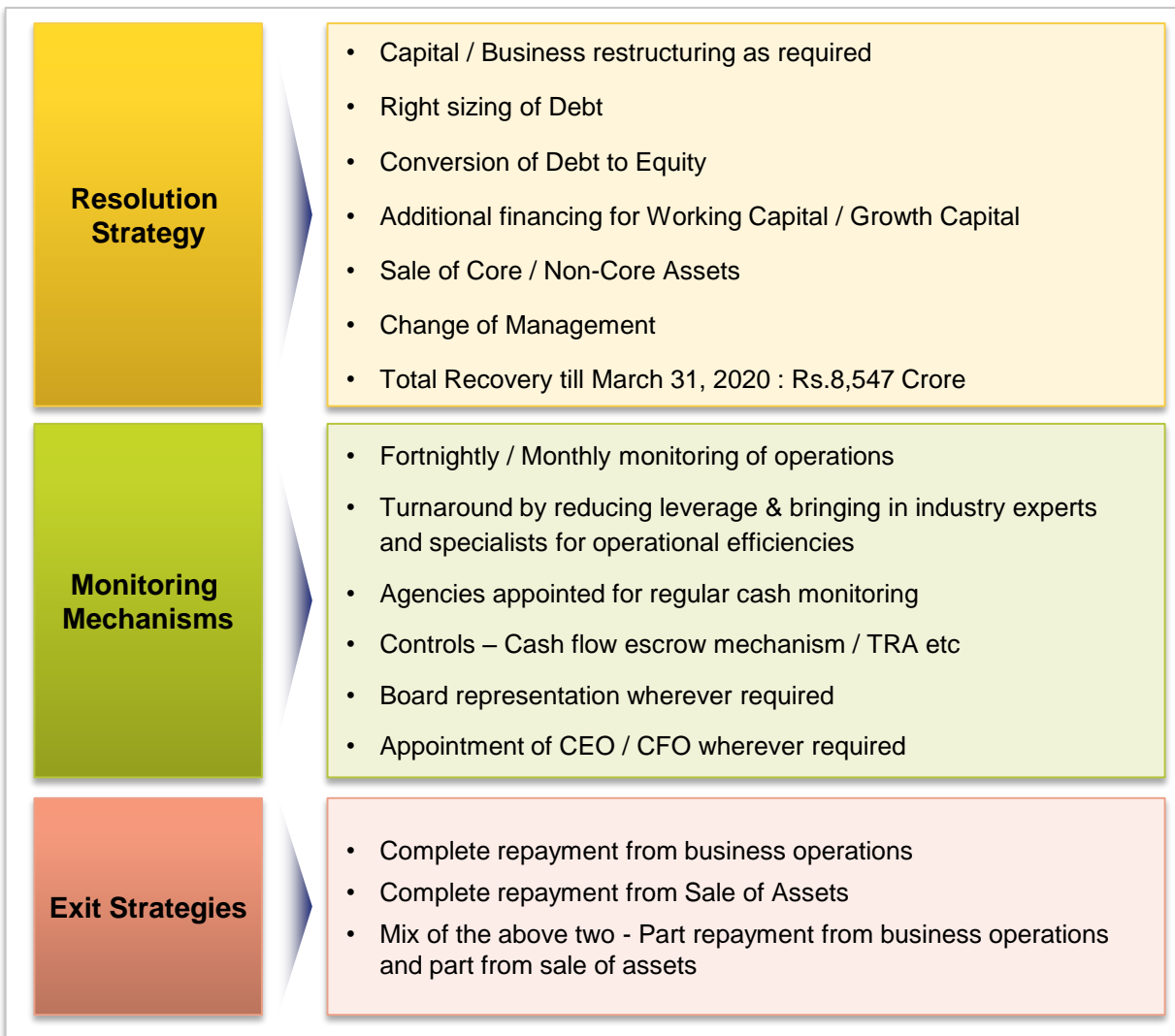
Outstanding SRs – Rs.11,489 Crore – March 31, 2020

Proposed Recovery Strategy of Outstanding SRs (existing AUM)



Outstanding SRs - Rs.11,489 Crore – March 31, 2020

Resolution and Recoveries



Accounting for JMFARC

Accounting Framework

- Accounting within the framework of IND AS issued by MCA

Revenue Recognition

- Main items of revenue - Management Fees, Interest and Upside/ Profit (grouped under Fair Value Gains/Losses)
- The recognition of revenue is as per the terms of the contract of specific trusts
- Management Fees is charged as a percentage of the NAV of SRs (lower rating range) or AUM if NAV is not yet declared. Appropriate fair valuation of revenue done for the timing of realisation of the revenue
- Upside / Profit recognised on realisation after redemption of SRs over and above the Fair Value gains recognised

Valuation of Investment in SRs

- In both Consolidated and Standalone Financials, Investment in SRs/ Financial Assets are valued at Fair Value
- Latest declared NAV is considered as Fair Value. NAV is declared every six months. Material updations factored in Fair Valuation of the interim period
- Impairment and appreciations accounted at an individual SR level. Gains / losses on Fair Value accounted through P&L

Impairments under Expected Credit Loss Method (ECL)

