

May 3, 2018

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

Dear Sirs,

**Sub: Corporate Presentation**  
Security Code: **523405**

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, please find attached the corporate presentation on Asset Reconstruction Business which is being hosted on Company's website viz., [www.jmfl.com](http://www.jmfl.com).

Kindly disseminate the above information on your website.

Thank You.

Yours faithfully,  
for JM Financial Limited



**P K Choksi**  
Group Head – Compliance, Legal  
& Company Secretary

**JM Financial Limited**

Corporate Identity Number : L67120MH1986PLC038784

Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.

T: +91 22 6630 3030 F: +91 22 6630 3223 [www.jmfl.com](http://www.jmfl.com)



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

Corporate Presentation

*May 2018*

# Safe Harbour

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*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.*

# Business Highlights

## Strong Balance Sheet and Strong Sponsors

- JMFARC is the 3<sup>rd</sup> largest capitalised ARC with net worth of Rs. 967 Crore (as on March 31, 2018)
- JM Financial Ltd is the holding company with 57.07% holding, balance equity held by Banks, HNIs & FII
- 77.07% stake is held by Sponsors (JM Financial Ltd – 57.07% and Sekhsaria / Neotia Family – 20%)

## Acquisitions & Resolutions

- Aggregate dues of Rs. 32,349 Crore acquired till March 31, 2018 at a price of Rs. 14,761 Crore
- JMFARC's cash investment of Rs. 3,028 Crore till March 31, 2018
- Total recovery from acquired assets Rs. 3,510 Crore till March 31, 2018 with focus on turnaround of underlying companies
- All Acquisition/ Pre-Acquisition Due Diligence (both Legal & Financial) & Resolution/Recovery activities are conducted in-house and not outsourced to any external agencies
- On restructured assets we are closely working with diverse sector specific professionals and sector specialised firms for revival of the acquired units.

## Team Strengths

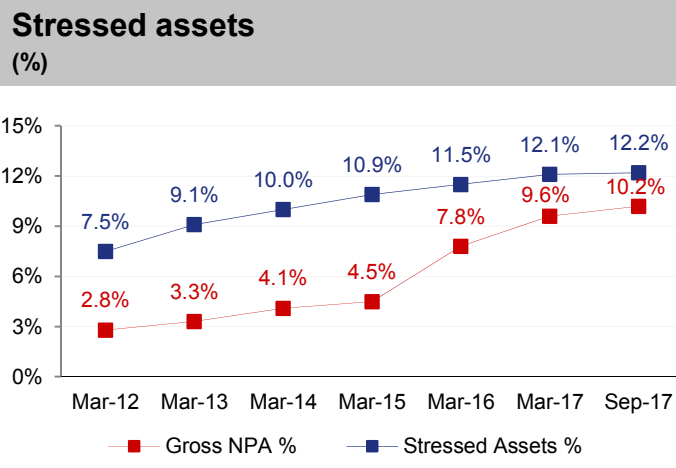
- Highly professional team of 66 personnel comprising professionals having a wide and varied experience from the banking, asset reconstruction, consultancy and legal background.
- Team comprises of personnel having experience varying from minimum experience of less than 1 year to maximum experience of more than 35 years.
- Of the total number of employees, approximately 1/3<sup>rd</sup> of the total number have been with the company for more than 5 years.
- Team is fairly balanced with ~1/3<sup>rd</sup> of professionals involved in legal activities, acquisition related activities and resolution activities respectively
- Corporate Office in Mumbai. Branches in Delhi, Bangalore, Kolkata, Secunderabad and Borivali (Mumbai)

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## Industry Overview

# Stress in the Indian Banking Sector

- Big opportunity for ARCs given the high level of NPAs, expected slippage in restructured assets and the mounting pressure on Banks to off-load NPAs
- Presently, Banks are attempting to offload large corporate accounts
- Typically such cases also pose requirement for additional investments for revival in the form of critical Capex, Working Capital, etc.



- The macro stress tests suggest that under the baseline scenario, the GNPA ratio may rise to 11.1 per cent by September 2018 (RBI's Financial Stability Report)
- PSBs continued to hold the highest level of stressed advances ratio at 16.2%, private sector banks (PVBs) 4.7% and Foreign banks (FBs) 4.1%
- Total Stressed Advances as on September 2017 at 12.2% as compared to 12.1% in March 2017

## NPA Status as on September 2017

**GNPAs of SCBs\*\***  
10.2%  
~Rs.7.4 Lakh Crore

**Restructured Accounts of SCBs\*\***  
2.0%  
~Rs.1.4 Lakh Crore

**GNPAs of NBFCs**  
4.9%  
~Rs. 0.7 Lakh Crore

=

**Total Market<sup>(1)</sup> as on Sept, 2017**  
~Rs.9.5 Lakh Cr.

## Huge business opportunity in the distressed assets space

**Source** Reserve Bank of India Reports; Research Reports, Industry sources

**Note** SCBs refer to Scheduled Commercial Banks, PSBs refer to Public Sector Banks, PVBs refer to Private Sector Banks, FBs refer to Foreign Banks  
\*\* As a % of Gross Bank Credit of Rs.72,06,800 Crore as on September 2017; Gross Advances of NBFCs for September 2017 is as per estimates  
(1) The above estimate is a derived figure from various reports published by RBI and other Industry Sources

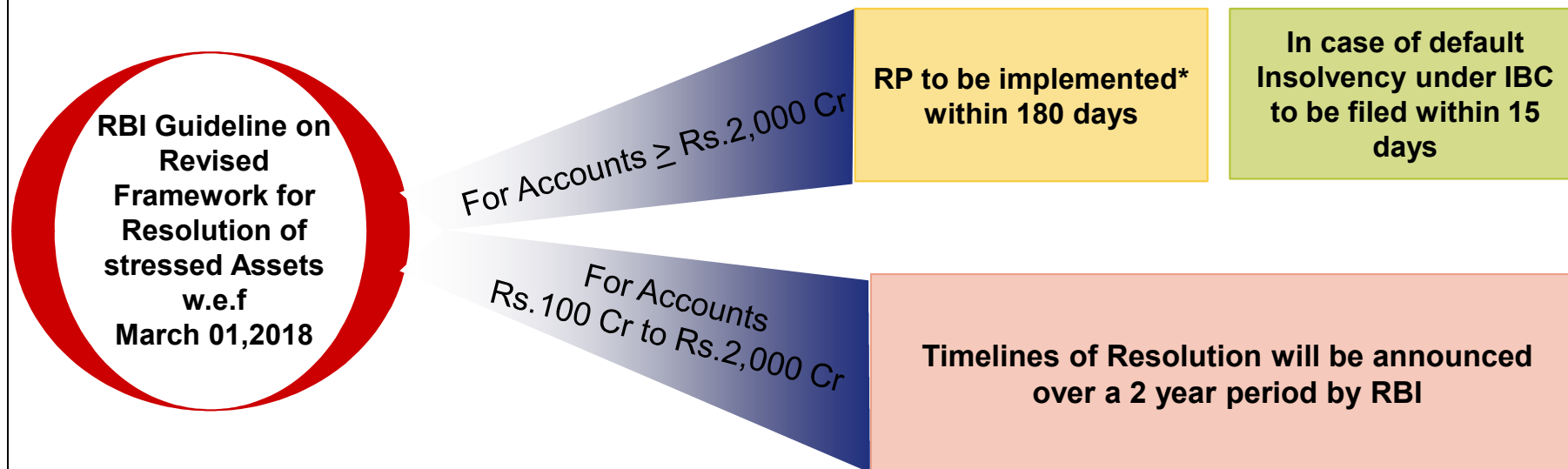
# Current Legal Framework - RBI Guidelines

Classify Account as  
SMA 0 – 1- 30 days,  
SMA1 -- 31- 60 days,  
SMA 2 – 61 - 90 days

All SMA accounts with exposure of  
Rs.5 crore and more should be  
reported weekly to CRILC and  
Monthly main report to RBI

Default prior to March 01,2018  
180 days from the date as  
mentioned

Default after March 01,2018  
180 days from the date  
of default



**The RBI has withdrawn all the restructuring schemes and has got in place a time bound process for resolution of bad loans in consonance with IBC**

*\* Implementation means the account should not be in default at any point during the specified period of one year, failing which the lenders shall refer the account to NCLT under IBC.*

# Current Legal Framework – IBC 2016

## Insolvency and Bankruptcy Code – 2016 (Code)

<b>Bankruptcy &amp; Insolvency Adjudicator</b>	<ul style="list-style-type: none"> <li>National Company Law Tribunal governs Corporate Entities</li> <li>Debt Recovery Tribunal governs Individuals and Partnership Firms</li> </ul>
<b>Insolvency Regulator</b>	<ul style="list-style-type: none"> <li>Insolvency and Bankruptcy Board of India will be governing body for all the insolvency proceedings in the country</li> <li>With effect from December 1, 2016 BIFR and AAIFR stands dissolved</li> </ul>
<b>Insolvency Resolution Professionals</b>	<ul style="list-style-type: none"> <li>Identifies financial creditors and constitutes a creditors committee – 75% majority vote</li> <li>Creditors committee has to decide to proceed with a revival plan or liquidation within a period of 180 days which may be extended for a period not exceeding 90 days</li> </ul>
<b>Insolvency Resolution Process</b>	<ul style="list-style-type: none"> <li>Application on Default</li> <li>Appointment of an Insolvency Professional</li> <li>Moratorium period (180/270 days)</li> <li>Formation of Credit Committee</li> <li>Goes into Resolution Plan / Liquidation</li> </ul>
<b>Liquidation Process</b>	<ul style="list-style-type: none"> <li>Application on Default</li> <li>IP may act as Liquidator</li> <li>Formation of a Liquidation Trust</li> <li>Invite claims from creditors</li> <li>Current bankruptcy regime is highly fragmented with multiple judicial forums</li> <li>Dissolution of the Corporate Debtor</li> <li><b>Dues of secured creditors and workmen shall have priority over Statutory dues and all other dues</b></li> </ul>

## SEBI Guidelines on Acquisition of Distress Assets under NCLT

- The new investor will be exempted from making open offers after buying stakes from lenders, however such exemptions shall be subject to following conditions :-
  - Approval by the shareholders of the company by special resolution
  - Lock – in of their shareholding for a minimum period of 3 years
- The relaxations would also be applicable for acquisitions pursuant to resolution plans approved by NCLT under the Insolvency and Bankruptcy Code 2016.



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## JMFARC Overview

# Summary of Assets Acquired & Outstanding

as on March 31, 2018

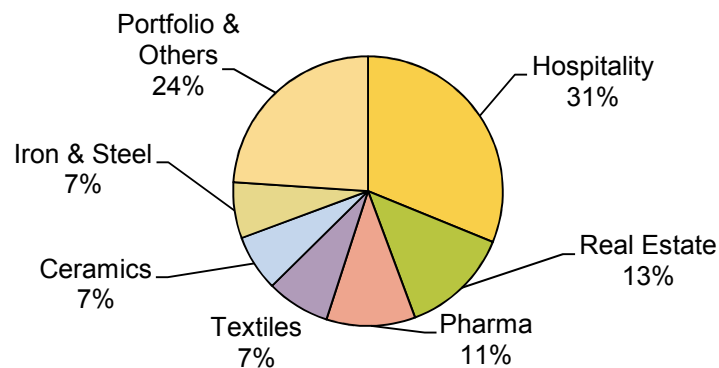
## Assets Acquired - Gross

- Acquired financial assets of Rs. 32,349 Crore (Total dues)
- Cost of Acquisition Rs. 14,761 Crore
- No of Trusts: 159
- No of Banks/FIs: 70
- Contribution by JMFARC in acquisitions Rs. 3,028 Crore

## Security Receipts Outstanding

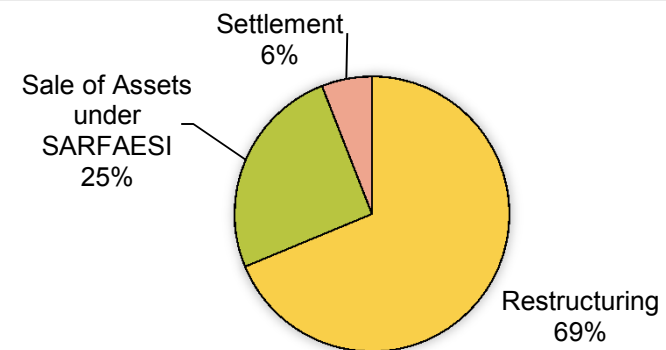
- SRs subscribed by JMFARC and Others - Rs. 12,965 Crore
- SRs subscribed by JMFARC - Rs. 1,987 Crore
- 42% Acquired at 100% dues and balance 58% acquired at 33%