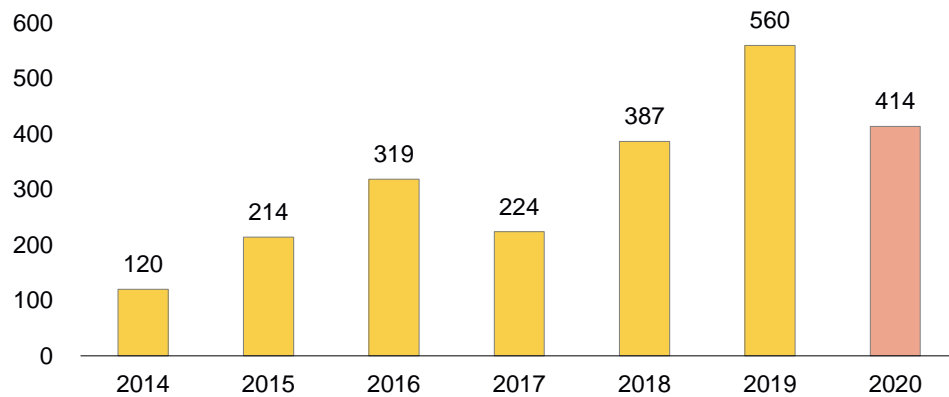
- Provision against unrealised management fees are made in cases where the NAV of the respective trust is zero
- Similar provisions are made for loans and advances to trust for expenses
- Provision on balance receivables for management fees from and loans and advances to the trust is worked out on the basis of historical information under Expected Credit Loss method
- Provision on additional loans from Balance Sheet made on the basis of Expected Credit Loss Method

Income and Profitability has inherent lumpiness due to the nature of business

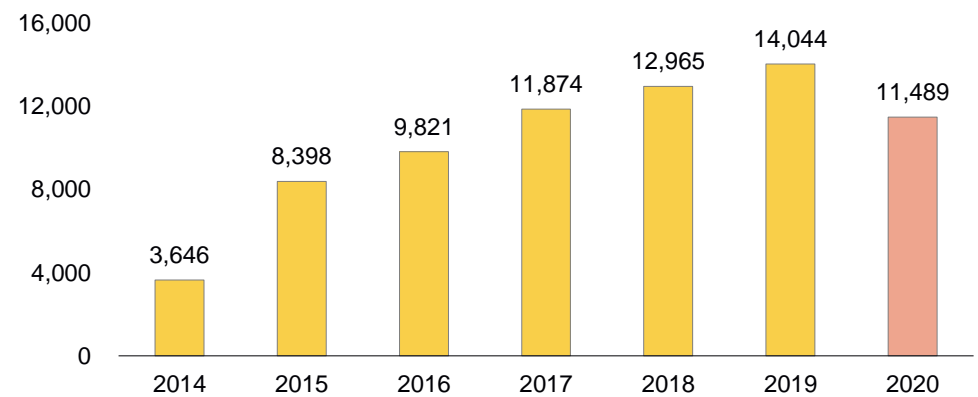
JMFARC Financial Performance

Last 7 years trend

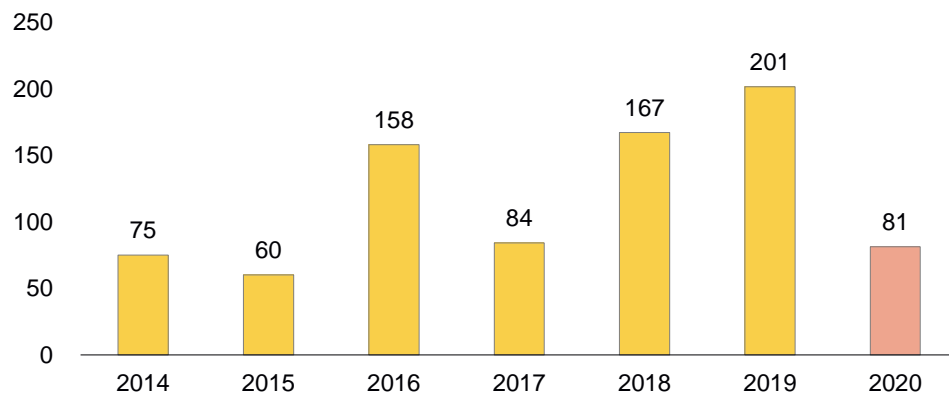
Total Income
(Rs.Crore)



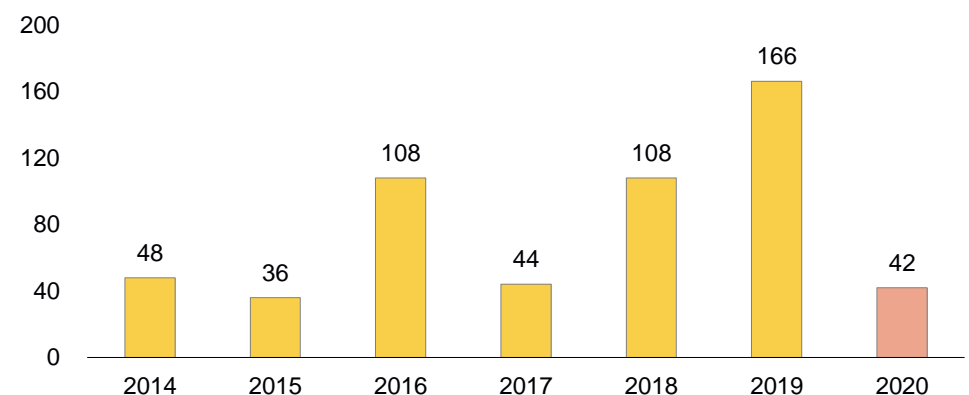
AUM
(Rs.Crore)



Profit Before Tax
(Rs. Crore)