## Industry - wise Exposure



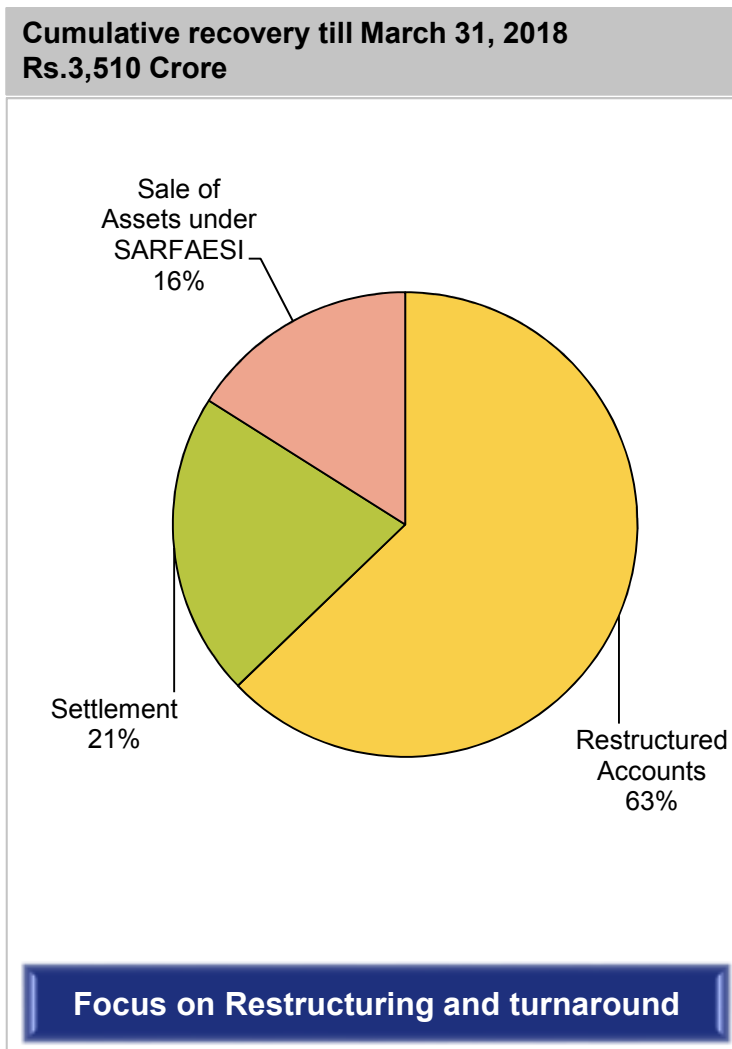
Outstanding SRs – Rs.12,965 Crore – March 31, 2018

## Proposed Recovery Strategy of Outstanding SRs (existing AUM)



Outstanding SRs - Rs.12,965 Crore – March 31, 2018

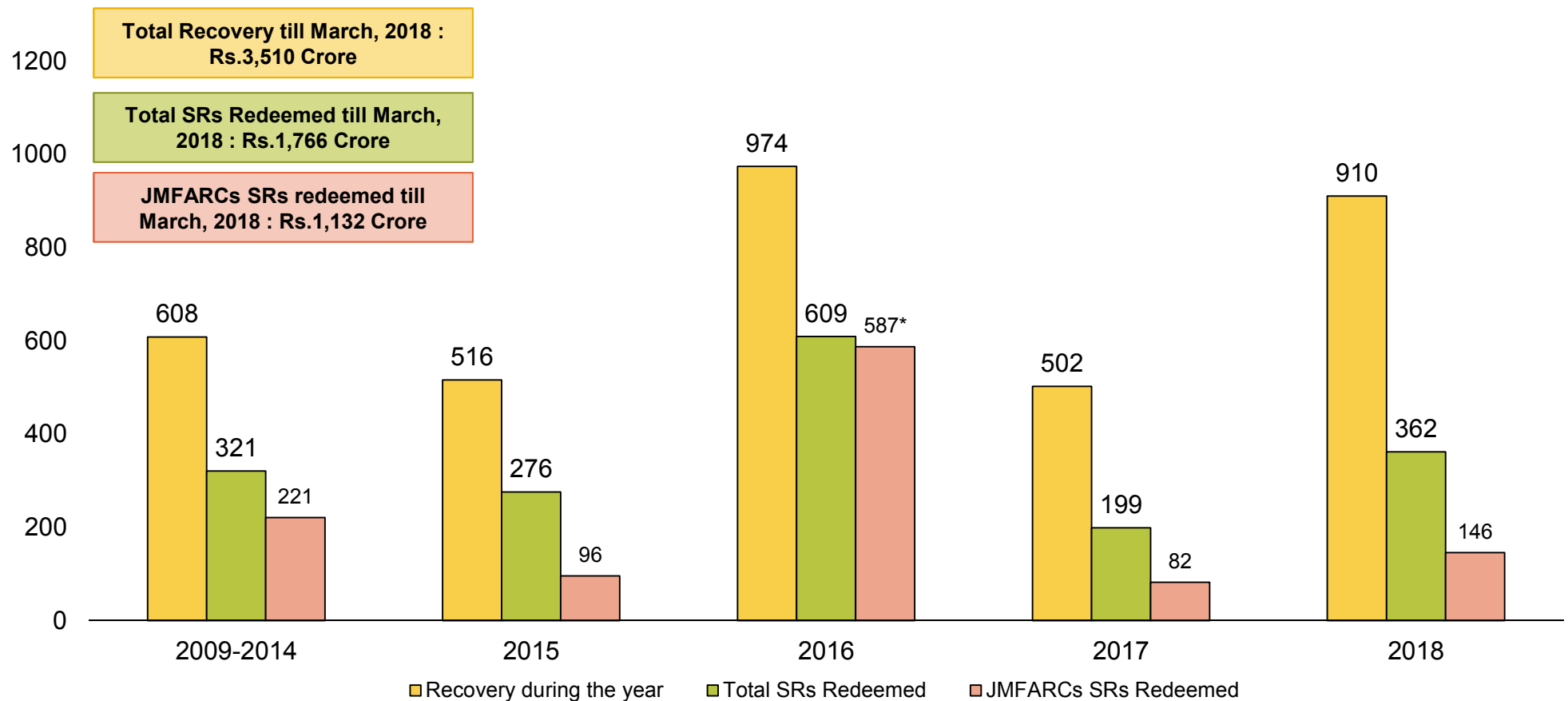
# Resolution and Recoveries



# Recovery Over the Years

INR Crore

## Total Recovery & Security Receipts Redeemed



**Consistent Track Record of Recovery and Redemption**

# Accounting for JMFARC

## Accounting Framework

- Accounting within the framework of Accounting Standards issued by ICAI
- Specific accounting guidelines for ARCs by RBI
- Conservative accounting philosophy

## Revenue Recognition

- Main items of revenue - Management Fees, Interest and Upside/ Profit
- The recognition of revenue is as per the terms of the contract of specific trusts
- Management Fees is charged as fixed percentage of the NAV of SRs (lower rating range) or AUM if NAV is not available.
- On cash investments by JMFARC, income is booked only after 100% redemption of SRs.
- Upside / Profit recognised on realisation after redemption of SRs

## Valuation of Investment in SRs

- SRs are classified as 'available for sale' as per the RBI guidelines
- Valuation of SRs are at cost or realisable value whichever is lower on a global basis for all SRs
- Latest declared NAV is considered as realisable value. NAV is declared every six months.
- Gross impairment on global basis, if any is charged to P&L whereas gross appreciation is ignored

## Provision/ write off of receivables and investments

- Unrealised management fees outstanding over 6 months from the end of planning period or 6 months from the date of recognition (after the planning period) is reversed (as per RBI guidelines)
- Similarly expenses recoverable from trust are to be charged to P&L as per RBI guidelines if the same remains unrealised after 6 months from the end of planning period or 6 months from the date of incurrence
- SR investments in Trusts which have exceeded 5 years (or 8 years with 3 year extension by the Board) has to be fully written off as per RBI guidelines

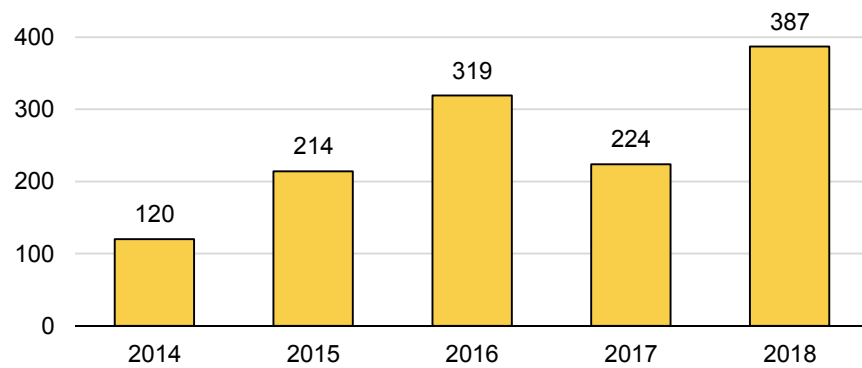
**Income and Profitability has inherent lumpiness due to the nature of business**

# JMFARC Financial Performance

Last 5 years trend

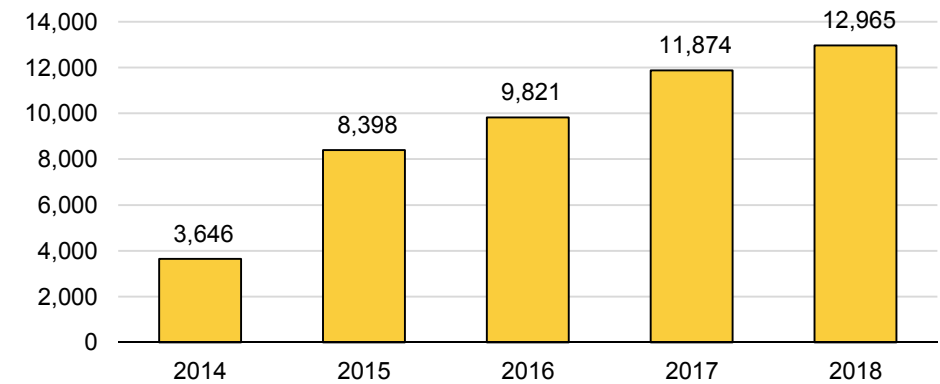
## Total Income

(Rs.Crore)



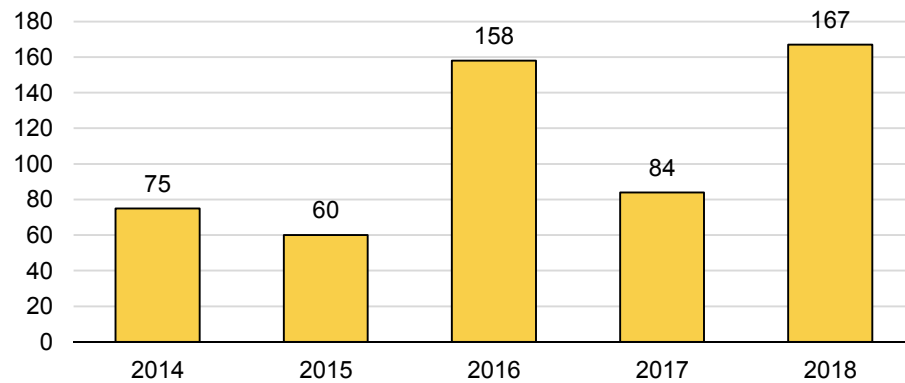
## AUM

(Rs.Crore)



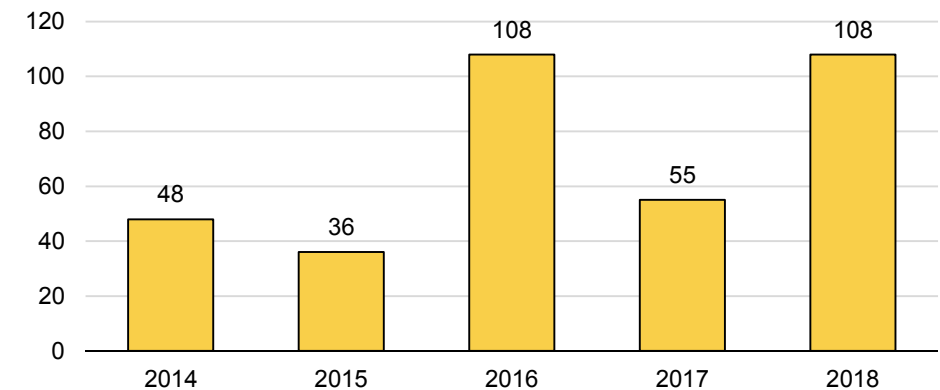
## Profit Before Tax

(Rs. Crore)



## Profit After Tax

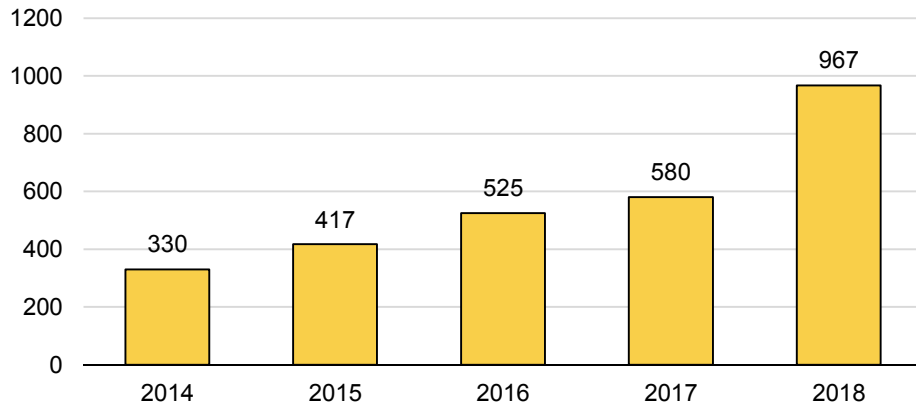
(Rs.Crore)