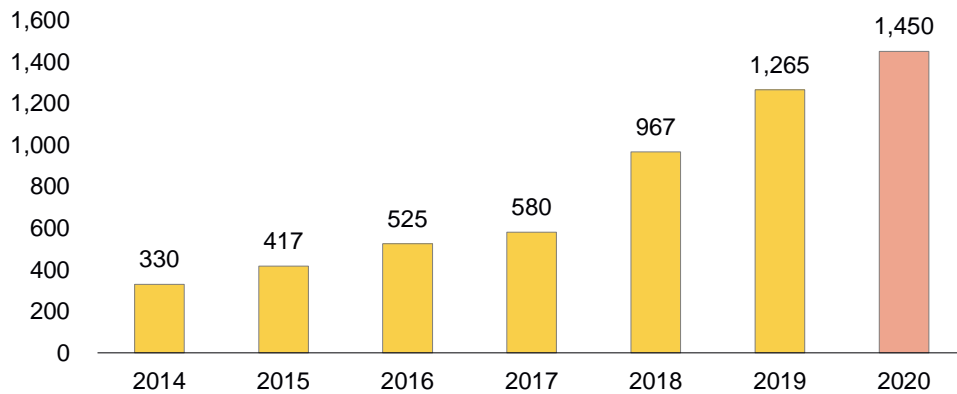
Profit After Tax
(Rs.Crore)



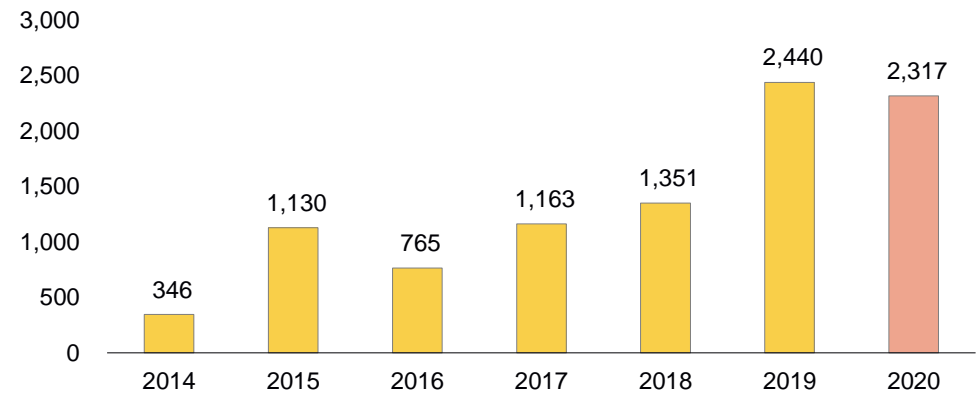
JMFARC Financial Performance

Last 7 years Trend

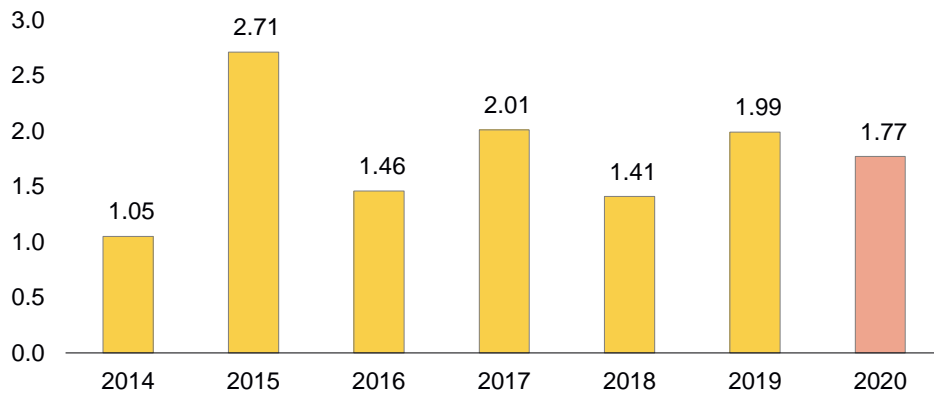
Networth
(Rs.Crore)



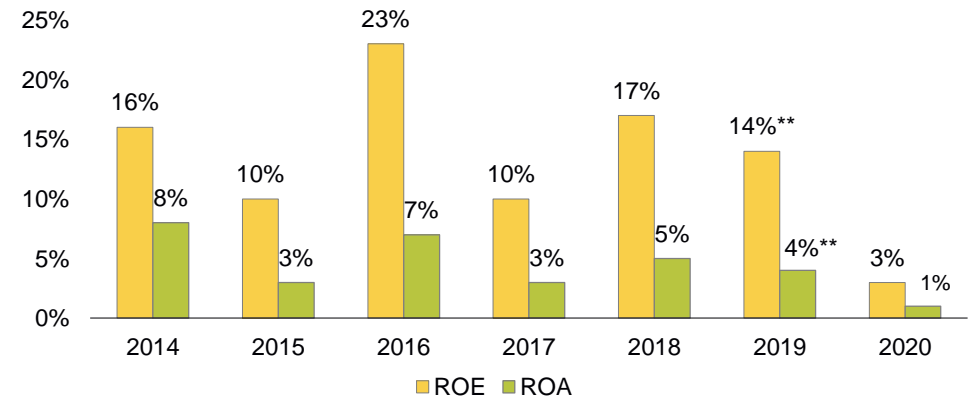
Total Borrowings
(Rs.Crore)



Debt Equity
(x)



ROE & ROA
(%)



* Weighted Average networth for FY 18 since there was equity infusion

^ FY 2019 Networth number is under INDAS as per Consolidated Financials. Numbers upto FY 2018 is under IGAAP YE March 31

** ROA and ROE for FY 2019 is on the restated INDAS networth & assets of FY2018. On the IGAAP YE FY2018 networth/assets the ROE and ROA would be 15% and 5% respectively
Borrowing numbers are principal borrowing. Gearing is gross gearing

Liability Profile and Credit Rating

Credit Rating

Bank Loan of Rs. 1,500 Crore

Non Convertible Debentures of Rs. 2,400 Crore

Commercial Paper of Rs. 300 Crore

Market Linked Debentures of Rs.600 Crore

ICRA & CRISIL AA- (Stable)

(ICRA rating is for bank limits of Rs 1500 crore & CRISIL Rating for Rs 200 crore)

ICRA & CRISIL AA- (Stable)

(ICRA rating is for NCD of Rs 2400 crore CRISIL Rating for Rs 800 crore)

ICRA & CRISIL A1+

(CRISIL & ICRA rating for CP limits of Rs 300 crore)

PP-MLD [ICRA]AA-(Stable)

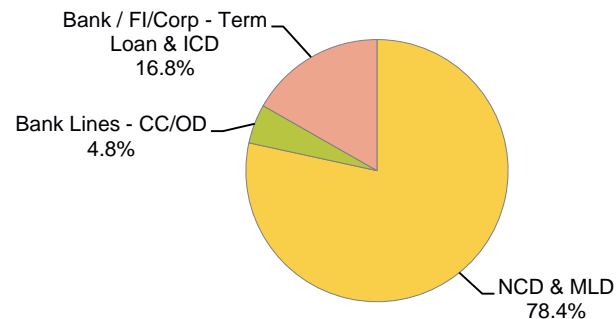
(ICRA limit of Rs. 600 crore)

Liability Profile (instrument wise)

As on March 31, 2020

• **Net Gearing Ratio:**
1.59

• **Surplus liquidity as on March 31, 2020 Rs. 418 crore comprising of bank balances/FDs and unutilised sanctioned bank limits**



March 31, 2020 : Total Borrowings: Rs.2,317 Crore

Gearing Philosophy

- Gearing of maximum 2 times
- At least 90% to be funded by way of Medium / Long term NCDs, Term Loans, Long term ICD and Bank CC lines
- The CP borrowings would be capped to 10% of the total borrowing. CPs to be issued for 6M and 1yr only

Total Borrowing represents principal amount and excludes interest accrued & debt component of CCDs

Annexure 1

Select Case Studies - Acquisitions

Project Textile

Company Overview

- Company is a vertically integrated textile company engaged in the manufacturing and sale of a wide range of fabrics and garments
- Company manufactures a wide variety of fabrics and garments through various manufacturing facilities spread across Maharashtra and Karnataka.
- The annual fabric processing capacity of the company is 225 million meters and 30 million pieces of garments

ARC Investment

- Acquired the debt from 12 consortium lenders ~ 85% of the total debt
- JMFARC also granted additional loan of Rs.187 crores; proceeds utilized towards immediate working capital and partly towards settlement of other consortium lenders

Before Acquisition

- Company had been under stress due to large scale expansion and investments
- Company could not achieve expected revenues for both fabric and garments due to inability to meet timely deliveries which are more stringent in export markets
- Company was operating at low capacity utilization and there are outstanding statutory dues as well
- The price of the cotton, one of the major raw materials suddenly spiked by 20%. This has adversely impacted the profitability of the Company
- Company could not meet the obligations as per debt restructuring scheme under CDR and S4A therefore both the schemes failed

JMFARC Role

- Assessed the company's existing operations and conducted an extensive diligence
- Aggregated debt from 12 lenders with a total share of 85% in the total debt of the company, thus enabling faster decision making
- Additional mortgage on the unencumbered assets created in favour of JMFARC; beefed up the security profile by Rs. 125 crores
- JMFARC recovered Rs. 210 crores through sale of non-core assets (mortgaged as well as personal assets of the promoters)
- E&Y team has been appointed for monitoring the current operations and cash flows of the company

Post Acquisition Impact

- Restructure dues of JMFARC at sustainable levels; take equity stake in the company by converting part of unsustainable portion of debt
- Additional working capital facilities to boost the operations of company
- Company has also set up manufacturing lines for production of masks & PPE suits at Bangalore unit
- Sell other non-core assets of the company
- Exploring the options - tie up with strategic/ financial investors in yarn-dyeing & fabric process unit

Project Pharma

Company Overview

- Engaged in the manufacturing and sale of Intermediates and Active Pharmaceutical Ingredient (APIs). Also engaged in contract manufacturing
- Has 8 manufacturing facilities including 2 USFDA API approved plants and 1 USFDA approved Intermediate unit.
- Current product profile mainly comprises cardiovascular and antibacterial products.

ARC Investment

- Acquired 100% of the first charge and second charge and ~96% of the total debt
- Additional funds infusion by JM Financial ARC for working capital and growth capital
- 26% equity stake in the company by way of conversion of debt into equity.

Before Acquisition

- Inability to leverage existing capabilities due to lack of funds
- Units of the company were shut for last 2-3 years thus startup capex was essential.
- Company was under winding up process due to legal actions taken by some of the lenders
- The lender base was extremely fragmented. Herculean task of aggregation of loans from wide number of lenders.
- Security structure is very fragmented amongst various lenders.
- Lot of litigations filed by lenders against Arch

JMFARC Role

Operational:

- Agency appointed for cashflow monitoring via Escrow mechanism
- Engaged pharma experts to vet the business plan and also to oversee the operations of the Company

Financial:

- Restructured the dues to a sustainable level and infused additional funds to shore up working capital, undertake capex activity and clear pressing statutory dues.