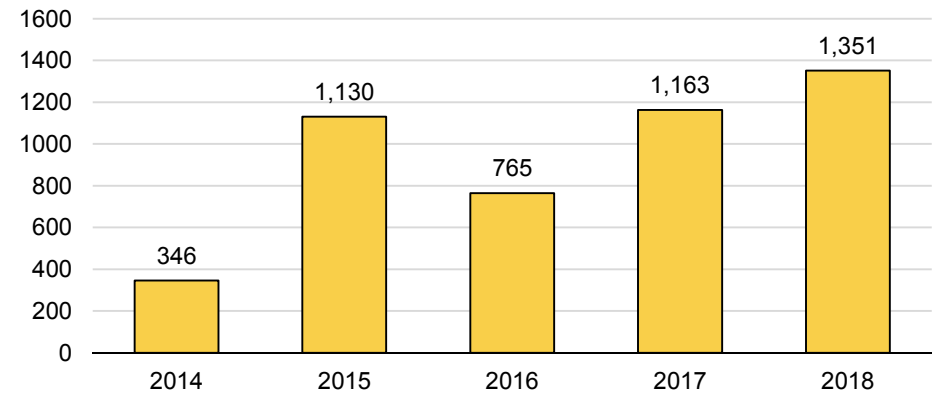
# JMFARC Financial Performance

Last 5 years Trend

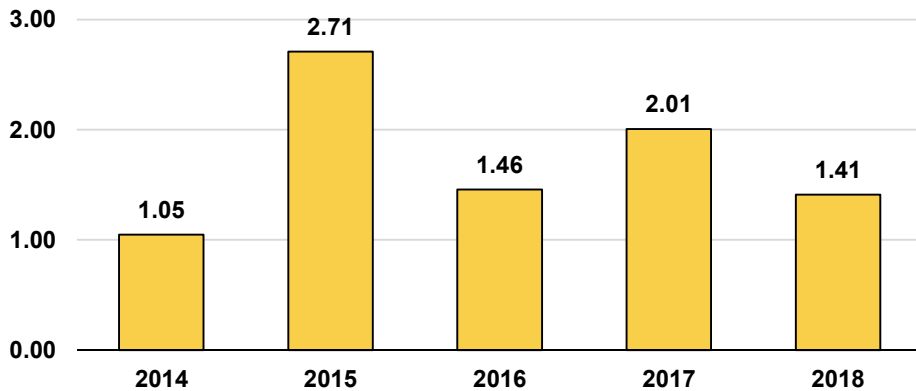
**Networth**  
(Rs.Crore)



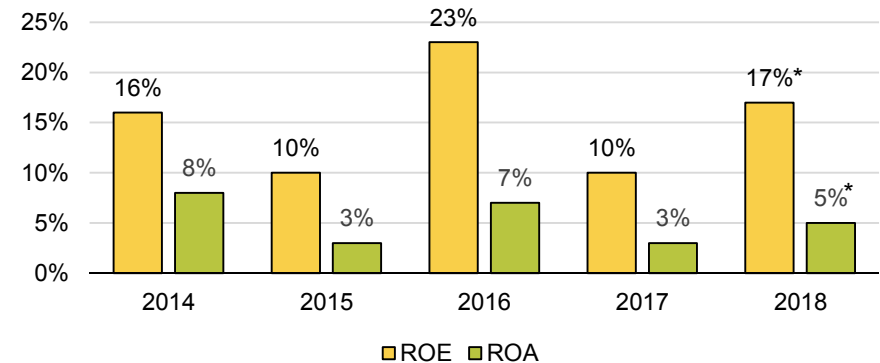
**Total Borrowings**  
(Rs.Crore)



**Debt Equity**  
(x)



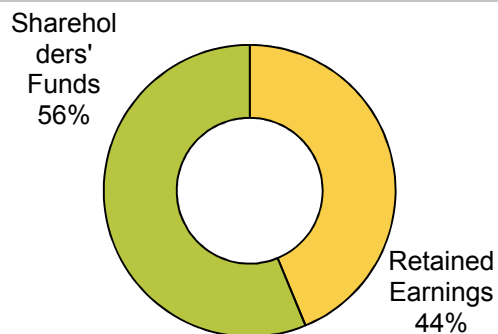
**ROE & ROA**  
(%)



# Networth, Liability Profile and Credit Rating

## Networth Composition

As on March 31, 2018



Total Networth :Rs.967 crore

- March' 18 Net worth Rs. 967 Crore as against Rs 214 Crore in FY10

## Credit Rating

Bank Loan of Rs. 650 Crore

ICRA & CARE  
AA- (Stable)

Non Convertible Debentures of Rs. 1000 Crore

ICRA & CARE  
AA- (Stable)

Commercial Paper of Rs.750 Crore

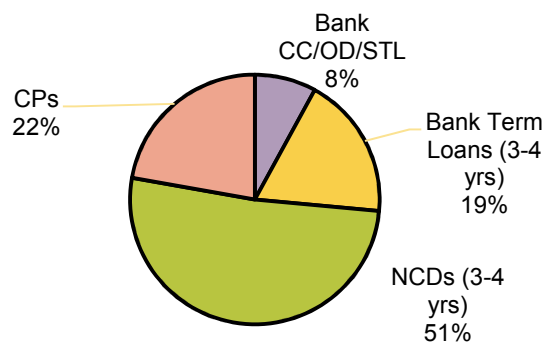
ICRA & CARE  
A1+ (Stable)

## Liability Profile

As on March 31, 2018

- Gearing Ratio: 1.41

- Long Term Credit Rating of AA- Stable and Short Term Credit Rating of A1+ by ICRA & CARE.