Strategic:

- Adjourn winding up process sine die
- Monetisation of few assets to reduce the debt

Post Acquisition Impact

- Aggregation of dues from most of the secured lenders mitigated the risk of legal recovery action.
- With the help of infused funds, Company re-started most of its units.
- Cessation/ Suspension of the legal cases against the Company brought confidence to customers and vendors – helped management to focus on revival of operations.
- Sale of non-core assets to reduce the debt
- Company has since then become EBITDA positive on a sustained basis and is on a growth path
- Prospects for Pharma Companies are look good due to increased focus on healthcare around the globe

Project Pan India

Company Overview

- Among the largest real estate developer in development of residential and commercial complexes across India;
- The group has delivered more than ~30 Mn sq ft and further 32 Mn sqft in various stages of development.
- JMFARC has acquired 13 projects with saleable area of 13 Mn sq ft
- In Jan 2020, Supreme Court has appointed a New Board and directed them to prepare a resolution framework for revival of Company.

ARC Investment

- Acquired 100% of the total debt of 13 projects
- JMFARC further sanctioned priority funding for construction and other project related expenses to enable completion

Before Acquisition

- Company was facing severe liquidity problems due to a massive slowdown in key real estate market where Company had maximum exposure
- Construction halted on most of the sites and very slow pace of construction on operational site due to stretched cash flows
- Construction had not started at all at few sites after several years of launch
- Company was facing active litigation from various stakeholders i.e customers, suppliers, JV partners, lenders, etc
- Mounting liabilities such as delay penalties, statutory payments etc.

JMFARC Role

Operational:

- Allowing collections from sales for construction so that there is continuity of work at operational sites
- Active monitoring to maintain discipline

Financial:

- Infusion of additional funds to restart and ramp up the pace of construction at various project sites
- Restructured the repayment terms in order to focus on construction and achieve deliveries

Strategic:

- Prioritized sites for construction
- Engaging with customers and authorities to find out solutions and way forward
- Identifying and monetizing few core/non-core assets to aid construction at all sites & repay debt

Post Acquisition Impact

- Construction has been sustained at few project sites which were halted for long before takeover of debt while the pace of construction was accelerated at other sites.
- Milestones achieved on some of the projects :
 - Project 1: 9 residential towers and a commercial block delivered ; 589 units handed over. The project was able to achieve sales and arrest cancellations
 - Project 2: 224 units handed over
- Sold part of mortgaged land assets. Funds used to pay debt & aid construction of projects
- Prior to appointment of New Board, discussions with buyers of 2 projects were underway to finalise the plan for completion. In addition discussions were underway for monetisation of 4 other assets.
- The Resolution plan as prepared by New Board is awaited post which the future strategy will be determined.

Project Ceramics

Company Overview

- Premium brand in India engaged in manufacturing of tiles (ceramic and vitrified), processing and refining of marbles,
- Tiles and marble operations in Western India, non-core real estate in multiple locations.

ARC Investment

- Acquired 98% of the total debt,
- Additional funds infusion by JM Financial ARC for revival of business.

Before Acquisition

- Debt pile-up in a competitive product market with high costs and eroding margins,
- Lack of working capital due to non-availability of funds to revive and scale up operations,
- Loss of market share due to imposition of anti-dumping duty on imports and subsequent shift in business model from imports to local manufacturing,
- Collective efforts by the banks to arrive at a resolution did not succeed.

JMFARC Role

Financial

- JMFARC aggregated debt from 16 lenders,
- Financial and capital restructuring substantially reduced debt servicing burden,
- Infused funds to strengthen working capital position and revive business,
- Monitoring performance and cash flow (escrow arrangement),
- Strengthen audit,
- JMFARC has nominated two (lenders') Nominee Directors to the Board.

Capital rationalization

- Restructured capital by reducing debt to a sustainable level including conversion to long-dated instruments (pref-shares, NCD, equity),
- Debt servicing aligned with expected cash from operations and sale of non-core assets.

Post Acquisition Impact

- Aggregation of dues from all secured lenders mitigated the risk of legal recovery action,
- Infusion of funds improved working capital,
- Downslide of revenue and margins were checked through cost controls and improvement of working capital cycle,
- Company is focusing on retail tiles business and constantly growing its dealer network across the Country. The retail network expanded to more than 5,000 outlets,
- Company is trying to grow export business and has received order of 3.8 lakh sq. mtr. tiles from a prestigious US based retailer.
- JMFARC and the Borrower identified non-core assets which are owned by the Borrower or the promoters / guarantors and are being liquidated to repay debt.
- In advance stages of discussions with few parties for developing surplus land parcel at Mumbai having development potential of upto 1.5 mln sq ft for commercial and retail use.