March 2018: Total Borrowings: Rs.1,351 Crore

## Gearing Philosophy

- Gearing of maximum 3 times with opportunity based short term spikes
- 60%- 70% to be funded by way of Medium / Long term NCDs & Term Loans
- Balance to be funded by bank cash credit lines (Opportunistic borrowing by way of CPs/ ICDs to reduce cost of borrowing)
- Focus for increasing the bank cash credit lines



**Annexure 1**

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## Select Case Studies - Acquisitions

# Select Case Studies

	Project Hospitality	Project Pharma
Business / Asset Details	<ul style="list-style-type: none"> <li>• Leading player in the luxury hotels segment in India</li> <li>• Owns and operates ultra-luxury 5-star hotels across India (5 owned hotels – Mumbai, Delhi, Chennai, Udaipur and Bangalore – and 4 managed hotels at Gurgaon, Kovalam &amp; Goa)</li> </ul>	<ul style="list-style-type: none"> <li>• Engaged in the manufacturing and sale of Intermediates and Active Pharmaceutical Ingredient (APIs). Also engaged in contract manufacturing</li> <li>• Has 8 manufacturing facilities including 2 USFDA approved plants</li> <li>• Good product portfolio which includes 65+ APIs and 55+ Intermediates in the Antibiotics, Lipid Lowering Agent, Oncology, Anti-platelet agents, Anti-asthmatic, Anti-malarial, NSAIDs, Anti-anginal therapeutic areas</li> </ul>
Strengths / Challenges	<ul style="list-style-type: none"> <li>• Good business with over leveraged balance sheet due to aggressive debt-funded capex and interest during construction</li> <li>• World class hotel properties and well established brand</li> <li>• Expected improvement in Rev PAR</li> <li>• Adequate security cover</li> <li>• Non-core assets to generate significant cash flow to bring down the debt level</li> <li>• Failed efforts to sell hotel properties under CDR process</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio with high margins and limited competition from other Indian players</li> <li>• Good established customer base</li> <li>• USFDA approvals for three plants already in place</li> <li>• Surplus assets available for upfront debt reduction through asset sale</li> </ul>
Resolution plan and progress	<ul style="list-style-type: none"> <li>• Simultaneous acquisition of loans from 14 banks (~96% of CDR debt) giving better control on recovery</li> <li>• Significant upfront cash payment to banks and reduction of risk through Class A-Class B transaction structure. Working closely with the company to move towards an asset light model</li> <li>• Sale of few hotel properties and non-core assets and debt to equity conversion to bring down the debt level</li> <li>• Sale of one of the hotel properties completed at significant premium</li> <li>• Started receiving cash flows from some non-core assets</li> <li>• Leveraging JM group's expertise in finding investors for the company and for sale of assets</li> <li>• <b>Resolution Strategy</b> <ul style="list-style-type: none"> <li>– Restructuring of Debt / Induction of Strategic Investor</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Already acquired ~94% of the debt and plan to aggregate debt from other banks to drive recovery efforts</li> <li>• <b>Resolution Strategy</b> Working with the company for turning around the performance through           <ul style="list-style-type: none"> <li>– Sale of few plants to reduce the debt levels</li> <li>– Focus on high margin products</li> <li>– Restructuring of dues</li> <li>– Infusion of additional funds for start up capital expenditure, Working Capital &amp; payments of Statutory of Dues</li> </ul> </li> </ul>

# Select Case Studies (cont'd)

	Project Ceramics	Project Cements
Business / Asset Details	<ul style="list-style-type: none"> <li>The company is engaged in the manufacture and marketing of tiles (ceramic and vitrified) and processing and refining of marbles</li> <li>Two units located in Maharashtra with non-core real estate assets</li> <li>Company is operational for last three decades</li> </ul>	<ul style="list-style-type: none"> <li>Engaged in cement manufacturing business since 1987</li> <li>Owns and operates approx. 1.0 mn TPA cement plant in Telangana</li> <li>Access to limestone reserves estimated more than 80 mn tonnes</li> <li>Well established dealer network and brand image for the product</li> </ul>
Strengths / Challenges	<ul style="list-style-type: none"> <li>Strong brand recall and dealer network</li> <li>Surplus assets available for monetization to reduce the debt levels</li> <li>Possibility of revival of operations through restructuring</li> <li>Lack of funding due to NPA tag to revive and scale up operations</li> </ul>	<ul style="list-style-type: none"> <li>Unit is currently not operational</li> <li>Plant is well maintained in a ready to operate condition.</li> <li>Listed entity with lenders controlling ~51% shares (~45% Pledge, ~6% owned)</li> <li>Anticipate improvement in investor interest in cement units in that region due to improving local area dynamics and like infrastructure spending</li> </ul>
Resolution plan and progress	<ul style="list-style-type: none"> <li>Financial and business restructuring to revive its operations and repay dues</li> <li>Restructuring by reduction of debt to a sustainable level through part payment from sale of non-core assets and part by conversion of debt to preference and equity shares</li> <li>Infused equity to shore up working capital and revive business</li> <li>Started receiving small amount of cash flows from operations and few from sale of non-core assets of the company</li> <li><b>Resolution strategy</b> : Restructuring of Debt including Additional Equity Capital Infusion</li> </ul>	<ul style="list-style-type: none"> <li>Already acquired ~88% of the debt</li> <li><b>Resolution Strategy</b> <ul style="list-style-type: none"> <li>Sale to a strategic Investor/ Financial Investor</li> <li>Restart the unit with professional management and by infusion of additional Working Capital</li> </ul> </li> </ul>

# Select Case Studies (cont'd)

	Project Drugs	Project Pan India
Business / Asset Details	<ul style="list-style-type: none"> <li>Engaged in the manufacturing and sale of Intermediates and Active Pharmaceutical Ingredient (APIs)</li> <li>Has 3 manufacturing facilities including 2 USFDA inspected plants with one Japanese FDA approval</li> <li>Good product portfolio which includes 50+ APIs in the antibiotics (Cephalosporin' based) and non antibiotics - in cardiovascular, osteoporosis, Diabetes, Anti-Hypertensive, and Oncology segment</li> </ul>	<ul style="list-style-type: none"> <li>Leading Real Estate Developer having operations across India</li> <li>Group has delivered about 23.39 million sqft while it had about 34.78 million sqft in various stages of development as of FY16. About 60% of this area under development is at handover/finishing stage</li> <li>Over the past 5 years company has delivered about 16.50 million sqft</li> <li>Acquired debt of Rs 869 Crore of two group companies with underlying securities</li> <li>Underlying securities include projects to be completed &amp; delivered in Gurgaon, Ambala, Kolkata, Bengaluru and Chennai admeasuring 13.09 mn sqft out of which 7.8 mn sqft is already sold</li> </ul>
Strengths / Challenges	<ul style="list-style-type: none"> <li>Good product mix and reasonably established customer base.</li> <li>Good track record in the export market. Also has exposure to regulated markets for higher margin business</li> <li>Certain non-core assets in process of being sold for debt reduction</li> </ul>	<ul style="list-style-type: none"> <li>Projects stalled due to slowdown in respective markets and liquidity crunch</li> <li>Lack of additional funding to restart construction</li> <li>Adequate cash flow cover along with additional land bank available as security</li> <li>Diversified cash flows given the geographical spread and stage of construction                             <ul style="list-style-type: none"> <li>5 projects are brownfield while 3 are greenfield</li> <li>62% of surplus cash flows expected within the next 3.5 years</li> </ul> </li> </ul>
Resolution plan and progress	<ul style="list-style-type: none"> <li>Already acquired ~71% of the debt and plan to aggregate debt from other banks to drive recovery efforts</li> <li><b>Resolution strategy</b> <ul style="list-style-type: none"> <li>Sale of assets / Company to a Strategic Investor / NCLT</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Underlying securities are located at good locations within the specific micro markets</li> <li>Company requires Rs.175 – Rs 250 Crores immediate funding for completion of projects.</li> <li>Additional funds sanctioned by JMFARC to complete the construction of projects at all locations</li> <li>Surplus from these projects is expected to be sufficient to repay dues.</li> <li>Additional securities are also available, liquidity to be generated from sale of additional land bank/assets.</li> <li>Tern Sheet entered with one of the reputed South Based developer to sell a mortgaged project</li> <li>Company is in active discussions to dispose various assets to fund construction and repay debt</li> <li><b>Resolution Strategy</b> : Restructuring of Debt, Infusion of additional funds for project completion, JVs for completion of projects, Sale of Surplus Land</li> </ul>

**Annexure 2**

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## Select Case Studies - Resolution

# Select Case Studies

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

# Select Case Studies (cont'd)

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

# Select Case Studies (cont'd)

	Project Metal	Project Real Estate										
<b>Company Background</b>	<ul style="list-style-type: none"> <li>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</li> <li>Only player in India in the industry. Unit located at Taloja, Navi Mumbai</li> <li>Promoters having &gt; 20 years exp. in mining business in Nigeria</li> </ul>	<ul style="list-style-type: none"> <li>Real Estate Developer having operations in Bangalore and Hyderabad . Group has delivered 5 mn sqft, has 5 mn sqft under development and 5mn sqft in the planning stage</li> <li>Flagship project in Bangalore comprising of 8.5 lakhs sqft of saleable area in 520 residential units in Phase I (sold &amp; fully occupied) and about 9 Lakh sqft of saleable area in 368 units in Phase II</li> </ul>										
<b>Challenges &amp; Opportunities</b>	<ul style="list-style-type: none"> <li>Lack of funding availability due to NPA tag to revive and scale up operations</li> <li>Surplus assets available for monetization to reduce the debt level</li> <li>Possibility of revival of operations</li> </ul>	<ul style="list-style-type: none"> <li>Lack of funding to restart construction</li> <li>Adequate security value and additional land banks</li> </ul>										
<b>Resolution Plan and Recovery</b>	<ul style="list-style-type: none"> <li>Subdivision of land property and sale of excess land to raise funds for revival, financing working capital and reduction of debt</li> <li>Restructuring of debt</li> <li>Optimization of plant operations to generate cash flows for debt servicing</li> <li>Restructured debt serviced as per the agreed schedule for 2 years</li> <li>Revived and stabilized operations, dues to JMFARC refinanced through NBFC at the end of 2.5 years</li> </ul>	<ul style="list-style-type: none"> <li>Structured the financing leading to reduced cost of capital for the Company by restructuring the acquired dues and infusion of additional funds</li> <li>Phase I of the project completed successfully and fully sold</li> <li>The project got additional FSI due to change in regulations which is currently being utilized in Phase II development. Phase II is currently being developed as the tallest residential tower in Bangalore. Further additional financing being done for Phase II</li> <li>Advantages to the selling Banks                             <ul style="list-style-type: none"> <li>– Upfront cash recovery of 12.5% with enhanced recovery potential</li> <li>– Restructuring and fresh funding possible which could not be implemented by Banks due to regulatory issues</li> </ul> </li> </ul>										
<b>Resolution Period</b>	<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>Sept-11 to Oct-12</td> </tr> <tr> <td>Year of Resolution</td> <td>2018 (Not Fully Exited)</td> </tr> </table>	Year of Acquisition	Sept-11 to Oct-12	Year of Resolution	2018 (Not Fully Exited)
Year of Acquisition	Mar-10											
Year of Resolution	Sep-12											
IRR	26%											
Year of Acquisition	Sept-11 to Oct-12											
Year of Resolution	2018 (Not Fully Exited)											
<b>Critical Success Factor</b>	<ul style="list-style-type: none"> <li>Sale of Non Core Asset</li> <li>Operational Flexibility of an ARC vis-a-vis Bank</li> </ul>	<ul style="list-style-type: none"> <li>Transaction structure</li> <li>Project monitoring and controls</li> </ul>										



# Select Case Studies (cont'd)

Project Township							
<b>Company Background</b>	<ul style="list-style-type: none"> <li>Engaged in the development of Real Estate Projects.</li> <li>Operating Company with good asset base</li> </ul>						
<b>Challenges &amp; Opportunities</b>	<ul style="list-style-type: none"> <li>Aggregation of Debt from several lenders</li> <li>Low fidelity of cash flow projection due to uncertainty involved with real estate segment</li> <li>Good collateral base limiting downside involved in the transactions</li> </ul>						
<b>Resolution Plan and Recovery</b>	<ul style="list-style-type: none"> <li>Restructuring debt of the company at sustainable level</li> <li>Back ended structuring of principal repayment</li> <li>Achieving Exit through refinancing of debt from other financial institution post improvement in financial performance of company</li> </ul>						
<b>Resolution Period</b>	<table border="1"> <tr> <td>Year of Acquisition</td> <td>Nov 12- May 13</td> </tr> <tr> <td>Year of Resolution</td> <td>February 2018</td> </tr> <tr> <td>IRR</td> <td>30%</td> </tr> </table>	Year of Acquisition	Nov 12- May 13	Year of Resolution	February 2018	IRR	30%
Year of Acquisition	Nov 12- May 13						
Year of Resolution	February 2018						
IRR	30%						
<b>Critical Success Factor</b>	<ul style="list-style-type: none"> <li>Structuring of transaction</li> <li>Good underlying Security</li> </ul>						