Annexure 2

Select Case Studies – Closed/Exited Accounts

Select Case Studies

| | Project Resin | Project Retail | | | | | | | | | | | | |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------|--------|-----|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------|--------------------|--------|-----|-----|
| Company Background | <ul style="list-style-type: none"> Engaged in manufacturing and trading of resins Non-operational unit | <ul style="list-style-type: none"> Acquisition of 3.76 lakh Personal Loan & Credit Cards accounts spread across 24 locations | | | | | | | | | | | | |
| Challenges & Opportunities | <ul style="list-style-type: none"> Price expectation mismatch between bank and JMFAARC for acquisition of debt Class A-Class B transaction structure to meet bank's expectations – Providing the banks substantial cash upfront and opportunity to share the upside Risk of long drawn resolution because of ongoing litigations and an existing court order in favour of the borrower | <ul style="list-style-type: none"> Establishing point of contact with large number of customers, as many of them were non-traceable Grievance handling Adhering to strict compliance requirements for Recovery Agencies and Agents stipulated by RBI and Indian Banks' Association Setting up robust IT infrastructure for capturing customer profile, agency allocation and follow up trail, collection and reconciliation | | | | | | | | | | | | |
| Resolution Plan and Recovery | <ul style="list-style-type: none"> Initiated legal actions against the company and promoters on multiple forums <ul style="list-style-type: none"> Pursued sale of mortgaged properties through SARFAESI Act Attached personal properties of promoter through DRT Negotiated settlement with the promoter through sale of mortgaged property Account resolved within 2 years | <ul style="list-style-type: none"> JMFAARC took over the servicing, collection and monitoring and appointed a nodal management agency Tele Calling, Field Visits and Skip Tracing Agencies appointed to achieve the last mile connectivity with customers Following infrastructure and mechanisms were set up for effective recovery and real time monitoring: <ul style="list-style-type: none"> More than 100 collection agencies with more than 750 agents 3 tier mechanism for redressal of consumer grievance Periodic audits/checks conducted on agencies/ agents to ensure recovery / compliance with regulations Decentralization of settlement process to ensure faster decision making | | | | | | | | | | | | |
| Resolution | <table border="1"> <tr> <td>Year of Acquisition</td> <td>Sep-10</td> </tr> <tr> <td>Year of Resolution</td> <td>May-12</td> </tr> <tr> <td>IRR</td> <td>30%</td> </tr> </table> | Year of Acquisition | Sep-10 | Year of Resolution | May-12 | IRR | 30% | <table border="1"> <tr> <td>Year of Acquisition</td> <td>Jun-11</td> </tr> <tr> <td>Year of Resolution</td> <td>Mar-13</td> </tr> <tr> <td>IRR</td> <td>68%</td> </tr> </table> | Year of Acquisition | Jun-11 | Year of Resolution | Mar-13 | IRR | 68% |
| Year of Acquisition | Sep-10 | | | | | | | | | | | | | |
| Year of Resolution | May-12 | | | | | | | | | | | | | |
| IRR | 30% | | | | | | | | | | | | | |
| Year of Acquisition | Jun-11 | | | | | | | | | | | | | |
| Year of Resolution | Mar-13 | | | | | | | | | | | | | |
| IRR | 68% | | | | | | | | | | | | | |
| Critical Success Factor | <ul style="list-style-type: none"> Transaction Structure Negotiated settlement at a higher amount despite court order | <ul style="list-style-type: none"> Low Cost of Acquisition Establishing pan-India reach for collection/recovery Strategizing recovery efforts for front ended returns Strict monitoring & compliance resulting in minimal complaints | | | | | | | | | | | | |

Select Case Studies (cont'd)

| | Project Poultry | Project Paint | | | | | | | | | | | | |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------|--------|-----|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------|--------------------|--------|-----|------|
| Company Background | <ul style="list-style-type: none"> Integrated poultry breeder located in Western India Promoter having more than 45 years of experience in the business Group's businesses include Hatching Eggs, Day-Old-Chicks (DOC), Grand Parent Stock and Broilers in India | <ul style="list-style-type: none"> Engaged in manufacturing of paints Plants located at Rajasthan, Maharashtra & Tamil Nadu and windmills at Satara Operational only on job work basis | | | | | | | | | | | | |
| Challenges & Opportunities | <ul style="list-style-type: none"> Inefficiently managed Company The land was split (due to family partition) and mortgaged to different lenders making it tough to sell and reducing realizable value of the land Excellent land parcel in heart of Nasik city available as security | <ul style="list-style-type: none"> Despite being operational, no surplus cash available for debt servicing Fragmented debt holding of the Company with 5 banks sharing same security Disagreement between lenders on a common way forward for resolution Loans secured mainly by 2nd charge on the fixed assets Mortgaged assets spread across 3 states, time consuming enforcement | | | | | | | | | | | | |
| Resolution Plan and Recovery | <ul style="list-style-type: none"> Aggregation of debt from lenders and sale of the split land parcels as a single plot which increased realization and unlocked value Adequate time given to the Borrower to sell the land parcel in order to ensure that the land is not sold at distressed value Company paid off the dues through sale of assets Resolution of account within 2.5 years | <ul style="list-style-type: none"> Aggregated part of the debt ensuring first charge over assets Took lead and steered the resolution process – Persuaded the balance debt holders to arrive at a common resolution strategy Buyer of assets given flexibility to make payment over a period of 1 year in order to ensure timely sale and good realization Resolution of the account within 3 years Full Redemption of Class A and Class B SRs and upside sharing with banks | | | | | | | | | | | | |
| Resolution Period | <table border="1"> <tr> <td>Year of Acquisition</td> <td>Sep-10 / Nov-11</td> </tr> <tr> <td>Year of Resolution</td> <td>Jan-13</td> </tr> <tr> <td>IRR</td> <td>44%</td> </tr> </table> | Year of Acquisition | Sep-10 / Nov-11 | Year of Resolution | Jan-13 | IRR | 44% | <table border="1"> <tr> <td>Year of Acquisition</td> <td>Mar-09 / Mar-10</td> </tr> <tr> <td>Year of Resolution</td> <td>Oct-11</td> </tr> <tr> <td>IRR</td> <td>126%</td> </tr> </table> | Year of Acquisition | Mar-09 / Mar-10 | Year of Resolution | Oct-11 | IRR | 126% |
| Year of Acquisition | Sep-10 / Nov-11 | | | | | | | | | | | | | |
| Year of Resolution | Jan-13 | | | | | | | | | | | | | |
| IRR | 44% | | | | | | | | | | | | | |
| Year of Acquisition | Mar-09 / Mar-10 | | | | | | | | | | | | | |
| Year of Resolution | Oct-11 | | | | | | | | | | | | | |
| IRR | 126% | | | | | | | | | | | | | |
| Critical Success Factor | <ul style="list-style-type: none"> Good underlying Security Aggregation from other banks to ensure full security of underlying land Negotiated settlement on attractive terms | <ul style="list-style-type: none"> Transaction Structure | | | | | | | | | | | | |