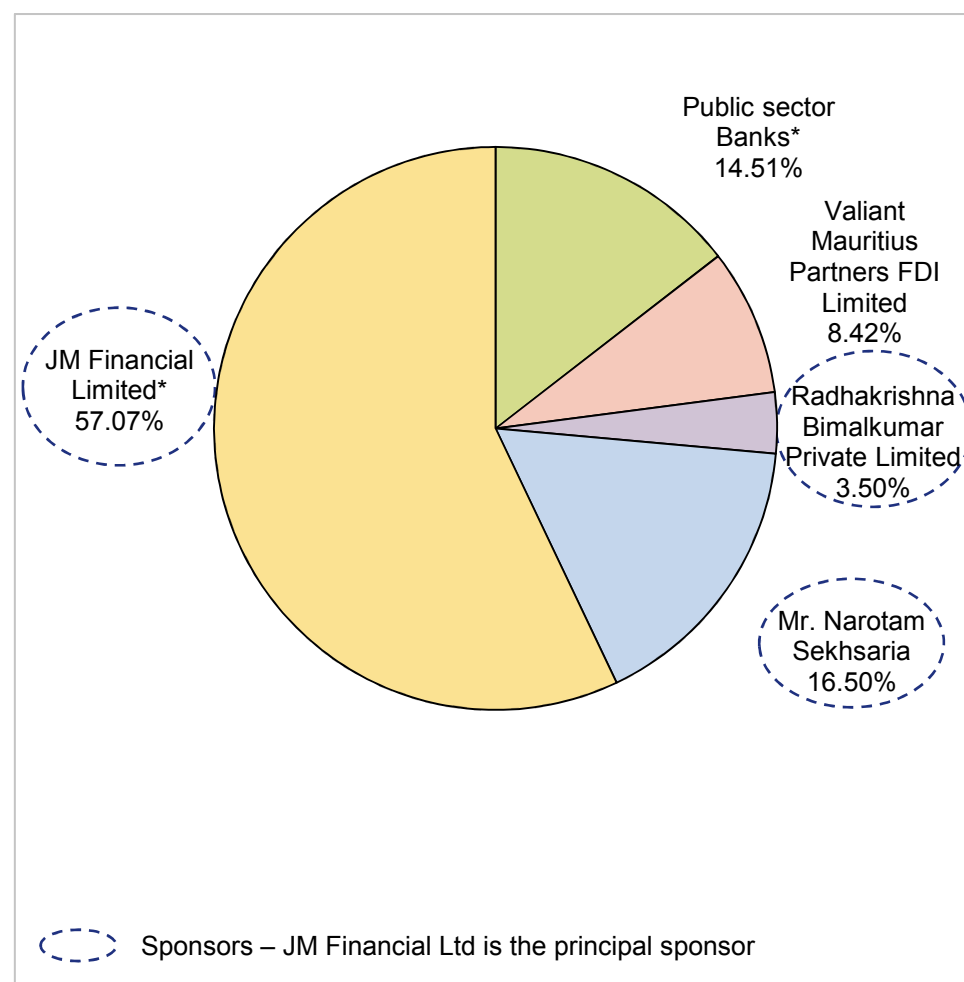
**Annexure 3**

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**List of Board of Directors**

## Board of Directors & Shareholders

Board of Directors	
<b>Mr. V. P. Shetty</b>	<i>Chairman</i>
<b>Mr. Narotam Sekhsaria</b>	<i>Sponsor Director</i>
<b>Mr. Pulkit Sekhsaria</b>	<i>Sponsor Director</i>
<b>Mr. H. N. Sinor</b>	<i>Independent Director</i>
<b>Mr. G. M. Ramamurthy</b>	<i>Independent Director</i>
<b>Dr. Anil K Khandelwal</b>	<i>Independent Director</i>
<b>Ms. Rupa Vora</b>	<i>Independent Director</i>
<b>Mr. Anil Bhatia</b>	<i>Managing Director &amp; CEO</i>
<b>Mr. Adi Patel</b>	<i>Sponsor Director</i>



**RBI registration in September 2008**

# Profile of Board of Directors

## Mr. V. P. Shetty

- Banking experience of 40 years.
- Commerce Graduate and holds a CAIIB degree
- CMD of UCO Bank, Canara Bank and IDBI Bank.
- Chaired the CDR Core Group meetings.
- Recipient of "Banker of the Year – 2003".
- Currently also Chairman of JM Financial Products Ltd and JM Financial Asset Management Limited.

## Mr. Narotam Sekhsaria

- Holds a bachelor's degree in chemical engineering.
- Founder-Promoter and Chairman of Ambuja Cements Ltd and ACC Ltd.
- Instrumental in two of the largest model cement sector turnarounds – Modi Cements Ltd. & 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.

## Mr. Pulkit Sekhsaria

- Graduated from Mumbai University and has undertaken Management courses at Wharton, Indian School of Business, London Business School and INSEAD.
- 2 decades of experience.
- 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.

## Mr. H. N. Sinor

- Commerce and Law Graduate and has Banking experience of 40 years.
- ED of Central Bank (1996).
- Ex MD & CEO of ICICI Bank and AMFI.
- CEO of IBA (2003-2008).
- Director on Board of many leading companies and current member of Banking Board Bureau.

## Mr. G. M. Ramamurthy

- Has done Bachelor of Science and holds B.L, ACS, CAIIB, DCL, DTL & DLL degrees.
- 27 years of banking experience.
- Legal Advisor to leading FI/bank.
- Managed NPA recovery portfolio of IDBI amongst other functions.
- Chairman of the CDR Empowered Group.

## Profile of Board of Directors (cont'd)

### Dr. Anil K Khandelwal

- Holds bachelor's degree in Chemical Engineering.
- Former Chairman and Managing Director of Bank of Baroda and Dena Bank.
- Former President- Indian Institute Banking & Finance.
- Deputy Chairman- Indian Banks Association.
- Member of various expert committees and current member of Banking Board Bureau.
- Awarded Asian Banker Lifetime Achievement award in Financial Services by Asian Banker Singapore.

### Ms. Rupa Vora

- Eminent Chartered Accountant and has over 3 decades of experience in finance.
- Group Director & CFO in IDFC alternatives business for a decade.
- Associated with Antwerp Diamond Bank NV as CFO.
- Associated with KBC Bank NV as Financial Controller.
- Practicing experience of 9 yrs as an independent Chartered Accountant.

### Mr. Anil Bhatia

- 32 years of experience in the Indian Financial Markets
- Commerce Graduate and focus in the last 18 years has been on Asset Reconstruction and Distressed Assets, Credit Markets, Debt Capital Markets, Mortgage backed Securitisation, Domestic Loan Syndication, Corporate Bond Trading, Cross-Border Financing, Structured Products.
- Senior level relationships with major Scheduled Banks, Financial Institutions, Corporates, Public Sector Undertakings and Multinationals.
- Country Head – Credit Markets and Debt Capital Markets, ABN Amro, India
- MD & CEO of JMFARC since inception

### Mr. Adi Patel

- Mr. Adi Patel is a qualified chartered accountant and has been associated with the JM Financial Group for over 24 years
- Mr. Patel has been instrumental in implementing the financial transactions for some of the leading business houses in India.
- Over the last 15 years, he has developed strong relationships with leading Indian and global clients across various industry segments and has advised them on numerous financial, strategic, mergers, acquisitions & restructuring transactions.