Select Case Studies (cont'd)

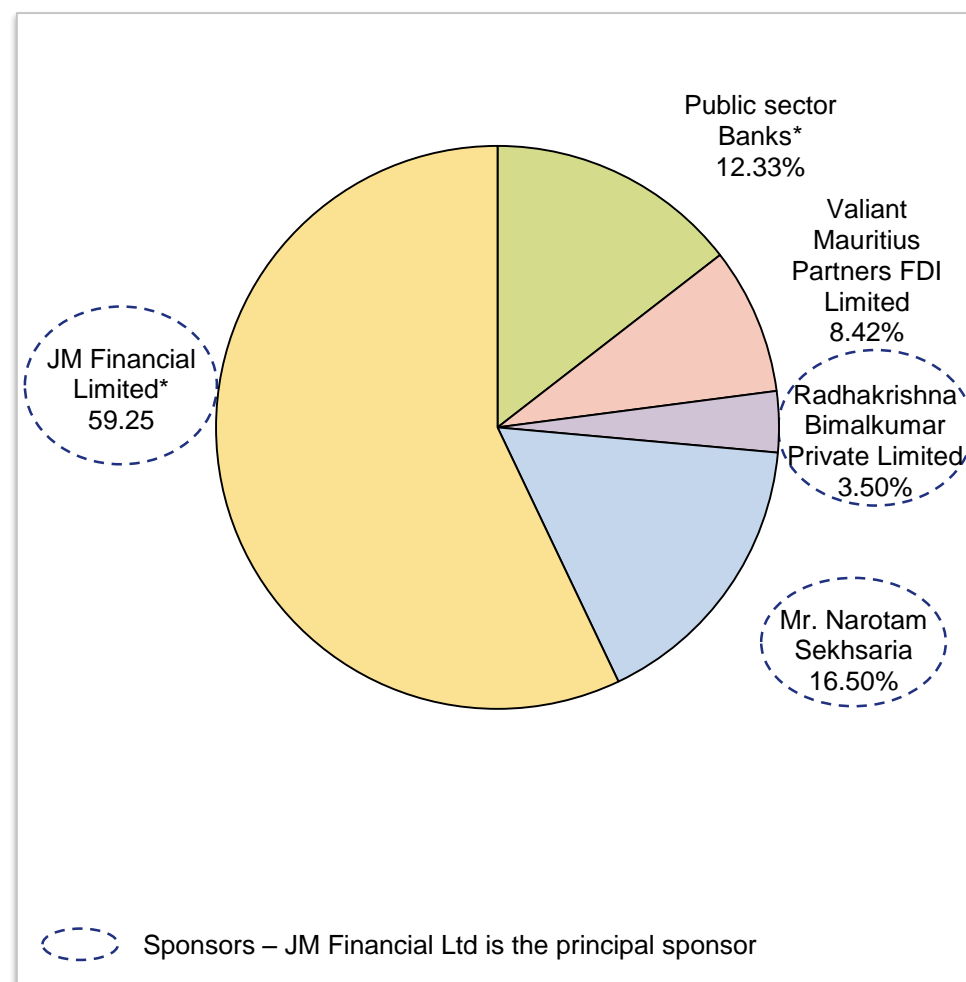
| | Project Metal | Project Real Estate | | | | | | | | | | | | |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------|--------|-----|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------|---------------------------|---------------|-----|-----|
| Company Background | <ul style="list-style-type: none"> Operating in a niche industry - Engaged in production of minor metal oxides which are used for making carbide grade tool steel, electronic and optical applications Only player in India in the industry. Unit located at Taloja, Navi Mumbai Promoters having > 20 years exp. in mining business in Nigeria | <ul style="list-style-type: none"> Engaged in the development of Real Estate Projects. Operating Company with good asset base | | | | | | | | | | | | |
| Challenges & Opportunities | <ul style="list-style-type: none"> Lack of funding availability due to NPA tag to revive and scale up operations Surplus assets available for monetization to reduce the debt level Possibility of revival of operations | <ul style="list-style-type: none"> Aggregation of Debt from several lenders Low fidelity of cash flow projection due to uncertainty involved with real estate segment Good collateral base limiting downside involved in the transactions | | | | | | | | | | | | |
| Resolution Plan and Recovery | <ul style="list-style-type: none"> Subdivision of land property and sale of excess land to raise funds for revival, financing working capital and reduction of debt Restructuring of debt Optimization of plant operations to generate cash flows for debt servicing Restructured debt serviced as per the agreed schedule for 2 years Revived and stabilized operations, dues to JMFARC refinanced through NBFC at the end of 2.5 years | <ul style="list-style-type: none"> Restructuring the debt of the company at sustainable level Back ended structuring of principal repayment Achieving Exit through refinancing of debt from other financial institution post improvement in financial performance of company | | | | | | | | | | | | |
| Resolution Period | <table border="1"> <tr> <td>Year of Acquisition</td> <td>Mar-10</td> </tr> <tr> <td>Year of Resolution</td> <td>Sep-12</td> </tr> <tr> <td>IRR</td> <td>26%</td> </tr> </table> | Year of Acquisition | Mar-10 | Year of Resolution | Sep-12 | IRR | 26% | <table border="1"> <tr> <td>Year of Acquisition</td> <td>Nov 12 – May 13</td> </tr> <tr> <td><i>Year of Resolution</i></td> <td>February 2018</td> </tr> <tr> <td>IRR</td> <td>30%</td> </tr> </table> | Year of Acquisition | Nov 12 – May 13 | <i>Year of Resolution</i> | February 2018 | IRR | 30% |
| Year of Acquisition | Mar-10 | | | | | | | | | | | | | |
| Year of Resolution | Sep-12 | | | | | | | | | | | | | |
| IRR | 26% | | | | | | | | | | | | | |
| Year of Acquisition | Nov 12 – May 13 | | | | | | | | | | | | | |
| <i>Year of Resolution</i> | February 2018 | | | | | | | | | | | | | |
| IRR | 30% | | | | | | | | | | | | | |
| Critical Success Factor | <ul style="list-style-type: none"> Sale of Non Core Asset Operational Flexibility of an ARC vis-a-vis Bank | <ul style="list-style-type: none"> Structuring of transaction Good underlying security | | | | | | | | | | | | |

Annexure 3

Corporate Details

Shareholders, Board of Directors & Management

| Board of Directors | |
|-------------------------|-------------------------|
| Mr. V. P. Shetty | Chairman |
| Mr. Narotam Sekhsaria | Sponsor Director |
| Mr. Pulkit Sekhsaria | Sponsor Director |
| Ms. Rupa Vora | Independent Director |
| Mr. Adi Patel | Sponsor Director |
| Dr. Vijay Kelkar | Independent Director |
| Mr. Ameet Desai | Independent Director |
| Mr. Satish Chand Mathur | Independent Director |
| Mr. Vishal Kampani | Sponsor Director |
| Management | |
| Mr. Anil Bhatia | Chief Executive Officer |
| Mr. Vivek Grover | Chief Operating Officer |
| Mr. Sabyasachi Ray | Chief Financial Officer |
| Mr. Harish Lalchandani | Head - Legal |



RBI registration in September 2008

Profile of Board of Directors



V. P. Shetty
Chairman

- Banking experience of 40 years.
- Ex - CMD of UCO Bank, Canara Bank and IDBI Bank.
- Recipient of "Banker of the Year – 2003" Award from the Business Standard Group in recognition of successful turnaround of UCO Bank.
- Commerce Graduate and holds a CAIIB degree.



Pulkit Sekhsaria
Sponsor Director

- Graduated from Mumbai University with management courses undertaken at Wharton, ISB, LBS and INSEAD.
- He was whole time Director on the Board of Ambuja Cements Ltd.
- Instrumental in execution and management of 3 import and export terminals and shipping division.
- Actively involved in the investments in various fields.



Adi Patel
Sponsor Director

- Qualified Chartered Accountant and associated with the JM Financial Group for over 25 years.
- Instrumental in implementing the financial transactions for some of the leading business houses in India.
- He has developed strong relationships with leading Indian and global clients and has advised them on numerous financial, strategic, M&A & restructuring transactions.



Ameet Desai
Independent Director

- Advisor to Chairman at the Adani Group with industry expertise in ports, thermal energy, transmission, renewables and pharma sectors.
- Held positions of Executive Director and Group CFO of Adani Group.
- Served as the Global Head of M&A and Business Planning for Ranbaxy Laboratories.



Satish Chand Mathur
Independent Director

- Joined the Indian Police Service in 1981.
- Retired as DGP, Maharashtra, holding the apex post for nearly 2 years.
- Served the Central Bureau of Investigation from 1996 to 2003.
- He has left his indelible mark on each aspect of police and general administration.



Narotam Sekhsaria
Sponsor Director

- Founder-Promoter and Chairman of Ambuja Cements Ltd and ACC Ltd.
- Instrumental in two of the largest model cement sector turnarounds – Modi Cements & DLF Cement Ltd.
- Played a major role in the Ambuja Cements spectacular growth, turning it into one of India's success stories in the cement industry.
- Holds a bachelor's degree in chemical engineering.



Rupa Vora
Independent Director

- Eminent Chartered Accountant with over 3 decades of experience.
- Group Director & CFO for IDFC Alternatives business for a decade.
- Associated with Antwerp Diamond Bank NV as CFO.
- Practicing exp. of 9 years as an independent Chartered Accountant.



Dr. Vijay Kelkar
Independent Director

- B.E. from College of Engineering Pune, M.S. from University of Minnesota and Ph.D. (Economics) from UC Berkeley.
- Chairman of the NIPFP & India Development Foundation.
- Former Chairman of the Finance Commission until January 2010.
- Awarded the Padma Vibhushan, the second highest civilian award.



Vishal Kampani
Sponsor Director

- Managing Director of JM Financial Ltd., the group's flagship listed company.
- Launched the Asset Reconstruction business in 2008 and the Real Estate Finance business in 2009.
- Expanded the International Operations and built a global profile
- Joined the JM Financial group in 1997 as an analyst in the Merchant Banking Division and has since moved up the rank